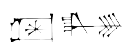


Liberty AND Order

THE FIRST AMERICAN
PARTY STRUGGLE

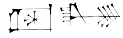
Edited and with a Preface
by Lance Banning



LIBERTY FUND

Indianapolis

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The cuneiform inscription that serves as our logo and as the design motif for our endpapers is the earliest-known written appearance of the word “freedom” (*amagi*), or “liberty.” It is taken from a clay document written about 2300 B.C. in the Sumerian city-state of Lagash.

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PART 2

The Leadership Divides

In all of American history, no Congress has accomplished quite so much, so very well, as the first one did in 1789. It framed the Bill of Rights. It passed an impost act, assuring the new government a steady source of revenues from duties on imports of foreign goods. It filled the Constitution's parchment outline of a working federal government with the Judiciary Act of 1789, establishing a system of federal courts, and legislation creating four executive departments. It confirmed the president's superb appointments to the new executive positions: Thomas Jefferson at State, Alexander Hamilton at the Treasury, Henry Knox at the War Department, and Edmund Randolph as Attorney General.

When Congress reassembled for its second session, in December 1789, the largest problem unaddressed by the preceding session was the heavy burden of remaining revolutionary debt. Including the arrears of interest (since the portion owed to American citizens had gone unserviced for years), the nation owed about \$55 million: a fifth of it to foreign governments and bankers; the rest to citizens who had purchased bonds during the war or accepted payment for goods and services in promissory notes. The individual states, which had made quite different degrees of progress in retiring their own debts, owed another \$25 million. The Secretary of the Treasury, who had been ordered to report a plan for managing the debt, presented his proposals on 14 January 1790.

For Hamilton, the reestablishment of public credit, narrowly conceived, was only the first of several steps required to put the national finances on a firm foundation and begin addressing larger economic needs. Accordingly, his first Report on Public Credit recommended measures cleverly designed to underpin a larger program, although the secretary's full design would only be unveiled as he delivered a succession of additional reports proposing the creation of a national bank, creation of an adequate supply of circulating money, and encouragement of rapid

economic growth. Simply put, the secretary recommended that the old certificates of public debt should be exchanged for new ones paying a smaller rate of interest. In exchange, the government would pledge most of the revenues deriving from the impost to payment of that interest, and, from time to time, federal commissioners would purchase bonds on private money markets, which would gradually retire the obligations. To rationalize the national finances, the federal government would also assume responsibility for the unpaid debts of the states, paying for this assumption with an excise tax on spirits, coffee, and tea. If state and federal creditors could be assured of steady payment of the interest due them on their notes, the government's certificates of debt, which had been trading for a fraction of their value, would quickly rise toward par and could be passed from one investor to another almost as readily as cash; indeed, they could be used, like coin, to underpin a range of further investments, beginning with a national bank. Meanwhile, public credit (or the government's ability to borrow) would be instantly restored. With its finances placed on this foundation, the United States might even refinance the smaller sums still owed to foreign governments and bankers at a lower rate of interest.

The funding plan did work, in practice, much as Hamilton envisioned. But congressmen were quick to notice that the secretary's plan made slight provision for actually paying off the debt, proposing to dedicate to this purpose only the surplus revenues of the post office. Indeed, in order to protect the market value of the bonds, the plan deliberately limited the amount of debt that could be retired in any single year. For this and other reasons, the funding and assumption plans sparked the sharpest disagreements since the approval of the Constitution, and Hamilton's larger plan would split the men who had secured the Constitution into the contending groups from which the first American parties would emerge.

Funding and Assumption

ALEXANDER HAMILTON

The First Report on Public Credit

14 January 1790

Already thinking far beyond the reestablishment of public credit, Hamilton took pains in the report to counter alternative suggestions that were already circulating in the country. He particularly objected to the ideas of funding the debt at its depreciated value, discriminating between original and current holders of the notes, or forgoing an assumption of the debts of the states.

. . . While the observance of that good faith which is the basis of public credit is recommended by the strongest inducements of political expediency, it is enforced by considerations of still greater authority. There are arguments for it which rest on the immutable principles of moral obligation. And in proportion as the mind is disposed to contemplate, in the order of Providence, an intimate connection between public virtue and public happiness, will be its repugnancy to a violation of those principles.

This reflection derives additional strength from the nature of the debt of the United States. It was the price of liberty. The faith of America has been repeatedly pledged for it, and with solemnities that give peculiar force to the obligation. There is indeed reason to regret that it has not hitherto been kept; that the necessities of the war, conspiring with inexperience in the subjects of finance, produced direct infractions; and that the subsequent period has been a continued scene of negative violation, or non-compliance. But a diminution of this regret arises from the reflection that the last seven years have exhibited an earnest and uniform effort, on the part of the government of the union, to retrieve the national credit, by doing justice to the creditors of the nation; and that the embarrassments of a defective constitution, which defeated this laudable effort, have ceased. . . .

It cannot but merit particular attention that among ourselves the most enlightened friends of good government are those whose expectations are the highest.

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, at the present period, for the support of public credit.

To this provision we are invited, not only by the general considerations which have been noticed, but by others of a more particular nature. It will procure to every class of the community some important advantages and remove some no less important disadvantages.

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 other 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; or in other words, stock, in the principal transactions of business, passes current as specie. 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; because there is a larger capital to carry it on, and the merchant can at the same time afford to trade for smaller profits as his stock, which, when unemployed, brings him in an interest from the government, serves him also as money, when he has a call for it in his commercial operations.

Secondly. Agriculture and manufactures are also promoted by it: For the like reason, that more capital can be commanded to be employed in both; and because the merchant, whose enterprize in foreign trade gives to them activity and extension, has greater means for enterprize.

Thirdly. The interest of money will be lowered by it, for this is always in a ratio to the quantity of money and to the quickness of circulation. This circumstance will enable both the public and individuals to borrow on easier and cheaper terms.

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

But these good effects of a public debt are only to be looked for when, by being well funded, it has acquired an *adequate* and *stable* value. Till then, it has rather a contrary tendency. The fluctuation and insecurity incident to it in an unfunded state render it a mere commodity, and a precarious one. As such, being only an object of occasional and particular speculation, all the money applied to it is so much diverted from the more useful channels of circulation, for which the thing itself affords no substitute: So that, in fact, one serious inconvenience of an unfunded debt is that it contributes to the scarcity of money.

This distinction, which has been little if at all attended to, is of the greatest moment. It involves a question immediately interesting to every part of the community; which is no other than this —Whether the public debt, by a provision for it on true principles, shall be rendered a *substitute* for money; or whether, by being left as it is, or by being provided for in such a manner as will wound those principles and destroy confidence, it shall be suffered to continue, as it is, a pernicious drain of our cash from the channels of productive industry.

The effect which the funding of the public debt, on right principles, would have upon landed property, is one of the circumstances attending such an arrangement which has been least adverted to, though it deserves the most particular attention. The present depreciated state of that species of property is a serious calamity. The value of cultivated lands, in most of the states, has fallen since the revolution from 25 to 50 per cent. In those farthest south, the decrease is still more considerable. Indeed, if the representations continually received from that quarter may be credited, lands there will command no price which may not be deemed an almost total sacrifice.

This decrease in the value of lands ought, in a great measure, to be attributed to the scarcity of money. Consequently, whatever produces an augmentation of the monied capital of the country must have a proportional effect in raising that value. The beneficial tendency of a funded debt, in

this respect, has been manifested by the most decisive experience in Great-Britain.

The proprietors of lands would not only feel the benefit of this increase in the value of their property, and of a more prompt and better sale when they had occasion to sell; but the necessity of selling would be, itself, greatly diminished. As the same cause would contribute to the facility of loans, there is reason to believe that such of them as are indebted would be able, through that resource, to satisfy their more urgent creditors.

It ought not however to be expected that the advantages described as likely to result from funding the public debt would be instantaneous. It might require some time to bring the value of stock to its natural level, and to attach to it that fixed confidence which is necessary to its quality as money. Yet the late rapid rise of the public securities encourages an expectation that the progress of stock to the desirable point will be much more expeditious than could have been foreseen. And as in the mean time it will be increasing in value, there is room to conclude that it will, from the outset, answer many of the purposes in contemplation. Particularly it seems to be probable that from creditors who are not themselves necessitous it will early meet with a ready reception in payment of debts, at its current price.

Having now taken a concise view of the inducements to a proper provision for the public debt, the next enquiry which presents itself is, what ought to be the nature of such a provision? This requires some preliminary discussions.

It is agreed on all hands that that part of the debt which has been contracted abroad, and is denominated the foreign 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, or to that which has been contracted at home. It is to be regretted that there is not the same unanimity of sentiment on this part as on the other.

The Secretary has too much deference for the opinions of every part of the community not to have observed one which has, more than once, made its appearance in the public prints, and which is occasionally to be met with in conversation. It involves this question, 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 value, but contend that the latter ought to receive no more than the cost to them and the interest: And the idea is sometimes suggested of making good the difference to the primitive possessor.

In favor of this scheme, it is alledged that it would be unreasonable to pay twenty shillings in the pound 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 had speculated on his distresses.

The Secretary, after the most mature reflection on the force of this argument, is induced to reject the doctrine it 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; in 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 by selling it for as much as it *may be worth in the market*, and that the buyer may be *safe* in the purchase.

Every buyer therefore stands exactly in the place of the seller, has the same right with him to the identical sum expressed in the security, and having acquired that right, by fair purchase and in conformity to the original *agreement* and *intention* of the government, his claim cannot be disputed, without manifest injustice.

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 a 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 paid what the commodity was worth in the market, and took the risks of reimbursement upon himself. He of course gave a fair equivalent, and ought to reap the benefit of his hazard; a hazard which was far from inconsiderable and which, perhaps, turned on little less than a revolution in government.

That the case of those who parted with their securities from necessity is a hard one, cannot be denied. But whatever complaint of injury or claim of redress they may have respects the government solely. They have not only nothing to object to the persons who relieved their necessities, by giving them the current price of their property, but they are even under an implied condition to contribute to the reimbursement of those persons. They knew that by the terms of the contract with themselves, the public were bound to pay to those to whom they should convey their title the sums stipulated to be paid to them; and, that as citizens of the United States, they were to bear their proportion of the contribution for that purpose. This, by the act of assignment, they tacitly engage to do; and if they had an option, they could not, with integrity or good faith, refuse to do it, without the consent of those to whom they sold.

But though many of the original holders sold from necessity, it does not follow that this was the case with all of them. It may well be supposed that some of them did it either through want of confidence in an eventual provision or from the allurements of some profitable speculation. How shall these different classes be discriminated from each other? How shall it be ascertained, in any case, that the money which the original holder obtained for his security was not more beneficial to him than if he had held it to the present time, to avail himself of the provision which shall be made? How shall it be known whether, if the purchaser had employed his money in some other way, he would not be in a better situation than by having applied it in the purchase of securities, though he should now receive their full amount? And if neither of these things can be known, how shall it be determined whether a discrimination, independent of the breach of contract, would not do a real injury to purchasers; and if it included a compensation to the primitive proprietors, would not give them an advantage to which they had no equitable pretension.

It may well be imagined, also, that there are not wanting instances in which individuals, urged by a present necessity, parted with the securities received by them from the public and shortly after replaced them with others, as an indemnity for their first loss. Shall they be deprived of the indemnity which they have endeavoured to secure by so provident an arrangement?

Questions of this sort, on a close inspection, multiply themselves without end, and demonstrate the injustice of

a discrimination even on the most subtle calculations of equity, abstracted from the obligation of contract.

The difficulties too of regulating the details of a plan for that purpose, which would have even the semblance of equity, would be found immense. It may well be doubted whether they would not be insurmountable and replete with such absurd, as well as inequitable consequences, as to disgust even the proposers of the measure. . . .

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 that Constitution shall be as valid against the United States under it, as under the confederation,” which amounts to a constitutional ratification of the contracts 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 as equal.

In exploding thus fully the principle of discrimination, the Secretary is happy in reflecting that he is only the advocate of what has been already sanctioned by the formal and express authority of the government of the Union, in these emphatic terms—“The remaining class of creditors (say Congress in their circular address to the states of the 26th of April 1783) is composed partly of such of our fellow-citizens as originally lent to the public the use of their funds or have since manifested *most confidence* in their country by receiving transfers from the lenders; and partly of those whose property has been either advanced or assumed for the public service. To *discriminate* the merits of these several descriptions of creditors would be a task equally unnecessary and invidious. If the voice of humanity plead more loudly in favor of some than of others, the voice of policy, no less than of justice, pleads in favor of all. A WISE NATION will never permit those who relieve the wants of their country, or who *rely most* on its *faith*, its *firmness*, and its *resources*, when either of them is distrusted, to suffer by the event.”

The Secretary, concluding that a discrimination between the different classes of creditors of the United States cannot with propriety be *made*, proceeds to examine whether a difference ought to be permitted to *remain* between them and another description of public creditors—Those of the states individually.

The Secretary, after mature reflection on this point, entertains a full conviction that an assumption of the debts of the particular states by the Union, and a like provision for them as for those of the Union, will be a measure of sound policy and substantial justice.

It would, in the opinion of the Secretary, contribute, in an eminent degree, to an orderly, stable and satisfactory arrangement of the national finances.

Admitting, as ought to be the case, that a provision must be made in some way or other for the entire debt, it will follow that no greater revenues will be required whether that provision be made wholly by the United States or partly by them and partly by the states separately.

The principal question then must be whether such a provision cannot be more conveniently and effectually made by one general plan issuing from one authority than by different plans originating in different authorities.

In the first case there can be no competition for resources; in the last, there must be such a competition. The consequences of this, without the greatest caution on both sides, might be interfering regulations, and thence collision and confusion. Particular branches of industry might also be oppressed by it. The most productive objects of revenue are not numerous. Either these must be wholly engrossed by one side, which might occasion an accumulation upon them beyond what they could properly bear. If this should not happen, the caution requisite to avoiding it would prevent the revenue's deriving the full benefit of each object. The danger of interference and of excess would be apt to impose restraints very unfriendly to the complete command of those resources which are the most convenient; and to compel the having recourse to others, less eligible in themselves, and less agreeable to the community. . . .

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 the support of the fiscal arrangements of the government: As these, too, can be made with more convenience where there is no competition, these circumstances combined will insure to the revenue laws a more ready and more satisfactory execution.

If on the contrary there are distinct provisions, there will be distinct interests, drawing different ways. That union and concert of views among the creditors, which in every government is of great importance to their security and to that of public credit, will not only not exist, but will

be likely to give place to mutual jealousy and opposition. And from this cause, the operation of the systems which may be adopted, both by the particular states and by the Union, with relation to their respective debts, will be in danger of being counteracted.

There are several reasons which render it probable that the situation of the state creditors would be worse than that of the creditors of the Union if there be not a national assumption of the state debts. Of these it will be sufficient to mention two; one, that a principal branch of revenue is exclusively vested in the Union; the other, that a state must always be checked in the imposition of taxes on articles of consumption from the want of power to extend the same regulation to the other states and from the tendency of partial duties to injure its industry and commerce. Should the state creditors stand upon a less eligible footing than the others, it is unnatural to expect they would see with pleasure a provision for them. The influence which their dissatisfaction might have could not but operate injuriously, both for the creditors and the credit of the United States.

Hence it is even the interest of the creditors of the Union that those of the individual states should be comprehended in a general provision. Any attempt to secure to the former either exclusive or peculiar advantages would materially hazard their interests.

Neither would it be just that one class of the public creditors should be more favoured than the other. The objects for which both descriptions of the debt were contracted are in the main the same. Indeed a great part of the particular debts of the states has arisen from assumptions by them on account of the Union. And it is most equitable that there should be the same measure of retribution for all.

There is an objection, however, to an assumption of the state debts which deserves particular notice. It may be supposed that it would increase the difficulty of an equitable settlement between them and the United States.

The principles of that settlement, whenever they shall be discussed, will require all the moderation and wisdom of the government. In the opinion of the Secretary, that discussion, till further lights are obtained, would be premature.

All therefore which he would now think advisable on the point in question would be that the amount of the debts assumed and provided for should be charged to the respective states, to abide an eventual arrangement. This, the United States, as assignees to the creditors, would have an indisputable right to do. . . .

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, in the latitude in which it is sometimes laid down, 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 in the system of public credit of the United States, that the creation of debt should always be accompanied with the means of extinguishment. This he regards as the true secret for rendering public credit immortal. And he presumes that it is difficult to conceive a situation in which there may not be an adherence to the maxim. At least he feels an unfeigned solicitude that this may be attempted by the United States, and that they may commence their measures for the establishment of credit with the observance of it.

Under this impression, the Secretary proposes that the net product of the post-office, to a sum not exceeding one million of dollars, be vested in commissioners to consist of the Vice-President of the United States or President of the Senate, the Speaker of the House of Representatives, the Chief Justice, Secretary of the Treasury and Attorney-General of the United States, for the time being, in trust, to be applied by them, or any three of them, to the discharge of the existing public debt, either by purchases of stock in the market or by payments on account of the principal, as shall appear to them most advisable, in conformity to the public engagements; to continue so vested until the whole of the debt shall be discharged. . . .

Debates in the House of Representatives on the First Report on Public Credit

9–18 February 1790

Deliberations on Hamilton’s report opened on 9 February with a resolution “that permanent funds ought to be appropriated for the payment of interest on and the gradual discharge of the domestic debt of the United States.” The proceedings could be followed closely by the public, since newspapers at the seat of government published the House of Representatives’ debates and papers around the country copied them from these sources.

James Jackson (Ga.)

Believe me, Mr. Chairman, I have as high a sense of the obligation we are under to the public creditors, and feel as much gratitude toward them, as any man on this floor. I shall ever cheerfully acknowledge the duty we owe to our benefactors and, in a peculiar manner, to those brave soldiers who, at the risk of their lives and fortunes, secured the independency of America. I have also the most sincere wishes for the re-establishment of public credit, and that upon firm and solid ground, and on principles which cannot be called in question. But there appears to me a previous question, which has not yet been brought forward; it is this, whether there exists an immediate necessity of funding the national debts, or not, in the permanent manner proposed?

The high regard I have for the nature and circumstances of the foreign debt induced me to let the first proposition pass without any animadversion. The vote which has been taken on that point will serve to show foreigners that we are concerned to preserve our credit with them, by a rigid performance of our stipulations; trusting, at the same time, that our fellow citizens cannot object to a distinction so just and proper in itself; for, notwithstanding what the domestic creditors may say, it is the money of foreigners that has, in a great measure, established our independence.

But it is doubted with me whether a permanent funded debt is beneficial or not to any country. Some of the first writers in the world, and who are most admired on account of the clearness of their perceptions, have thought otherwise; and declared that wherever funding systems have been adopted in a government, they tend more to injure posterity than they would injure the inhabitants to pay the whole debt at the time it was contracted. This principle, I apprehend, is demonstrated by experience. The first system of the kind that we have an account of originated in the state of Florence, in the year 1334; that government then owed about 60,000 sterling, and being unable to pay it, formed the principal into a funded debt, transferable, with interest, at 5 per cent. What is the situation of Florence in consequence of this event? Her ancient importance is annihilated. . . . Spain seems to have learned the practice from the Italian republics, and she, by the anticipation of her immense revenue, has sunk her consequence beneath that level which her natural situation might have maintained. France is considerably enfeebled and languishes under a heavy load of debt. England is a melancholy instance of the

ruin attending such engagements. In the reign of King William, 1706, the policy of the English parliament laid the foundation of what is called the national debt; but the sum was inconsiderable; it little exceeded 5,000,000 sterling. The example then set has been closely followed. In 1711, it amounted to 9,177,769 sterling, during the wars in the reign of Queen Anne. Since that, the capital of the debt of Great Britain amounted, in 1777, to about 136,000,000 sterling; and to such a pitch has the spirit of funding and borrowing been carried in that country that, in 1786, the national debt there had increased to 230,000,000 sterling; a burthen the most sanguine mind can never contemplate they will ever be relieved from. If future difficulties should involve that nation still further, what must be the consequence? The same effect must be produced that has taken place in other nations; it must either bring on a national bankruptcy or annihilate her existence as an independent empire. Hence I contend, sir, that a funding system, in this country, will be highly dangerous to the welfare of the republic; it may, for a moment, raise our credit and increase the circulation, by multiplying a new species of currency; but it must, in times afterward, settle upon our posterity a burthen which they can neither bear nor relieve themselves from. It will establish a precedent in America that may, and in all probability will, be pursued by the sovereign authority until it brings upon us that ruin which it has never failed to bring, or is inevitably bringing, upon all the nations of the earth who have had the temerity to make the experiment. Let us take warning by the errors of Europe and guard against the introduction of a system followed by calamities so universal. Though our present debt be but a few millions, in the course of a single century, they may be multiplied to an extent we dare not think of; for my part, I would rather have direct taxes imposed at once, which, in the course of a few years, should annihilate the principal of our debt. A few years exertion, in this way, will prevent our posterity from a load of annual interest amounting to the fifth, or perhaps the half, of the sum we are now under engagements to pay.

But why, Mr. Chairman, should we hasten on this business of funding? Are our debts ascertained? The report of the secretary of the treasury proposes that we should not only fund the debts that are ascertained, but the unliquidated and unsettled debts due from the continent; nor does the plan stop here, it proposes that we should assume the payment of the state debts, debts, to us, totally

unknown. Many of the states, sir, have not yet ascertained what they owe, and if we do not know the amount of what we are, or are to be, indebted, shall we establish funds? Shall we put our hands into the pockets of our constituents, and appropriate monies for uses we are undetermined of? But more especially shall we do this when, in doing it, it is indisputably certain that the incumbrance will more than exceed all the benefits and conveniencies? Gentlemen may come forward, perhaps, and tell me that funding of the public debt will increase the circulating medium of the country, by means of its transferable quality; but this is denied by the best informed men. They occasion enormous taxes for the payment of the interest. These taxes hurt both agriculture and commerce. It is charging the active and industrious citizen, who pays his share of the taxes, to pay the indolent and idle creditor who receives them, to be spent and wasted in the course of the year without any hope of a future reproduction; for the new capital which they acquire must have existed in the country before, and must have been employed, as all capitals are, in maintaining productive labor. Thus the honest, hard working part of the community are adding to the ease and luxury of men of wealth. Such a system may benefit large cities, like Philadelphia or New-York, but the remote parts of the continent may not feel the invigorating warmth of the American treasury; in the proportion that it benefits one, it depresses another. . . .

Under these impressions, sir, I am led to conclude that it is becoming the wisdom of congress to postpone the consideration of the remaining propositions; let us endeavor to discover whether there is an absolute necessity for adopting a funding system or not. If there is no such necessity, a short time will make it apparent, and let it be remembered what funds the United States possess in their Western Territory. The disposal of those lands may, perhaps, supercede the necessity of establishing a permanent system of taxation. The secretary of the treasury is directed to report on this head to the House, and perhaps that report may show us that this property is likely to be more productive than we at present apprehend. These considerations induced me to wish that the further consideration be postponed for the present.

Roger Sherman (Conn.)

. . . I think, whatever doubts there may be with respect to the advantage or disadvantage of a public debt, we can

none of us hesitate to decide that provision of some kind ought to be made for what we have already incurred. It is true, if we were now about to borrow money, it would be highly prudent to consider whether the anticipation should not be repaid by a speedy collection of taxes or duties to the amount; but when a debt is acquired beyond our present ability to discharge, we ought to make some provision for its gradual extinction, but, in the interim, we ought to pay punctually the interest. Now, this resolution goes no further.

Some of the propositions which follow go further than this; they propose perpetual annuities and talk of irredeemable stock. Now, this is more than I am willing to agree to, because I think it prudent for us to get out of debt as soon as we can. But then I do not suppose we can raise money enough to pay off the whole principal and interest in two, three, or ten years. If I am right in this, we ought to agree to some mode of paying the interest in the interim.

William Loughton Smith (S.C.)

The report of the secretary of the treasury contains a proposition for the establishment of a sinking fund. I wish the gentleman who brought forward the resolutions under consideration had included that part of the system in his propositions, as it might have had a tendency to ease the mind of the honorable gentleman from Georgia and to have shown him that the public debt was not intended to acquire the permanency which he dreads. If our present debt cannot be paid off at once, all that can be done is to provide such funds for its gradual extinction as will morally ensure the object.

The gentleman has contended that public funding is a public injury. I agree with him that funding a debt to a very great amount may be very injurious; yet, funding a small debt is beneficial. But whether this is or is not a fact is not the object of our present enquiry. We are not in a situation to determine whether we will, or will not, have a public debt. 'Tis already acquired, and it appears to me to be a matter of necessity that we should appropriate some funds for the payment of the interest thereon. When we consider the nature of the contract, for what it is we owe the money, and our ability to comply, it follows, of consequence, that we must pay; it follows as close as the shadow follows its substance, or as close as the night does the day. The only question that can come before us is the mode of doing it. . . .

James Jackson

begged the committee would not understand him that he was against paying the debts of the United States; he had no such object in view. The sinking fund alluded to by the gentleman from South-Carolina had not escaped his attention; but he very much doubted whether it ought to be relied on to effect the purpose he had in view. He believed sinking funds were generally considered as a kind of stand-by or subsidiary fund, always at hand to be mortgaged when money was proposed to be raised on any exigency of the state. . . .

Samuel Livermore (N.H.)

I do not clearly understand the import of the resolution before the committee; it seems worded rather in a doubtful manner. If it means that funds ought to be appropriated for the payment of the interest and principal of the domestic debt as the amount appears on the face of the certificates, I shall be totally against it; whether it pointedly carries that meaning or not I cannot say.

For my part, I consider the foreign and domestic debt to carry with them very material distinctions. The one is not like a debt, while the other has all the true qualities of one. However gentlemen may think on this subject, there is a great difference between the merits of that debt which was lent the United States in real money, in solid coin, by disinterested persons, not concerned or benefited by the revolution, and at a low rate of interest; and in those debts which have been accumulating upon the United States at the rate of 6 per cent interest and which were not incurred for efficient money lent, but for depreciated paper or services done at exorbitant rates, or for goods or provisions supplied for more than their real worth, by those who received all the benefits arising from our change of condition. It is within the notice and knowledge of every gentleman that a very considerable part of our domestic loan-office debt arose in this manner; it is well known that loan-office certificates were issued as a kind of circulating medium when the United States were in such straits for cash that they could not raise the necessary supplies in any other way; and it is very well known that those who sold goods or provisions for this circulating medium raised their prices from six shillings to ten shillings at least.

There is another observation I would beg leave to make. The prices at which our supplies were procured were such, even in hard money, that it might be said specie had

depreciated, or what amounted to the same thing, the commodities were sold for more than they ought to have fetched; in many cases, half the price would now purchase the same thing. If so, there is as much reason that we should now consider these public securities in a depreciated state as every holder of them has considered them from that [time forward] . . .

Thomas Scott of Pennsylvania then moved for a discrimination between current and original holders of the government's obligations.

Thomas Scott

. . . All I contend for is this, that the present government pay the debts of the United States, but as the domestic part of the debt has been contracted, in depreciated notes; [and] that less interest should be paid upon it than 6 per cent. Six per cent was the usual interest upon the certificates when they were issued by Congress; but if the possessor has received no part of his 6 per cent until this time, that now the principal and interest be consolidated into one sum, hereafter to bear an interest of three or four per cent; then those citizens who now stand as creditors of the union will find that [that] part of their property has been the most productive of any, much more productive than the property of the citizens of the United States has generally been. Those who lent their money to individuals before and during the late war generally lost, or suffered by the depreciation, some three-quarters of the capital, nay some $\frac{39}{40}$ ths. But is this the case of the domestic creditor of the United States? No, Mr. Chairman, he will preserve his property through the chaos of the revolution and be put now in a more eligible situation than he was at the time he loaned his money. The capital sum which he lent is now increased, and very rapidly increased, for 6 per cent is a very large interest. He will now receive 160 dollars for his 100, and putting that into the funds, at three or four per cent, he will find more productive than any other method in which he could employ his money; for I contend that neither improved nor unimproved lands will give an interest of near half of what the public creditor will have. People who have held real property have sunk, with the taxes and other losses, the greatest part of it; but the public creditor has let his run through the confusion of the revolution and nevertheless gets it returned to him safe and, so far from being impaired, that it has prodigiously

accumulated, not only in a manner superior to the property of his fellow-citizens, but superior to the foreigner who lent his money at 4 per cent. Justice and equity require, on the behalf of the community, that these people be content with reasonable profit. They ought not, therefore, to receive, on a funded debt, so much as six per cent; whether three or four, or something between three and four, would be a proper sum, I shall not pretend to determine. But I consider it a proper question for this committee to consider, in justice to those who are to pay, as to those who are to receive; nor do I believe the domestic creditors would be dissatisfied with it, provided they were sure of receiving this annual interest; for their debts, on such a footing, would be better to them than if they were established on an extravagant plan that could never be effected, but which would be likely to throw the nation into confusion. Every body has suffered more or less by the depreciation, but the public creditors very little in regard to that part of their property which they had deposited in the hands of government. It is true that it has slept; but it is now waked up to some purpose.

Roger Sherman

I do not differ much in principle from the gentleman who spoke last, from Pennsylvania (Mr. Scott) but I do not extend my views so far as he extends his in the exercise of the power which he contends is vested in this body. I look upon it that every legislature acts in a threefold capacity: They have a power to make laws for the good government of the people and a right to repeal and alter those laws as public good requires. In another capacity, they have a right to make contracts. But here I must contend that they have no right to violate, alter or abolish [those contracts]. . . . When bills of credit were first emitted, it was declared that they should be redeemed with specie; indeed, they passed as such at first, but the opinion of their real value was changed by common consent. . . . I don't see but what the public are bound by that contract, as much as an individual, and that they cannot reduce it down in either principal or interest unless by an arbitrary power, and in that case there never will be any security in the public promises. If we should now agree to reduce the domestic debt to 4 per cent, the world may justly fear that we may, on some future occasion, reduce it to two; if this government once establishes such a principle, our credit is inevitably gone for ever. . . .

James Jackson

. . . Gentlemen . . . contend that no sort of discrimination ought to take place, yet from what they have let fall on this occasion, I am led to believe that they favor that part of the report of the secretary which makes a discrimination, in fact, equal to one-third loss of the principal. What will hold good in one case ought to hold good in another, and a discrimination might take place upon the same principles between those to whom the government were originally indebted and who have never received satisfaction therefor and those who had nothing to do with the government in the first transaction but have merely speculated and purchased up the evidence of an original debt. Some gentlemen think that this latter class merit that greater degree of attention should be paid to their claims because, by their actions, they seem to have evinced a greater degree of confidence in the government than those who sold them. But, sir, these men have had more information; they have been at the seat of government and knew what was in contemplation before the other parts of the union could be acquainted with it. There has been no kind of proportion of knowledge between the two classes. To use the expression of a British minister, the reciprocity has been all on one side. The people in this city are, sir, informed of all the motions of government; they have sent out their money, in swift sailing vessels, to purchase up the property of uninformed citizens in the remote parts of the union; but were those citizens acquainted with our present deliberations and assured of the good intent of congress to provide for their just demands, they would be on an equal footing; they would not incline to throw away their property for considerations totally inadequate. Such attempts at fraud, Mr. Chairman, would justify the government in interfering in the transactions between individuals, without a breach of the public faith. . . .

11 February 1790

James Madison (Va.)

. . . It has been said by some gentlemen that the debt itself does not exist in the extent and form which is generally supposed. I confess, sir, I differ altogether from the gentleman who takes that ground. Let us consider, first, by whom the debt was contracted, and then let us consider, sir, to whom it is due. The debt was contracted by the United States, who, with respect to that particular transaction, were in a national capacity. The government was

nothing more than the agent, or organ, by which the whole body of the people acted. The change in the government which has taken place has enlarged its national capacity, but it has not varied the national obligation with respect to the engagements entered into by that transaction. For, in like manner, the present government is nothing more than the organ, or agent, of the public. The obligation which they are under is precisely the same with that under which the debt was contracted; although the government has been changed, the nation remains the same. There is no change in our political duty, nor in the moral or political obligation. The language I now use, sir, is the language of the constitution itself; it declares that all debts shall have the same validity against the United States, under the new, as under their old form of government. The obligation remains the same, though I hope experience will prove that the ability has been favorably varied.

The next question is, to what amount the public are at present engaged? I conceive the question may be answered in a few words. The United States owe the value they received, which they acknowledge, and which they have promised to pay. What is that value? It is a certain sum in principal, bearing an interest of six per cent. No logic, no magic, in my opinion, can diminish the force of the obligation.

The only point on which we can deliberate is, to whom the payment is really due. For this purpose, it will be proper to take notice of the several descriptions of people who are creditors of the union and lay down some principles respecting them, which may lead us to a just and equitable decision. . . . It may here be proper to notice four classes into which they may be divided.

First. Original creditors, who have never alienated their securities.

Second. Original creditors, who have alienated.

Third. Present holders of alienated securities.

Fourth. Intermediate holders, through whose hands securities have circulated.

The only principles that can govern the decision on their respective pretensions I take to be 1. public justice; 2. public faith; 3. public credit; 4. public opinion.

With respect to the first class, there can be no difficulty. Justice is in their favor, for they have advanced the value which they claim; public faith is in their favor, for the written promise is in their hands; respect for public credit is in their favor, for if claims so sacred are violated, all

confidence must be at an end; public opinion is in their favor, for every honest citizen cannot but be their advocate.

With respect to the last class, the intermediate holders, their pretensions, if they have any, will lead us into a labyrinth for which it is impossible to find a clue. This will be the less complained of because this class were perfectly free, both in becoming and ceasing to be creditors; and because, in general, they must have gained by their speculations.

The only rival pretensions, then, are those of the original creditors who have assigned, and of the present holders of the assignments.

The former may appeal to justice, because the value of the money, the service, or the property advanced by them, has never been really paid to them.

They may appeal to good faith, because the value stipulated and expected is not satisfied by the steps taken by the government. The certificates put into the hands of the creditors, on closing their settlements with the public, were of less real value than was acknowledged to be due; they may be considered as having been forced, in fact, on the receivers. They cannot, therefore, be fairly adjudged an extinguishment of the debt. They may appeal to the motives for establishing public credit, for which justice and faith form the natural foundation. They may appeal to the precedent furnished by the compensation allowed to the army during the late war, for the depreciation of bills, which nominally discharged the debts. They may appeal to humanity, for the sufferings of the military part of the creditors can never be forgotten while sympathy is an American virtue. To say nothing of the singular hardship, in so many mouths, of requiring those who have lost four-fifths or seven-eighths of their due to contribute the remainder in favor of those who have gained in the contrary proportion.

On the other hand, the holders by assignment, have claims, which I by no means wish to depreciate. They will say that whatever pretensions others may have against the public, these cannot affect the validity of theirs: That if they gain by the risk taken upon themselves, it is but the just reward of that risk. That as they hold the public promise, they have an undeniable demand on the public faith. That the best foundation of public credit is that adherence to literal engagements on which it has been erected by the most flourishing nations. That if the new government should swerve from so essential a principle, it

will be regarded by all the world as inheriting the infirmities of the old. Such being the interfering claims on the public, one of three things must be done; either pay both, reject wholly one or the other, or make a *composition* between them on some principle of equity. To pay both is perhaps beyond the public faculties; and as it would far exceed the value received by the public, it will not be expected by the world, nor even by the creditors themselves; to reject wholly the claims of either is equally inadmissible; such a sacrifice of those who possess the written engagements would be fatal to the proposed establishment of public credit; it would moreover punish those who had put their trust in the public promises and resources. To make the other class the sole victims was an idea at which human nature recoiled.

A composition, then, is the only expedient that remains. Let it be a liberal one in favor of the present holders; let them have the highest price which has prevailed in the market; and let the residue belong to the original sufferers. This will not do perfect justice; but it will do more real justice and perform more of the public faith than any other expedient proposed. The present holders, where they have purchased at the lowest price of the securities, will have a profit that cannot reasonably be complained of; where they have purchased at a higher price, the profit will be considerable; and even the few who have purchased at the highest price cannot well be losers, with a well funded interest of 6 per cent. The original sufferers will not be fully indemnified; but they will receive from their country a tribute due to their merits, which, if it does not entirely heal their wounds, will assuage the pain of them. I am aware that many plausible objections will lie against what I have suggested, some of which, I foresee, will be taken some notice of. It will be said that the plan is impracticable. Should this be demonstrated, I am ready to renounce it; but it does not appear to me in that light. . . .

The discrimination proposed by me requires nothing more than a knowledge of the present holders, which will be shown by the certificates; and of the original holders, which the office documents will show. It may be objected that if the government is to go beyond the literal into the equitable claims against the United States, it ought to go back to every case where injustice has been done. To this the answer is obvious: The case in question is not only different from others in point of magnitude and of practicability, but forces itself on the attention of the committee,

as necessarily involved in the business before them. It may be objected that public credit will suffer, especially abroad: I think this danger will be effectually obviated by the honesty and disinterestedness of the government displayed in the measure, by a continuance of the punctual discharge of foreign interest, by the full provision to be made for the whole foreign debt, and the equal punctuality I hope to see in the future payments on the domestic debts. I trust also that all future loans will be founded on a previous establishment of adequate funds and that a situation like the present will be thereby rendered impossible.

I cannot but regard the present case as so extraordinary, in many respects, that the ordinary maxims are not strictly applicable to it. The fluctuations of stock in Europe, so often referred to, have no comparison with those in the United States. The former never exceeded 50, 60, or 70 per cent. Can it be said that because a government thought this evil insufficient to justify an interference, it would view in the same light a fluctuation amounting to seven or 800 per cent?

I am of opinion that were Great Britain, Holland, or any other country to fund its debts precisely in the same situation as the American debt, some equitable interference of the government would take place. The South-Sea scheme, in which a change amounting to 1000 per cent happened in the value of stock, is well known to have produced an interference, and without any injury whatever to the subsequent credit of the nation. It is true that, in many respects, the case differed from that of the United States; but, in other respects, there is a degree of similitude which warrants the conjecture. It may be objected that such a provision as I propose, will exceed the public ability. I do not think the public unable to discharge honorably all its engagements, or that it will be unwilling, if the appropriations shall be satisfactory. I regret, as much as any member, the unavoidable weight and duration of the burdens to be imposed, having never been a proselyte to the doctrine that public debts are public benefits. I consider them, on the contrary, as evils which ought to be removed as fast as honor and justice will permit, and shall heartily join in the means necessary for that purpose. I conclude with declaring, as my opinion, that if any case were to happen among individuals bearing an analogy to that of the public, a court of equity would interpose its redress; or that if a tribunal existed on earth by which nations could be compelled to do right, the United States would be compelled to do something not dissimilar in its principles to what I have contended for. . . .

Elias Boudinot (Mass.)

said, he had long been in the habit of paying great respect to the sentiments of the gentleman from Virginia, but he feared, on this occasion, he had not viewed the subject with his usual accuracy. But he was not surprised that the gentleman was led away by the dictates of his heart, for he believed he really felt for the misfortunes of his fellow-citizens who had been the prey of avaricious men. Indeed, it is matter of less surprise, on another account, said he, for heretofore I contemplated the subject in nearly the same point of view. Influenced by a desire to do justice to every person connected with the public, I wished for the means of compensating the original holders who had sold their certificates at a great loss; but I found the thing, upon long and careful examination, to be both unjust and impracticable.

The honorable gentleman tells us that the debt was contracted for meritorious services and enquires whether the creditor received an adequate compensation in full discharge? I say, sir, the debt is still due and that the person to whom it is due has received nothing but a certificate as evidence of his claim; but then, if any of our first creditors have put another person in their shoes, the question will arise, are we to disown the act of the party himself? Are we to say, we will not be bound by your transfer, we will not treat with your representative, but insist upon a resettlement with you alone? But the same reasoning will oblige us to go farther and investigate all the claims of those who received of the government continental money, which they afterwards parted with for ten, forty, or one hundred for one.

But, putting all this out of the question and supposing the motion to be founded on principles of justice, I would ask how it is to be carried into execution? The nature of the public debt will demonstrate its impracticability. A great part of this was contracted by the clerks in office, who, when the continental money was stopped, were supplied with some millions of dollars in loan-office certificates; they were given out in their names and afterwards distributed among the farmers, mechanics, and others who had furnished supplies or performed services. Now, how is it possible that you can ever trace a certificate, under these circumstances, up to the man who was the original *bona fide* creditor? Not from the name on the face of the paper, because it is the name of the clerk in office, the mere agent of the public. Other certificates were taken out of the loan-office by persons who were not concerned in making the

loan; many neighbors sent money by one hand, who went and took out certificates in his own name, which he afterward returned to the real lender. I have been entrusted myself with numerous commissions of this kind, when I have been going to the capital where the loan-office was kept. Now, suppose, as has been the case, that I took 10,000 dollars from ten of my neighbors, each 1000 dollars, and that I placed the whole in the continental loan-office at Philadelphia, taking out therefor ten loan-office certificates of 1000 dollars each, which, on my return, I gave to those who had sent their money by me; all these certificates had my name in them, and here I should appear to be the original holder of 10,000 dollars without any right whatever, and the men, who deserve much of their country, for the aid they furnished her in the hour of distress, are stripped, in a moment, of the greatest part of their property. I believe, if we adopt this motion, we shall give room for such scenes of enormity as humanity will be shocked at the bare prospect of. I am, therefore, clearly of opinion, that, if the principles be ever so just, we ought to reject it on account of its impracticability. . . .

15 February 1790

Mr. Madison's motion for a discrimination being under consideration,

Theodore Sedgwick (Mass.)

The proposition, Mr. Chairman, contains a question of the utmost importance. And the committee must be obliged to the gentleman who brought it forward for his very ingenious discussion of the subject of the domestic debt. With respect to the question now before the committee, so much has been said that I think it will not be necessary to consume much of their time in the investigation. On the subject of contracts I have to observe that whenever a voluntary engagement is made for a valuable consideration for property advanced or services rendered, and the terms of the contract are understood, if no fraud or imposition is practiced, the party engaging is bound to the performance according to the literal meaning of the words in which it is expressed. Such contract, whether of a Government or an individual, may be either transferable or not transferable. The latter species of contract receives an additional value from its capacity of being transferred, if the circumstances of the possessor should render the sale of it necessary or convenient to him. To render the

transferable quality of such evidences of contract in any degree advantageous to the possessor, it is necessary to consider, in case of sale, the alienee possessed of all the property of the original holder; and indeed it is highly absurd and even contradictory to say that such evidences of debt are transferable and at the same time to say that there is in them a kind of property that the holder could not convey by *bona fide* contract.

This is the construction which has invariably been given to these contracts, whether formed by Government or by individuals. To deprive the citizen of the power of binding himself by his own voluntary contract, or to prevent a disposition of property in its nature alienable, would be a violent and unjustifiable invasion of one of those rights of which man, as a citizen, is the most tenacious, and would indeed break one of the strongest bonds by which society is holden together.

In the transfers which have been made, the contracts were fairly made; the whole rights have been transferred. It is not pretended any fraud or imposition has been practiced. The risk was calculated by the parties, and it was observed that the risk contemplated a revolution in the Government.

From the foregoing deduction of particulars, it is presumed to be proved that a property is vested in the transferees. That if this property is divested by the Government, the law for that purpose would have a retrospective operation, and that no *ex post facto* law could be more alarming than that by which the right of private property is violently invaded. . . .

With regard, more particularly, to the proposition before the committee, I have to observe, that with regard to these contracts, there has existed a depreciation in consequence of the failure of Government regularly to pay the interest. That in this depreciated state, the securities have been alienated; that of course the original holders have sustained a loss; that if the loss resulted from the fault and not the misfortune of Government, the creditors have, undeniably, a demand against the Government for compensation; that this demand, however well founded, can never authorize the Government to invade the honestly acquired property of the present possessors, a property warranted by the terms of the contract itself and sanctioned by the act of Congress of April, 1783, and the validity of it recognized by the Constitution we have sworn to support.

With regard to the claims of the original holders, it is, however, observable, that the domestic creditor, at the time the contract was formed, well knew the nature of the Constitution of the Government administered by Congress, the other contracting party; that its power of performance depended on the ability and good-will of the States; that Congress had always performed its duty, had made the necessary requisitions; that this was its utmost power; and that the failure had arisen wholly from the neglect of the States. I therefore submit it to the committee, whether, if the original holder has a just or equitable demand, he should not resort to the State of which he is a member?

I admit that the case of an original holder is indeed a hard one; that I have a respect for his misfortunes and for his pretensions; that if satisfaction is discovered to be just and practicable, I would not hesitate to go to the utmost ability of the Government for that purpose. But let me ask, what merit will the Government possess if we strip one class of citizens, who have acquired property by the known and established rules of the law, under the specious pretence of doing justice to another class of citizens?

It was implicitly agreed, that eighty per cent depreciation would not authorize the interference proposed by the motion. I ask, then, for some point of depreciation to be pointed out which will authorize such interference.

The question for which I contend has received the universal approbation of mankind, there are no instances of the interference contended for, and this general sense of mankind affords me some evidence of truth. . . .

. . . By reason of the circumstances which have taken place, the honorable gentleman (Mr. Madison) supposes that if the whole amount of security shall be paid to the present possessor he will have a sum of money to which the original holder is equitably entitled. If this is true, then no interposition is necessary, it being a well-known rule of law that an action will always lie to recover money out of the hands of another to which the plaintiff, from the principles of equity and good conscience, is entitled.

With regard to the effects which will probably result from this measure, I have to observe that they will be destructive to our national character. That the world is now willing, charitably, to impute our former miscarriages to events we could not control; but should our first measures in regard to public faith be a violent infraction of our contracts, it will sanction all our bitterest enemies have

said to our disadvantage. With regard to its effects on credit, little dependence will be placed on the plighted faith of a Government which, under the pretence of doing equity, has exercised a power of dispensing with its contracts and has thereby formed for itself a precedent of future violations, both with respect to its funds and contracts. With regard to discovering who was the original holder, except so far as respects the army debt, I am certain there are no documents by which the necessary facts can be discovered. . . .

I have only to add, that the proposed system will lay a foundation for infinite frauds and perjuries, and that it will, beyond all powers of calculation, multiply the evils of speculation.

John Laurence (N.Y.)

observed that the proposition of the gentleman from Virginia (Mr. Madison) derived force from the talents and knowledge of that gentleman in public transactions; but that, on examination, it would be found to contain doctrines very repugnant to the interest and prosperity of the Union.

He then stated that the debts contracted by the United States were for loans of money, supplies of articles necessary for the public wants, and for actual services rendered in different employments. That these debts were ultimately adjusted and reduced to their present transferable form. That every part of the contract was essential to it. The negotiability was a material part. That the nature of the contract was frequently recognized by the late Government. That, in 1783, Congress recommended certain funds to be established to pay the interest and put the principal in a course of discharge. That this recommendation was unequivocal, as to the nature of it, and made no discrimination between the possessor and original holder. That the subsequent conduct of that body was conformable to this recommendation. That they had annually called on the States to furnish money to pay the interest without discriminating between the original holder and present possessor. That they had paid interest on the securities without making any discrimination. That provision had been made for holders of loan-office certificates that were subject to liquidation to have them cancelled and others issued for the specie value. That the holders of certificates were enabled to have them registered to guard against accidents; and that no distinction was made between the

original holder and the alienee. That the transferable nature of the claim was for the benefit of the creditor, because it gave it an active value. That he consented to take it, and consulted his own advantage. That the conduct of the late Congress, since the war, had been uniform in the support of this contract, and they had done no act to impair its obligation according to the terms of it. That this contract was valid against the Government; for, notwithstanding the truth of the gentleman's observations that the nation is the same, though the bodies that administered the Government were different, there was yet far greater security; and to remove all doubt, a clause that made all debts and engagements valid against the United States under the late General Government valid against the present was inserted in the Constitution.

He further observed that this contract having descended upon the Government, there was no right in the Legislature to impair the force of it. That the particular Governments are restrained from passing laws impairing the obligations of contracts. That this interference would be a violation of the contract between individuals when the certificate was transferred; and it would not be presumed, the States being prohibited, that the General Government had the power to do it.

He then adverted to the principles of the gentleman, to wrest the obligation of the public to the original holder, and observed that the same principles were in favor of the present possessor. That public justice required a performance of contracts when there was no fraud on the part of the holder. That the possessor had been guilty of no fraud, no deception. That the contract between him and the original holder was fair, and that a hazard and risk attended the purchase adequate to the advantage. That nothing short of a revolution in Government could have produced payment. That if there was an imposition, the public occasioned it; and between the original holder and the public, there might be a claim for retribution. That public faith was as sacredly pledged to the bearer, or present possessor, as to the original creditor. That public credit results from fair and upright conduct. That the Government, to support it, must perform its contract. That this was a contract recognized by them, and as such should be discharged. That the condition we have been in made it proper for us to be cautious on this subject; and even at present, people doubted our disposition to establish our credit. That this would give a fatal blow to it, and when we

should recover, if ever, was doubtful. That the public opinion was difficult to be ascertained; gentlemen had different modes to determine it. He supposed it was better ascertained by the acts of public bodies than by squibs in the newspapers or by pamphlets written by individuals. That the uniform conduct of men deputed by the particular States to represent them in the late General Government was the best standard; and their opinion, from the year 1783, was in favor of the present possessor. That the conduct of the particular States was another circumstance; that he did not know of any discrimination made by them, though it had been attempted. That the general opinion of men of property was in favor of it; and that these sources of public opinion were more certain than those he had before mentioned.

He further observed, that although he believed gentlemen supposed no advantage would be derived to the United States from this discrimination, yet much would arise. That part of the army was composed of foreigners; many had left the country, others were dead. All their part would be unclaimed. That certificates were issued to public officers to a great amount and were paid by them to persons from whom they purchased. The difficulty of making proof of the original creditor would be great; and, from this circumstance, great sums would be gained to the public. That there were persons enough who would have sagacity to discern this; and they would doubt the purity of the public motive, should the gentleman's plan be adopted.

He then adverted to the circumstance of the new creditor receiving paper. That this paper might be subject to another liquidation on the same principle as the present. That it would introduce doubt and distrust of public engagements; and there would be no greater security, although a fund was pledged, than there is at present, for whenever the public pleased, they might destroy the obligation. Arguments were improperly addressed to their feelings; but that, however hard it may be for the original creditor who had parted with his certificates to contribute to pay the debt, yet it would be equally hard on him who had been injured by the Continental money, who had been plundered by the enemy, who had had his property burned by them in the course of the war; and that instances of these kinds were numerous.

He then adverted to the doctrine of the Court of Equity and urged that this Court must be governed by principle.

That were the Committee this high Court and the United States, the original creditor, and the present possessor before them, and if there appeared no fraud on the part of the possessor, the original creditor would have no just claim on him. That between the United States and original creditors, the United States were in fault, and the claim, if good, would be against them. . . .

He concluded with saying that he was still open to conviction; but that he was, at the time of speaking, against the gentleman's propositions.

William Loughton Smith (S.C.)

remarked that it was necessary and proper the House should give the subject the most ample discussion. The question had long agitated the public mind, and the people should know that it had occupied the serious attention of their Representatives and be made acquainted with the principles of their decision. For his part, having bestowed on it the most attentive consideration, he could assert that the more he contemplated it, the more he was impressed with a conviction that the proposition was unjust, impolitic, and impracticable. It consisted of two parts: The one was to take away the property of one person; the other was to give that property to another; and this by a voluntary interposition of the House, by a mere act of power, without the assent of the former or without even the application of the latter. For it was remarkable that the original holders who had alienated their certificates had not come forward with this demand; and it is presumable that, had they applied for redress, they would reject any indemnification which was the result of such manifest injustice. To prove that this was taking away the property of a citizen by force, he observed that the purchaser had, by a fair purchase, acquired a right to the full amount of the sum expressed in the certificate, which it was not within the power of the House to divest him of. No tribunal on earth could lawfully deprive a man of his property fairly obtained. The purchaser bought under the act of Congress making the securities transferable; and having given the market price, without fraud or imposition, he was, by virtue of such purchase, vested with the complete and absolute ownership of the certificate, as fully as the original holder; and had as much right to demand full payment as the original holder would have had, had the security been still in his hands. Even should the House refuse, by an act

of power, to pay him more than half his demand, the other half would still remain against the public; it could not be extinguished. The debt would continually haunt them; the creditors would loudly clamor for justice, and sooner or later the balance would be paid. Then would they incur all the odium of a violation of private rights, without deriving to the public any advantage whatever. He considered the measure as doing a certain evil, that a possible good might result from it. This was not, in his opinion, the proper mode of doing good. Justice cannot be founded on injustice; and to take money out of the pocket of one man to put it into that of another is a precedent which may justify future interferences. This step would lead the House to others: for, if the principle be a just one, then the Government should look into all the transactions and speculations of individuals in order to correct them and make retribution to every individual according to his losses. He was persuaded that the true policy of a Legislative body was, to pursue the broad road of justice, clearly marked out before them; for it was an undeniable truth, that whenever they deviated into by-roads and trackless paths, without any other guide than their own imagination, they would get bewildered in a labyrinth of difficulties, and rejoice to trace back their steps, and regain the plain road. Now, the plain line of conduct is to do strict justice, such as is enforced in judicial tribunals, between man and man, in a similar case. The debtor is bound to pay the debt to the holder of the security; the contract between the giver of the bond and the person to whom it was given is done away the moment the latter assigns it to another person. If A gives a bond to B, who parts with it to C, there is no longer any obligation on the part of A to pay B, but he must pay it to C. A has nothing to do with the private negotiations between B and C, nor to inquire what consideration was given for the security. All that he has to inquire is whether he really signed it and had value received for it, and the amount of it. He cannot say to the holder, you gave but fifty dollars for this security of one hundred dollars, and I will pay you only fifty; for the law will compel him to pay the hundred. This is a point of justice between man and man. Is there another point of law and justice for the Government? By what rule is the Government to square its conduct if not by those sacred rules which form the basis of civil society and are the safeguard of private property? . . .

18 February 1790

James Madison

next rose and observed that the opponents of his proposition had imposed on its friends not only a heavy task, by the number of their objections, but a delicate one by the nature of some of them. . . .

It could not have escaped the committee that the gentleman to whom he was opposed had reasoned on this momentous question as on an ordinary case in a court of law; that they had equally strained all the maxims that could favor the purchasing or be adverse to the original holder; and that they had dwelt with equal pleasure on every circumstance which could brighten the pretensions of the former or discredit those of the latter. He had not himself attempted, nor did he mean, to undervalue the pretensions of the actual holders: in stating them he had even used as strong terms as they themselves could have dictated; but beyond a certain point he could not go. He must renounce every sentiment which he had hitherto cherished before his complaisance could admit that America ought to erect the monuments of her gratitude, not to those who saved her liberties, but to those who had enriched themselves in her funds.

All that he wished was that the claims of the original holders, not less than those of the actual holders, should be fairly examined and justly decided. They had been invalidated by nothing yet urged. A debt was fairly contracted. According to justice and good faith, it ought to have been paid in gold or silver. A piece of paper only was substituted. Was this paper equal in value to gold or silver? No: it was worth in the market, which the argument for the purchasing holders makes the criterion, no more than one-eighth or one-seventh of that value. Was this depreciated paper freely accepted? No: the government offered that or nothing. The relation of the individual to the government and circumstances of the offer rendered the acceptance a forced, not a free one. The same degree of constraint would vitiate a transaction between man and man before any court of equity on the face of the earth. There are even cases where consent cannot be pretended, where the property of the planter or farmer has been taken at the point of the bayonet and a certificate presented in the same manner. But why did the creditors part with their acknowledgment of the debt? In some instances from necessity; in others, from a well-founded distrust of the public.

Whether from the one or the other, they had been injured: they had suffered loss through the default of the debtor, and the debtor cannot, in justice or honor, take advantage of the default.

Here then was a debt acknowledged to have been once due and which was never discharged, because the payment was forced and defective. The balance consequently is still due, and is of as sacred a nature as the claims of the purchasing holder can be; and if both are not to be paid in the whole, is equally entitled to payment in part.

He begged gentlemen would not yield too readily to the artificial niceties of forensic reasoning; that they would consider not the form, but the substance—not the letter, but the equity—not the bark, but the pith of the business. It was a great and an extraordinary case. It ought to be decided on the great and fundamental principles of justice. He had been animadverted upon for appealing to the heart as well as the head: he would be bold, nevertheless, to repeat, that in great and unusual questions of morality, the heart is the best casuist.

It had been said, by a member from Massachusetts, that the proposition was founded on a new principle in Congress. If the present Congress be meant, that is not strange, for Congress itself is new; if the former Congress be meant, it is not true, for the principle is found in an act which had been already cited. After the pay of the army had, during the war, been nominally and legally discharged in depreciated paper, the loss was made up to the sufferers.

It had been said by a member from New York that the case was not parallel, there being no third party like the present holder of certificates. This objection could not be valid. The government paid ten dollars, worth in fact but one, to a soldier: the soldier was then the original holder. The soldier assigned it to a citizen; the citizen then became the actual holder. What was the event? The loss of the original holder was repaired, after the actual holder had been settled with according to the highest market value of his paper. . . .

It had been said by another member, from Massachusetts, that the old government did every thing in its power. It made requisitions, used exhortations, and in every respect discharged its duty; but it was to be remembered that the debt was not due from the government, but the United States. An attorney with full powers to form without the means to fulfill engagements could

never by his ineffectual, though honest efforts, exonerate his principal.

He had been repeatedly reminded of the address of Congress in 1783, which rejected a discrimination between original and purchasing holders. At that period, the certificates to the army and citizens at large had not been issued. The transfers were confined to loan-office certificates, were not numerous, and had been in great part made with little loss to the original creditor. At present the transfers extend to a vast proportion of the whole debt, and the loss to the original holders has been immense. The injustice which has taken place has been enormous and flagrant, and makes redress a great national object. This change of circumstances destroys the argument from the act of Congress referred to; but if implicit regard is to be paid to the doctrines of that act, any modification of the interest of the debt will be as inadmissible as a modification of the principal.

It had been said that if the losses of the original creditors are entitled to reparation, Congress ought to repair those suffered from paper money, from the ravages of the war, and from the act barring claims not produced within a limited time. As to the paper money, either the case is applicable or it is not: if not applicable, the argument falls; if applicable, either the depreciated certificates ought to be liquidated by a like scale as was applied to the depreciated money or the money, even if the whole mass of it was still in circulation, ought now to be literally redeemed like the certificates. Leaving the gentleman to make his own choice out of these dilemmas, he would only add, himself, that if there were no other difference between the cases, the manifest impossibility of redressing the one and the practicability of redressing the other was a sufficient answer to the objection. With respect to the towns burnt and other devastations of war, it was taught by the writers on the law of nations that they were to be numbered among the inevitable calamities of mankind. Still, however, a government owed them every alleviation which it could conveniently afford; but no authority could be found that puts on the same footing with those calamities such as proceed from a failure to fulfil the direct and express obligations of the public. The just claims barred by the act of limitation were, in his opinion, clearly entitled to redress. That act was highly objectionable. The public which was interested in shortening the term, undertook to decide that no claim, however just, should be admitted if not presented within

nine months. The act made none of the exceptions usual in such acts, not even in favor of the most distant parts of the union. In many instances it had been absolutely impossible for the persons injured to know of the regulation. Some of these instances were within his own knowledge. To limit the duration of a law to a period within which it could not possibly be promulgated, and then taking advantage of the impossibility, would be imitating the Roman tyrant, who posted up his edicts so high that they could not be read and then punished the people for not obeying them.

It had been said that if the purchased certificates were funded at the rate proposed, they would fall in the market and the holders be injured. It was pretty certain that the greater part, at least, would be gainers. He believed that the highest market rate, especially with the arrears of interest incorporated, well funded at 6 per cent would prevent every loss that could justify complaint.

But foreigners had become purchasers, and ought to be particularly respected. Foreigners, he remarked, had themselves made a difference between the value of the foreign and domestic debt; they would therefore the less complain of a difference made by the government here. It was his opinion that the terms stated in the proposition would yield a greater profit to the foreign purchasers than they could have got for their money advanced by them in any of the funds in Europe.

The proposition had been charged with robbing one set of men to pay another. If there were robbery in the case, it had been committed on the original creditors. But, to speak more accurately, as well as more moderately, the proposition would do no more than withhold a part from each of two creditors, where both were not to be paid the whole.

A member from New York had asked whether an original creditor, who had assigned his certificate, could in conscience accept a reimbursement in the manner proposed? He would not deny that assignments might have been made with such explanations, or under such circumstances, as would have that effect. But in general the assignments had been made with reference merely to the market value and the uncertainty of the steps that might be taken by the government. The bulk of the creditors had assigned under circumstances from which no scruple could arise. In all cases where a scruple existed, the benefit of the provision might be renounced. He would in turn ask the gentleman

whether there was not more room to apprehend that the present holder, who had got his certificate of a distressed and meritorious fellow-citizen for one-eighth or one-tenth of its ultimate value, might not feel some remorse in retaining so unconscionable an advantage?

Similar propositions, it was said, had been made and rejected in the state legislatures. This was not fact. The propositions made in the state legislatures were not intended to do justice to the injured, but to seize a profit to the public.

But no petitions for redress had come from the sufferers. Was merit then to be the less regarded because it was modest? Perhaps, however, another explanation ought to be given. Many of the sufferers were poor and uninformed. Those of another description were so dispersed that their interests and efforts could not be brought together. The case of the purchasing holders was very different.

The constitutionality of the proposition had been drawn into question. He asked whether words could be devised that would place the new government more precisely in the same relation to the real creditors with the old? The power was the same; the obligation was the same; the means only were varied.

An objection had been drawn from the article prohibiting *ex post facto* laws. But *ex post facto* laws relate to criminal, not civil cases. The constitution itself requires this definition, by adding to a like restriction on the states, an express one against retrospective laws of a civil nature.

It had been said that foreigners had been led to purchase by their faith in the article of the constitution relating to the public debts. He would answer this objection by a single fact: foreigners had shewn by the market price in Europe that they trusted the nature of the foreign debt more under the old government than the nature of the domestic debt under the new government.

Objections to the measure had been drawn from its supposed tendency to impede public credit. He thought it, on the contrary, perfectly consistent with the establishment of public credit. It was in vain to say that government ought never to revise measures once decided. Great caution on this head ought, no doubt, to be observed; but there were situations in which, without some legislative interposition, the first principles of justice and the very ends of civil society would be frustrated. The gentlemen themselves

had been compelled to make exceptions to the general doctrine. They would probably make more before the business was at an end.

It had been urged that if government should interpose in the present case, an interposition would be authorized in any case whatever where the stock might fluctuate; the principle would apply as well to a fall of 60 or 70 per cent as to a fall of 600 or 700 per cent. He could not admit this inference. A distinction was essential between an extreme case and a case short of it. The line was difficult to be drawn; but it was no more incumbent on him than on his opponents to draw it. They themselves could not deny that a certain extremity of the evil would have justified the interposition. Suppose that the distress of the alienating creditors had been ten times as great as it was; that instead of 2, 3, or 4s. in the pound, they had received a farthing only in the pound; and that the certificates lay now in the hands of the purchasers in that state or even at a less value: was there a member who would rise up and say that the purchasers ought to be paid the entire nominal sum and the original sufferer be entitled to no indemnification whatever?

Gentlemen had triumphed in the want of a precedent to the measure. No government, it was said, had interposed to redress fluctuations in its public paper. But where was the government that had funded its debts under the circumstances of the American debt? If no government had done so, there could be no precedent either for or against the measure, because the occasion itself was unprecedented. And if no similar occasion had before existed in any country, the precedent to be set would at least be harmless, because no similar occasion would be likely to happen in this. . . .

The best source of confidence in a government was the apparent honesty of its views. The proposition on the table could not possibly be ascribed to any other motive than this, because the public was not to gain a farthing by it. The next source was an experienced punctuality in the payments due from the government. For this support to public credit, he relied on what had been experienced by a part of the foreign creditors; on the provision to be made for the residue; and on the punctuality which he flattered himself would be observed in all future payments of the domestic creditors. He was more apprehensive of injury to public credit from such modifications of the interest of the public debt as some gentlemen seemed

to have in view. In these the public would be the gainer, and the plea of inability the more alarming; because it was so easy to be set up, so difficult to be disproved, and consequently for which the temptations would be so alluring.

The impracticability of the measure was the remaining ground on which it had been attacked. He did not deny that it would be attended with difficulties and that perfect justice would not be done: but these were not the questions. It was sufficient that a grievous injustice would be lessened, and that the difficulties might be surmounted. What he had in view was that, for the conveniency of claimants, some authority should be provided and properly distributed thro' the union in order to investigate and ascertain the claims; and that for the security of the public the burden of proof should be thrown on the claimants. A scrutiny on this plan, aided by original settlements in the books of the army department, and the state commissioners, and other office-documents, would be a remedy at once for all the difficulties started with regard to fictitious names, certificates issued as money by commissaries and quartermasters, due-bills, etc.

For some particular cases special provisions might be requisite. The case of loan-office certificates alienated at early periods, before they were much depreciated, fell under this description. Legacies might be another. He should have no objection to some special regulation as to the payments of debts in certificates to persons within the British lines, said to have been authorized by the laws of New York though he presumed few such payments had been made, and that of these few the greater part had by this time passed from the creditors into other hands. There might be a few other cases equally entitled to some particular attention in the details of the provision. As to the merchants who had compounded for their debts in certificates or persons who had exchanged bonds for them, it could not be doubted that the transactions had reference to the market value of the paper, and therefore had nothing peculiar in them.

The expense incident to such a plan of investigation ought to form no difficulty. It bears no proportion to the expense already incurred by commissioners, etc. for effecting a less proportion of justice. Rather than justice should not be done, the expense might be taken out of the portion to the original sufferers. . . .

Memorandum on the Compromise of 1790

Madison's proposal to discriminate between original and secondary holders was overwhelmingly defeated and the funding of the federal debt approved on much the terms that Hamilton had recommended. But, against a background of maneuvers in both branches of Congress over a permanent location for the seat of the federal government, the House then deadlocked on the question of federal assumption of the debts of the states, which was repeatedly defeated. Writing probably in 1792, Jefferson left the only first-person account of the bargain that apparently ensued. He surely misremembered some of the details, but no one doubts the main lines of his story.

The assumption of the state debts in 1790 was a supplementary measure in Hamilton's fiscal system. When attempted in the House of Representatives it failed. This threw Hamilton himself and a number of members into deep dismay. Going to the President's one day I met Hamilton as I approached the door. His look was sombre, haggard, and dejected beyond description. Even his dress uncouth and neglected. He asked to speak with me. We stood in the street near the door. He opened the subject of the assumption of the state debts, the necessity of it in the general fiscal arrangement and its indispensable necessity towards a preservation of the Union: and particularly of the New England states, who had made great expenditures during the war, on expeditions which tho' of their own undertaking were for the common cause: that they considered the assumption of these by the Union so just, and its denial so palpably injurious, that they would make it a sine qua non of a continuance of the Union. That as to his own part, if he had not credit enough to carry such a measure as that, he could be of no use, and was determined to resign. He observed at the same time, that tho' our particular business laid in separate departments, yet the administration and its success was a common concern, and that we should make common cause in supporting one another. He added his wish that I would interest my friends from the South, who were those most opposed to it. I answered that I had been so long absent from my country that I had lost a familiarity with its affairs, and being but lately returned

had not yet got into the train of them, that the fiscal system being out of my department, I had not yet undertaken to consider and understand it, that the assumption had struck me in an unfavorable light, but still not having considered it sufficiently I had not concerned in it, but that I would revolve what he had urged in my mind. It was a real fact that the Eastern and Southern members (S. Carolina, however, was with the former) had got into the most extreme ill humor with one another. This broke out on every question with the most alarming heat, the bitterest animosities seemed to be engendered, and tho' they met every day, little or nothing could be done from mutual distrust and antipathy. On considering the situation of things I thought the first step towards some conciliation of views would be to bring Mr. Madison and Colo. Hamilton to a friendly discussion of the subject. I immediately wrote to each to come and dine with me the next day, mentioning that we should be alone, that the object was to find some temperament for the present fever, and that I was persuaded that men of sound heads and honest views needed nothing more than explanation and mutual understanding to enable them to unite in some measures which might enable us to get along. They came. I opened the subject to them, acknowledged that my situation had not permitted me to understand it sufficiently, but encouraged them to consider the thing together. They did so. It ended in Mr. Madison's acquiescence in a proposition that the question should be again brought before the House by way of amendment from the Senate, that tho' he would not vote for it, nor entirely withdraw his opposition, yet he should not be strenuous, but leave it to its fate. It was observed, I forget by which of them, that as the pill would be a bitter one to the Southern states, something should be done to soothe them; that the removal of the seat of government to the Potomac was a just measure, and would probably be a popular one with them, and would be a proper one to follow the assumption. It was agreed to speak to Mr. White and Mr. Lee, whose districts lay on the Potomac and to refer to them to consider how far the interests of their particular districts might be a sufficient inducement to them to yield to the assumption. This was done. Lee came into it without hesitation. Mr. White had some qualms, but finally agreed. The measure came down by way of amendment from the Senate and was finally carried by the change of White's and Lee's votes. But

the removal to Potomac could not be carried unless Pennsylvania could be engaged in it. This Hamilton took on himself, and chiefly, as I understood, through the agency of Robert Morris, obtained the vote of that state, on agreeing to an intermediate residence at Philadelphia. This is the real history of the assumption, about which many erroneous conjectures have been published. It was unjust, in itself oppressive to the states, and was acquiesced in merely from a fear of disunion, while our government was still in its most infant state. It enabled Hamilton so to strengthen himself by corrupt services to many that he could afterwards carry his bank scheme and every measure he proposed in defiance of all opposition; in fact it was a principal ground whereon was reared up that Speculating phalanx, in and out of Congress which has since been able to give laws and to change the political complexion of the government of the U.S.

Opposition Out of Doors

As Congress debated Hamilton's proposals, Madison's incoming correspondence suggested sharp and mounting opposition to the funding plan—from Virginia especially, but also from friends such as the Philadelphia physician Benjamin Rush. An occasional newspaper squib also publicly condemned the funding plan or the expense of the tedious debates in Congress.

Benjamin Rush to Madison

27 February 1790

. . . In reviewing the decision upon your motion, I feel disposed to wish that my name was blotted out from having contributed a single mite towards the American Revolution. We have effected a deliverance from the national injustice of Great Britain to be *subjugated* by a mighty Act of national injustice by the United States.

It is amusing to hear Gentlemen talk of the "public blessing" of a debt contracted to foreigners & a few American speculators of four or five millions of dollars a year. Nothing fundamentally *unjust* can ever produce happiness in its issue. It will lay the foundation of an aristocracy in our country. It will change the property of nine tenths of the freeholders of the States, and it will be a lasting monument of the efficacy of idleness, speculation, & fraud above

industry, economy, & integrity in obtaining wealth & independence. Nor is this all. It will be a beacon to deter other nations & future generations from attempting to better their situations, for it clearly establishes this proposition, that revolutions, like party spirit, are the rage of *many* for the benefit of a *few*.

Walter Jones to Madison

25 March 1790

. . . [The complexion of public affairs] appears not quite satisfactory to the few of us here who think on public affairs; but whether we think justly or not is another question. I freely confess, for myself, no small abatement of ardor in the expectations I had formed of the New Government, because I apprehend that a certain description of men in power have vicious views of government; that they, with strong auxiliary numbers, have views equally vicious in finance; and that both are in combination with a predominating interest in a certain quarter of the union, which is in opposition to the great agricultural interest of the states at large. . . .

In Great Britain the interest of money is low; the commerce, wealth, & resources of the country astonishingly great—the infinite quantity & variety of art & labour that are hourly & momentarily at market invigorates circulation and probably makes a Guinea perform more uses in a week than it does here in six months. Yet the ruinous tendency of her national debt & its consequences has ever been maintained by the most impartial & enlightened writers & speakers on the subject. In these states every thing is proportionally unfavorable to the sustaining national debt. . . . With the balance of trade against us on the east, the drain of emigration on the west, the immense load of private and public debt due (and as the Secretary of the Treasury will have it) to be due to foreigners, together with the shock which between £20 and 30,000,000 of property has received by premature & impracticable steps towards the emancipation of slaves, I know not how the landed interest of the states will answer the additional demands of the system-mongers & fund jobbers who have become such fashionable subjects of newspaper panegyric. Indeed, Sir, unless I am deluded in the extreme, there are men & measures blended in the composition of the Government of the

union that should put us much on our guard. I earnestly hope that every attempt to undermine the respectability of the State Governments may be defeated; for if experience should evince that the component parts of the union are too heterogeneous to be kept together, but by the artificial force & *Influence* of Government, those of the States would be potent instruments in effecting such a modification and reunion of parts, as would cure the mischiefs. . . .

I have ever considered the condition of society in these states to be *sui generis*. As the characteristic feature of the Scythians is termed pastoral, may we not call ours agricultural? And from the vast extent of territory, this characteristic promises to be of long duration. The general uniformity & simplicity of our interests, makes government, comparatively, an easy art; and the equality of our rights and rank is naturally allied to a republican form; if, therefore, some maritime parts of the union are calculated for the more complicated conditions of society (and to a great degree it is impossible they should be) they merit due attention but should never be held in competition with the great republican, agricultural interest of the continent at large. I should, therefore, ever oppose the introduction of those artificial modes of administration & influence in the executive departments of Government which are engendered in the inveterate corruption and complex interests & relations, internal & external, of the old European governments. . . .

Henry Lee to Madison

3 April 1790

. . . Every day adds new testimony of the growing ill will of the people here to the government. . . . [Patrick] Henry already is considered as a prophet; his predictions are daily verifying. His declaration with respect to the division of interest which would exist under the constitution & predominate in all the doings of the govt. already has been undeniably proved.

But we are committed & we cannot be relieved I fear only by disunion. To disunite is dreadful to my mind, but dreadful as it is, I consider it a lesser evil than union on the present conditions.

I had rather myself submit to all the hazards of war & risk the loss of everything dear to me in life than to live

under the rule of a fixed insolent northern majority. At present this is the case, nor do I see any prospect of alteration or alleviation.

Change of the seat of govt. to the territorial center, direct taxation, & the abolition of gambling systems of finance might & would effect a material change. But these suggestions are vain & idle. No policy will be adopted by Congress which does not more or less tend to depress the south & exalt the north. I have heard it asserted that your vice president should say the southern people were formed by nature to subserve the convenience & interests of the north—or in plain words to be slaves to the north. Very soon will his assertion be thoroughly exemplified. How do you feel, what do you think, is your love for the constitution so ardent as to induce you to adhere to it tho it should produce ruin to your native country. I hope not, I believe not. However, I will be done, for it is disagreeable to utter unpleasant opinions. Yours always—

Edward Carrington to Madison

7 April 1790

I have seen the decision of the House of Representatives upon the Quaker Memorial [on the slave trade]. . . . The very circumstances of such a subject being taken up in Congress has given some alarm, and it might have been better that a debate of such a nature, which could not possibly be productive of any kind of effect, had never been entered into at all. . . . Notwithstanding the long debates there was little or no difference of opinion as to what must be the issue of the business. Why then were the people of the interested states to be alarmed in consequence of a fruitless discussion? . . . The Assumption of the State Debts remains now a subject of discontent. Upon two principles it creates serious complaint. It is by all Anti's and many Fed's considered as leading to the dreaded consolidation—and by all discriptions of men who think at all it is considered as iniquitous from the unequal situations of the states respecting their debts. Of the latter I am one. Having already written you pretty fully I will not add more here. Whether the constitution is yet so firmly on its legs that it cannot be shocked I will not undertake to decide. I am not apt to croak. Of this, however, I am certain; the adoption of this measure without giving to

the states the benefit of their respective redeemed debts will [have] considerable effect in abridging the confidence of the people in it.

George Lee Turberville to Madison

7 April 1790

. . . I am not unacquainted personally with [the] *Gentleman* at the head of [the] Department of the Revenue & still less so with the powers of *his* mind—his acquirements, disposition, & character. I tremble at the thoughts of his being at the head of such an immense sum as 86 millions of dollars—and the annual revenue of the Union. The number of dependents on him necessary to manage the great Department of Revenue, the multitude who will be interested in the funds (in opposition too to the landed interest of the U.S.), all of whom will in some measure be dependent or at any rate attached to the principal officer of the revenue, I profess creates with me apprehensions that from the complicated nature of the subject I am at a loss to determine whether I ought to foster or to discourage.

I am nevertheless persuaded that the funding business founded upon loans will never answer in America. The example set by Great Britain can never be followed here until our country becomes as thickly populated, as commercial and as highly cultivated as G. Britain is. . . .

The idea of consolidating the debt of the states with that of the union is a very unpopular one & for that reason only ought to be laid aside. But I do not think it even political. The debts of Virga. are sinking fast. Every creditor appears satisfied—and the monied men are very fond of becoming adventurers & purchasing the state paper. Many have made their fortunes by it. Why in heaven then should Congress interfere with us? I hope and trust that part of the plan will at least be negatived.

Benjamin Rush to Madison

10 April 1790

I congratulate you upon the prospect of the funding system being delayed 'till the next session of Congress. I hope an election will intervene before you meet again. Should this be the case, I think it probable that no one of our

members who has voted against your motion & in favor of the leading principles of Mr. Hamilton's report will be reelected.

I have long deplored the temporary residence of Congress in New York. . . . I question whether more dishonorable influence has ever been used by a British minister (bribery excepted) to carry a measure than has [been] used to carry the report of the Secretary. This influence is not confined to nightly visits, promises, compromises, sacrifices, & threats in New York. It has extended one or two of its polluted streams to this city, the particulars of which you shall hear when I have the pleasure of seeing you on your way to Virginia. . . .

I have just committed to the press a small pamphlet entitled "Information to Europeans disposed to migrate to the United States" in which I have dwelt with peculiar pleasure upon the safety and agreeable prospects of our country under her present government. The establishment of the Secretary's report can alone contradict the information I have given upon that subject. It will in seven years introduce among us all the corruptions of the British funding system. The principal part of the information is addressed to cultivators of the earth, mechanics, laborers, servants, & [the?] members of the learned professions. I shall b[eg] your acceptance of a copy of it as soon as it [is] published. It is addressed to a friend in Great Britain.

Boston *Independent Chronicle*

12 August 1790

Wanted

A number of Stock-Jobbers, Speculators, and Negotiators for the purpose of aiding and assisting certain members of the Robin-Hood Society in accomplishing their foreign contracts. As this fraternity are about to receive the reward of their seven-months' services, many of them wish to dispose of their exorbitant wages in such manner as will augment their property twofold during recess. As they began their speculations during session, they mean to continue them for the short time they adjourn to attend to their reelection; when this is accomplished it is expected they will return to Philadelphia and there spend the remainder of the year in promoting their own interest to the impoverishing of their constituents.

Virginia's Remonstrance Against the Assumption of State Debts

16 December 1790

Though Madison and Jefferson believed that they had struck a necessary bargain, and one which rendered the details of the assumption fairer to Virginia, the alterations in the plan—even when combined with the decision that the seat of government would move to the Potomac—were not enough to reconcile other Virginia politicians. Issuing from a committee that included Henry Lee and Patrick Henry, the remonstrance of the state legislature provoked Alexander Hamilton to his earliest surviving denunciation of opposition to his plans.

The General Assembly of the Commonwealth of Virginia to the United States in Congress assembled, represent:

That it is with great concern they find themselves compelled, from a sense of duty, to call the attention of Congress to an act of their last session, entitled “An act making provision for the debt of the United States,” which the General Assembly conceives neither policy, justice, nor the Constitution warrants. Republican policy, in the opinion of your memorialists, could scarcely have suggested those clauses in the aforesaid act which limit the right of the United States in their redemption of the public debt. On the contrary, they discern a striking resemblance between this system and that which was introduced into England at the Revolution—a system which has perpetuated upon that nation an enormous debt, and has, moreover, insinuated into the hands of the Executive an unbounded influence, which, pervading every branch of the Government, bears down all opposition, and daily threatens the destruction of every thing that appertains to English liberty. The same causes produce the same effects.

In an agricultural country like this, therefore, to erect and concentrate and perpetuate a large moneyed interest is a measure which your memorialists apprehend must, in the course of human events, produce one or other of two evils: the prostration of agriculture at the feet of commerce, or a change in the present form of Federal Government fatal to the existence of American liberty.

The General Assembly pass by various other parts of the said act which they apprehend will have a dangerous and

impolitic tendency and proceed to show the injustice of it as it applies to this Commonwealth. It pledges the faith of the United States for the payment of certain debts due by the several states in the Union, contracted by them during the late war.

A large proportion of the debt thus contracted by this state has been already redeemed by the collection of heavy taxes levied on its citizens, and measures have been taken for the gradual payment of the balance, so as to afford the most certain prospect of extinguishing the whole at a period not very distant. But, by the operation of the aforesaid act, a heavy debt, and consequently heavy taxes, will be entailed on the citizens of this Commonwealth, from which they never can be relieved by all the efforts of the General Assembly whilst any part of the debts contracted by any state in the American Union, and so assumed, shall remain unpaid; for it is with great anxiety your memorialists perceive that the said act, without the smallest necessity, is calculated to extort from the General Assembly the power of taxing their own constituents for the payment of their own debts in such a manner as would be best suited to their own ease and convenience.

Your memorialists cannot suppress their uneasiness at the discriminating preference which is given to the holders of the principal of the Continental debt over the holders of the principal of the state debts, in those instances where states have made ample provision for the annual payment of the interest and where, of course, there can be no interest to compound with the principal, which happens to be the situation of this Commonwealth.

The continental creditors have preferences in other respects which the General Assembly forbear to mention, satisfied that Congress must allow that policy, justice, and the principles of public credit abhor discrimination between fair creditors.

Your memorialists turn away from the impolicy and injustice of the said act and view it in another light, in which, to them, it appears still more odious and deformed.

During the whole discussion of the federal constitution by the convention of Virginia, your memorialists were taught to believe “that every power not granted, was retained;” under this impression, and upon this positive condition, declared in the instrument of ratification, the said Government was adopted by the people of this Commonwealth; but your memorialists can find no clause in the constitution authorizing Congress to assume debts

of the states! As the guardians, then, of the rights and interests of their constituents; as sentinels placed by them over the ministers of the Federal Government, to shield it from their encroachments, or at least to sound the alarm when it is threatened with invasion; they can never reconcile it to their consciences silently to acquiesce in a measure which violates that hallowed maxim—a maxim, on the truth and sacredness of which, the Federal Government depended for its adoption in this Commonwealth. But this injudicious act not only deserves the censure of the General Assembly, because it is not warranted by the constitution of the United States, but because it is repugnant to an express provision of that constitution. 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 constitu-

tion, as under the Confederation;” which amounts to a constitutional ratification of the contracts respecting the state debts in the situation in which they existed under the Confederation; and, resorting to that standard, there can be no doubt that, in the present question, the rights of states, as contracting parties with the United States, must be considered as sacred.

The General Assembly of the Commonwealth of Virginia confide so fully in the justice and wisdom of Congress, upon the present occasion, as to hope that they will revise and amend the aforesaid act generally and repeal, in particular, so much of it as relates to the assumption of the State debts.

1790, December 23.

Agreed to by the Senate

The Constitution and the National Bank

Hamilton's Second Report on Public Credit, delivered to the third session of the First Congress, recommended the creation of a national bank. A semipublic institution, modeled on the Bank of England (one-fifth of its stock would be held by the federal government, which would appoint a minority of its directors), the Bank of the United States would hold an exclusive charter from Congress and act as an adjunct to the Treasury in several respects. It would hold the government's funds, shift them around the country on request, and serve as a ready source of short-term loans. In exchange for these services, it would be authorized, as well, to make private loans in notes that were to be receivable for taxes and payable in specie on demand. With an initial fund of \$10 million—four times the capital of America's three existing banks, a sum exceeding all the country's coin, and an amount sufficient to permit some regulation of the country's other lenders—the bank would concentrate the capital required for major commercial ventures. Circulating through the country, its notes would be a valuable resource for merchants, providing the nation, for the first time in its history, with an ample, stable substitute for cash. Starting with only \$500,000 in specie, it would be capable quite safely of extending its commitments to the limits of its capitalization. The private holders of the bank stock were to pay in four installments: one-fourth in specie, three-fourths in government certificates of debt. They would be nearly guaranteed a good return on their investment, both from private loans and from the interest payments on the government's bonds. This proposal, though, provoked an even fiercer resistance than had funding and assumption, since opponents saw it not only as objectionable in itself, but as a violation of the new Constitution.

ALEXANDER HAMILTON

Notes on the Advantages of a National Bank

27 March 1791

Hamilton's Report on a National Bank is inconveniently long and too detailed to be offered here. A memorandum to President

Washington, however, nicely summarized the secretary's objects and thinking.

The report to the House of Representatives proposing the plan of a Bank enters fully into the advantages attending institutions of this nature. They are summarily these:

1. They tend to increase the active or productive capital of a country by keeping it in more constant employment and by adding to the real an artificial capital in the credit of the Bank which answers equally with specie the purpose of money.

2. They increase and quicken circulation from the foregoing cause from the introduction of bank notes as money, from the greater facility of remittances in notes than in money, from their obviating the necessity in a great number of cases of transporting specie backwards and forwards, from their rendering it unnecessary to lock up specie for the periodical payments of interest, etc., whence a greater plenty of specie is left in circulation and an additional medium is furnished. And thence

3. They assist industry and trade. This they also do by facilitating loans to individuals within the spheres of their immediate operation. Accordingly, wherever they have been established they have given a new spring to agriculture, manufactures, & commerce. This has been most remarkably exemplified of late years in Scotland & Ireland and has been confirmed by the experience of the United States.

4. They facilitate the payment of taxes by keeping the circulation more full and active everywhere and by direct loans to the merchants to pay their duties.

5. They aid the Government *in ordinary* [cases] by facilitating the collection of taxes, by rendering remittances to and from the Treasury more easy, safe, and free from expence, and lastly, in extraordinary cases, by being an instrument of loans in sudden emergencies. The drawing a large capital to a point and the vast credit annexed to it enable banks to come at once to the aid of the Government in a manner that no individual resources are equal to. This was felt during the latter periods of the late war in the most

important operations; and even at this moment it is the only resort for whatever pecuniary aids may be found necessary for carrying into execution the measures taken for the defence of the frontier.

But it is said, admitting the utility of banks in general, why establish a new one, since there are such institutions already in being? The answers to this are:

1. That all these institutions now rest on state foundations and may cease to exist if the state legislatures should not be inclined to continue. That of Pennsylvania has virtually surrendered its old charter by accepting a new one incompatible with it. It is therefore neither compatible with the dignity nor interest of the United States to suffer so important an engine of its administration to depend on so precarious a tenure & one so foreign from itself.

2. By being mere local institutions they cannot serve as engines of a general circulation. For this they have neither sufficient capital nor have they enough of the confidence of all parts of the Union. As *local* institutions they are rather objects of jealousy.

3. They would be improper foundations on which to rest the security of the public revenue by suffering their paper to be receivable in all payments to the public.

1. Because they have not adequate capital.

2. Because their continuance or discontinuance does not depend on the will of the U. States.

3. Because the Government of the Union can have no *inspection* of their proceedings, consequently no security for their prudent administration of their affairs.

4. They are too limited in their capital to afford such extensive aid to the United States as they may require in future emergencies. They may answer well enough for an Indian war; but in a war with a European power they could do nothing adequate to the public necessities.

5. Their constitutions have not those precautions which are calculated to guard against the abuses to which such institutions are subject. They are therefore in this light also insecure reliances for national circulation.

But admitting a National Bank ought to be instituted, the duration is said to be too long and contrary to precedent; too long because the affairs of this country from its peculiar situation must change so rapidly as to render it questionable whether a good thing now will continue to be

a good thing for twenty years. With regard to precedent it is presumed that the matter is mistaken. The Banks of Venice, Genoa, Hamburgh & Amsterdam are understood to be indefinite in point of duration. The Bank of England indeed has been limited to different periods under different circumstances [but] the assertion that it was in its first creation limited to 11 years is not founded. It was incorporated for an indefinite period; but there was a right reserved to the government at the end of eleven years to *pay off* the debt which constituted its capital and *thereby* to dissolve the corporation. But it could not be dissolved nor was it to cease in any other way.

With regard to the argument drawn from the changing situation of the country, the answer is that banks are not novel institutions. They have been long tried, and in different countries. They had eleven years experience in their favour in this country. Their *effects* therefore can *now* be perfectly judged of and pronounced upon with certainty. They are *necessary* in countries little advanced in wealth; they have been found very *useful* in countries greatly advanced in wealth.

In a country like this, which having vast tracts of vacant land and few manufactures, can have no great abundance of specie, the auxiliary circulation of banks must be peculiarly useful. Though the country may advance in manufactures & in wealth considerably in the course of twenty years, yet very obvious causes must leave it during all that period in a condition to stand in need of the same auxiliary. Besides, as has been remarked, banks are at this day found useful in the wealthiest countries—Holland, England, France.

If the nature of the institution is attended to, it must be perceived that its relations to the future are as easy to be comprehended and pronounced upon as its relations to the present. Its operation must be always of the same tendency, and there is no more difficulty in pronouncing that it will be good for twenty years to come as easily as that it is good at the present moment.

How far one place or another may be the proper seat of it may be a thing variable by time; but the time which can vary this must evidently be more than twenty years. It is manifest that a *large commercial city* with a great deal of *capital* and *business* must be the fittest seat of the Bank. It is morally certain that for twenty years to come Philadelphia will continue to have as good pretensions as any of the principal trading cities now established. And with regard

to the future seat of the Government, it is morally impossible that it can become in less than twenty years a place of sufficient trade and capital to be the principal scene of the operations of the National Bank. Governments must always act upon reasonable probabilities and, in doing so, they can hardly fail to do right.

The motives to a considerable duration to the charter of the Bank were these—to strengthen the inducement to men of property throughout the United States to embark in it, and to enhance the value of the public stock by a prospect of greater advantage.

This last idea is of great moment. All those acquainted with the operation of the thing will admit that the institution in question has been a main cause of the rise [in value] of the public debt. It operated upon it like a charm. Now it is evident that its effect in this way must have been greater or less in proportion to the prospect of advantage which a long or short duration afforded.

The raising of the public debt is a circumstance of immense importance in the affairs of the country. It is tantamount to the establishment of public credit. No man can be in credit whose bonds are selling for one third or one half their value: the same thing in respect to a Government. Besides, while the debt is low, foreigners become possessed of the property of the citizens of this country greatly below its true value. And every shilling which they pay less for the debt than its true value is so much loss to the country. The distress to this country would have been prodigious in time to come if it had had to pay millions to foreigners for which they had given little or no value. And the existence of a public debt would have been truly a curse.

As far as this essential object might have been made to give way to the speculative possibility of a better arrangement of the Bank in reference to future changes in the situation of the country, it would have been to sacrifice substance to shadow, reality to supposition.

Objection. The advantages of the Bank will not be *equal* in all the States.

This is hardly even an objection to a measure of Government, because there is scarcely one to which it may not be objected. Is there a law for the advancement of navigation? It will benefit *most* those states which have *most* aptitudes for navigation. Is there a law for the encouragement of manufactures? The same thing may be observed—Is there *one* for the encouragement of particular objects of agriculture? The same observation applies. What is the

duty upon foreign cotton? As far as its operation may correspond with its intention it will be a direct bounty upon the industry of a few of the states. For there are only particular states adapted to the raising of cotton.

In short such is the state of human affairs that public measures unavoidably benefit or injure some part more than others. Consequently, that must be a good public measure which *benefits* all the *parts* of a country, though some more than others. If *all* gain, the general mass of public prosperity is promoted, though some gain more than others.

It is certain the operations of the proposed Bank will be most directly useful to the spot upon which they are carried on; but by aiding general circulation, and establishing a convenient medium of remittance & exchange between the states, all will be benefitted in different degrees.

If branches are established the immediate benefit will be diffused still more extensively.

Objection. It will interfere with the several state banks. This cannot happen, unless branches are established in the same states. If this is done no inconvenience to the community can accrue. Either the State Bank and the branch of the National Bank can go on together, and then trade & industry will be promoted by larger supplies, or the one will subvert the other. If the state bank subverts the branch, the injury is at least temporary. If the branch subverts the state bank, it furnishes to the commerce & industry of the place a better substitute; one which, to all the common advantages, will add this peculiar one, the affording a medium of circulation which is useful in all the states and not merely on the spot, and can of course be employed in the intercourse with other states.

But in fact all this is exaggerated supposition. It is not probable, except at the immediate seat of the Bank, where the competition will be compensated by obvious advantages, that there will be any interference. It can never be the interest of the National Bank to quarrel with the local institutions. The local institutions will in all likelihood either be adopted by the National Bank or establishments where they exist will be foreborne.

Lastly an attentive consideration of the tendency of an institution immediately connected with the national government which will interweave itself into the *monied* interest of every state, which will by its notes insinuate itself into every branch of industry and will affect the interests of all classes of the community, ought to

produce strong prepossessions in its favor in all who consider the firm establishment of the national government as necessary to the safety & happiness of the country, and who at the same time believe that it stands in need of additional props.

James Madison's Speech on the Bank Bill

2 February 1791

Mr. Madison began with a general review of the advantages and disadvantages of banks. The former he stated to consist in, first, the aids they afford to merchants who can thereby push their mercantile operations farther with the same capital. 2d. The aids to merchants in paying punctually the customs. 3d. Aids to the government in complying punctually with its engagements, when deficiencies or delays happen in the revenue. 4th. In diminishing usury. 5th. In saving the wear of the gold and silver kept in the vaults and represented by notes. 6th. In facilitating occasional remittances from different places where notes happen to circulate. The effect of the proposed bank, in raising the value of stock, he thought, had been greatly overrated. It would no doubt raise that of the stock subscribed into the bank; but could have little effect on stock in general, as the interest on it would remain the same, and the quantity taken out of the market would be replaced by bank stock.

The principal disadvantages consisted in, 1st. banishing the precious metals, by substituting another medium to perform their office: This effect was inevitable. It was admitted by the most enlightened patrons of banks, particularly by Smith on *The Wealth of Nations*. The common answer to the objection was, that the money banished was only an exchange for something equally valuable that would be imported in return. He admitted the weight of this observation in general, but doubted whether, in the present habits of this country, the returns would not be in articles of no permanent use to it. 2d. Exposing the public and individuals to all the evils of a run on the bank, which would be particularly calamitous in so great a country as this, and might happen from various causes, as false rumours, bad management of the institution, an unfavorable balance of trade from short crops, etc.

It was proper to be considered also that the most important of the advantages would be better obtained by several banks properly distributed than by a single one. The aids to commerce could only be afforded at or very near the seat of the bank. The same was true of aids to merchants in the payment of customs. Anticipations of the government would also be most convenient at the different places where the interest of the debt was to be paid. The case in America was different from that in England: the interest there was all due at one place, and the genius of the monarchy favored the concentration of wealth and influence at the metropolis.

He thought the plan liable to other objections: It did not make so good a bargain for the public as was due to its interests. The charter to the bank of England had been granted for 11 years only, and was paid for by a loan to the government on terms better than could be elsewhere got. Every renewal of the charter had in like manner been purchased; in some instances at a very high price. The same had been done by the banks of Genoa, Naples, and other like banks of circulation. The plan was unequal to the public creditors—it gave an undue preference to the holders of a particular denomination of the public debt and to those at and within reach of the seat of government. If the subscriptions should be rapid, the distant holders of paper would be excluded altogether.

In making these remarks on the merits of the bill, he had reserved to himself, he said, the right to deny the authority of Congress to pass it. He had entertained this opinion from the date of the Constitution. His impression might perhaps be the stronger because he well recollected that a power to grant charters of incorporation had been proposed in the general convention and rejected.

Is the power of establishing an *incorporated bank* among the powers vested by the Constitution in the legislature of the United States? This is the question to be examined.

After some general remarks on the limitations of all political power, he took notice of the peculiar manner in which the federal government is limited. It is not a general grant, out of which particular powers are excepted—it is a grant of particular powers only, leaving the general mass in other hands. So it had been understood by its friends and its foes, and so it was to be interpreted.

As preliminaries to a right interpretation, he laid down the following rules:

An interpretation that destroys the very characteristic of the government cannot be just.

Where a meaning is clear, the consequences, whatever they may be, are to be admitted—where doubtful, it is fairly triable by its consequences.

In controverted cases, the meaning of the parties to the instrument, if to be collected by reasonable evidence, is a proper guide.

Cotemporary and concurrent expositions are reasonable evidence of the meaning of the parties.

In admitting or rejecting a constructive authority, not only the degree of its incidentality to an express authority is to be regarded, but the degree of its importance also, since on this will depend the probability or improbability of its being left to construction.

Reviewing the Constitution with an eye to these positions, it was not possible to discover in it the power to incorporate a Bank. The only clauses under which such a power could be pretended, are either—

1. The power to lay and collect taxes to pay the debts and provide for the common defence and general welfare; Or,

2. The power to borrow money on the credit of the United States; Or,

3. The power to pass all laws necessary and proper to carry into execution those powers.

The bill did not come within the first power. It laid no tax to pay the debts, or provide for the general welfare. It laid no tax whatever. It was altogether foreign to the subject.

No argument could be drawn from the terms “common defence and general welfare.” The power as to these general purposes was limited to acts laying taxes for them; and the general purposes themselves were limited and explained by the particular enumeration subjoined. To understand these terms in any sense that would justify the power in question would give to Congress an unlimited power; would render nugatory the enumeration of particular powers; would supercede all the powers reserved to the state governments. These terms are copied from the Articles of Confederation; had it ever been pretended that they were to be understood otherwise than as here explained?

It had been said that “general welfare” meant cases in which a general power might be exercised by Congress without interfering with the powers of the States; and that the establishment of a National Bank was of this sort. There were, he said, several answers to this novel doctrine.

1. The proposed Bank would interfere so as indirectly

to defeat a State Bank at the same place. 2. It would directly interfere with the rights of the states *to prohibit* as well as to establish banks and the circulation of bank notes. He mentioned a law of Virginia, actually prohibiting the circulation of notes payable to bearer. 3. Interference with the power of the states was no constitutional criterion of the power of Congress. If the power was not given, Congress could not exercise it; if given, they might exercise it, altho it should interfere with the laws or even the constitution of the states. 4. If Congress could incorporate a Bank, merely because the act would leave the states free to establish banks also, any other incorporations might be made by Congress. They could incorporate companies of manufacturers, or companies for cutting canals, or even religious societies, leaving similar incorporations by the states, like state banks, to themselves. Congress might even establish religious teachers in every parish and pay them out of the Treasury of the United States, leaving other teachers unmolested in their functions. These inadmissible consequences condemned the controverted principle.

The case of the Bank established by the former Congress had been cited as a precedent. This was known, he said, to have been the child of necessity. It never could be justified by the regular powers of the Articles of Confederation. Congress betrayed a consciousness of this in recommending to the states to incorporate the Bank also. They did not attempt to protect the Bank Notes by penalties against counterfeiters. These were reserved wholly to the authority of the states.

The second clause to be examined is that which empowers Congress to borrow money.

Is this a bill to borrow money? It does not borrow a shilling. Is there any fair construction by which the bill can be deemed an exercise of the power to borrow money? The obvious meaning of the power to borrow money is that of accepting it from and stipulating payments to those who are *able* and *willing* to lend.

To say that the power to borrow involves a power of creating the ability, where there may be the will, to lend is not only establishing a dangerous principle, as will be immediately shewn, but is as forced a construction as to say that it involves the power of compelling the will, where there may be the ability, to lend.

The third clause is that which gives the power to pass all laws necessary and proper to execute the specified powers.

Whatever meaning this clause may have, none can be admitted that would give an unlimited discretion to Congress.

Its meaning must, according to the natural and obvious force of the terms and the context, be limited to means *necessary* to the *end* and *incident* to the *nature* of the specified powers.

The clause is in fact merely declaratory of what would have resulted by unavoidable implication, as the appropriate, and as it were, technical means of executing those powers. In this sense it had been explained by the friends of the Constitution and ratified by the state conventions.

The essential characteristic of the government, as composed of limited and enumerated powers, would be destroyed: If instead of direct and incidental means, any means could be used which, in the language of the preamble to the bill, “might be conceived to be conducive to the successful conducting of the finances; or might be *conceived* to *tend* to give *facility* to the obtaining of loans.” He urged an attention to the diffuse and ductile terms which had been found requisite to cover the stretch of power contained in the bill. He compared them with the terms *necessary* and *proper*, used in the Constitution, and asked whether it was possible to view the two descriptions as synonymous, or the one as a fair and safe commentary on the other.

If, proceeded he, Congress, by virtue of the power to borrow, can create the means of lending, and in pursuance of these means, can incorporate a Bank, they may do any thing whatever creative of like means.

The East-India Company has been a lender to the British government, as well as the Bank, and the South-Sea Company is a greater creditor than either. Congress then may incorporate similar companies in the United States, and that too not under the idea of regulating trade, but under that of borrowing money.

Private capitals are the chief resources for loans to the British government. Whatever then may be conceived to favor the accumulation of capitals may be done by Congress. They may incorporate manufactures. They may give monopolies in every branch of domestic industry.

If, again, Congress by virtue of the power to borrow money can create the ability to lend, they may by virtue of the power to levy money create the ability to pay it. The ability to pay taxes depends on the general wealth of the society, and this on the general prosperity of agriculture,

manufactures and commerce. Congress then may give bounties and make regulations on all of these objects.

The states have, it is allowed on all hands, a concurrent right to lay and collect taxes. This power is secured to them not by its being expressly reserved, but by its not being ceded by the Constitution. The reasons for the bill cannot be admitted because they would invalidate that right; why may it not be *conceived* by Congress that a uniform and exclusive imposition of taxes would, not less than the proposed Banks, be *conducive* to the successful conducting of the national finances, and *tend to give facility* to the obtaining of revenue, for the use of the government?

The doctrine of implication is always a tender one. The danger of it has been felt in other governments. The delicacy was felt in the adoption of our own; the danger may also be felt, if we do not keep close to our chartered authorities.

Mark the reasoning on which the validity of the bill depends. To borrow money is made the *end* and the accumulation of capitals *implied* as the *means*. The accumulation of capitals is then the *end* and a bank *implied* as the *means*. The bank is then the *end* and a charter of incorporation, a monopoly, capital punishments, etc. *implied* as the *means*.

If implications thus remote and thus multiplied can be linked together, a chain may be formed that will reach every object of legislation, every object within the whole compass of political economy.

The latitude of interpretation required by the bill is condemned by the rule furnished by the constitution itself.

Congress have power “to regulate the value of money”; yet it is expressly added, not left to be implied, that counterfeiters may be punished.

They have the power “to declare war,” to which armies are more incident than incorporated Banks to borrowing; yet is expressly added, the power “to raise and support armies”; and to this again, the express power “to make rules and regulations for the government of armies”; a like remark is applicable to the powers as to a navy.

The regulation and calling out of the militia are more appurtenant to war than the proposed bank to borrowing; yet the former is not left to construction.

The very power to borrow money is a less remote implication from the power of war than an incorporated monopoly bank from the power of borrowing—yet the power to borrow is not left to implication.

It is not pretended that every insertion or omission in the constitution is the effect of systematic attention. This is not the character of any human work, particularly the work of a body of men. The examples cited, with others that might be added, sufficiently inculcate nevertheless a rule of interpretation very different from that on which the bill rests. They condemn the exercise of any power, particularly a great and important power, which is not evidently and necessarily involved in an express power.

It cannot be denied that the power proposed to be exercised is an important power.

As a charter of incorporation the bill creates an artificial person previously not existing in law. It confers important civil rights and attributes which could not otherwise be claimed. It is, though not precisely similar, at least equivalent to the naturalization of an alien, by which certain new civil characters are acquired by him. Would Congress have had the power to naturalize if it had not been expressly given?

In the power to make bylaws, the bill delegated a sort of legislative power, which is unquestionably an act of a high and important nature. He took notice of the only restraint on the bylaws, that they were not to be contrary to the law and the constitution of the bank; and asked what law was intended; if the law of the United States, the scantiness of their code would give a power never before given to a corporation—and obnoxious to the states, whose laws would then be superseded not only by the laws of Congress, but by the bylaws of a corporation within their own jurisdiction. If the law intended was the law of the state, then the state might make laws that would destroy an institution of the United States.

The bill gives a power to purchase and hold lands; Congress themselves could not purchase lands within a state “without the consent of its legislature.” How could they delegate a power to others which they did not possess themselves?

It takes from our successors, who have equal rights with ourselves, and with the aid of experience will be more capable of deciding on the subject, an opportunity of exercising that right for an immoderate term.

It takes from our constituents the opportunity of deliberating on the untried measure, although their hands are also to be tied by it for the same term.

It involves a monopoly, which affects the equal rights of every citizen.

It leads to a penal regulation, perhaps capital punishments, one of the most solemn acts of sovereign authority.

From this view of the power of incorporation exercised in the bill, it could never be deemed an accessory or subaltern power, to be deduced by implication, as a means of executing another power; it was in its nature a distinct, an independent and substantive prerogative, which not being enumerated in the Constitution could never have been meant to be included in it, and not being included could never be rightfully exercised.

He here adverted to a distinction which he said had not been sufficiently kept in view, between a power necessary and proper for the government or union and a power necessary and proper for executing the enumerated powers. In the latter case, the powers included in each of the enumerated powers were not expressed, but to be drawn from the nature of each. In the former, the powers composing the government were expressly enumerated. This constituted the peculiar nature of the government; no power therefore not enumerated could be inferred from the general nature of government. Had the power of making treaties, for example, been omitted, however necessary it might have been, the defect could only have been lamented or supplied by an amendment of the Constitution.

But the proposed bank could not even be called necessary to the government; at most it could be but convenient. Its uses to the government could be supplied by keeping the taxes a little in advance—by loans from individuals—by the other banks over which the government would have equal command, nay greater, as it may grant or refuse to these the privilege, made a free and irrevocable gift to the proposed bank, of using their notes in the federal revenue.

He proceeded next to the cotemporary expositions given to the Constitution.

The defence against the charge founded on the want of a bill of rights presupposed, he said, that the powers not given were retained and that those given were not to be extended by remote implications. On any other supposition, the power of Congress to abridge the freedom of the press, or the rights of conscience, etc. could not have been disproved.

The explanations in the state conventions all turned on the same fundamental principle, and on the principle that the terms necessary and proper gave no additional powers to those enumerated. (Here he read sundry passages from

the debates of the Pennsylvania, Virginia and North-Carolina conventions, shewing the grounds on which the Constitution had been vindicated by its principal advocates against a dangerous latitude of its powers, charged on it by its opponents.) He did not undertake to vouch for the accuracy or authenticity of the publications which he quoted—he thought it probable that the sentiments delivered might in many instances have been mistaken or imperfectly noted; but the complexion of the whole, with what he himself and many others must recollect, fully justified the use he had made of them.

The explanatory declarations and amendments accompanying the ratifications of the several states formed a striking evidence wearing the same complexion. He referred those who might doubt on the subject to the several acts of ratification.

The explanatory amendments proposed by Congress themselves, at least, would be good authority with them; all these renunciations of power proceeded on a rule of construction excluding the latitude now contended for. These explanations were the more to be respected, as they had not only been proposed by Congress, but ratified by nearly three-fourths of the states. He read several of the articles proposed, remarking particularly on the 11th and 12th: the former, as guarding against a latitude of interpretation—the latter, as excluding every source of power not within the constitution itself.

With all this evidence of the sense in which the Constitution was understood and adopted, will it not be said, if the bill should pass, that its adoption was brought about by one set of arguments and that it is now administered under the influence of another set; and this reproach will have the keener sting, because it is applicable to so many individuals concerned in both the adoption and administration.

In fine, if the power were in the Constitution, the immediate exercise of it cannot be essential—if not there, the exercise of it involves the guilt of usurpation, and establishes a precedent of interpretation leveling all the barriers which limit the powers of the general government and protect those of the state governments. If the point be doubtful only, respect for ourselves, who ought to shun the appearance of precipitancy and ambition; respect for our successors, who ought not lightly to be deprived of the opportunity of exercising the rights of legislation; respect for our constituents who have had no opportunity

of making known their sentiments and who are themselves to be bound down to the measure for so long a period: all these considerations require that the irrevocable decision should at least be suspended until another session.

It appeared on the whole, he concluded, that the power exercised by the bill was condemned by the silence of the Constitution; was condemned by the rule of interpretation arising out of the Constitution; was condemned by its tendency to destroy the main characteristic of the Constitution; was condemned by the expositions of the friends of the Constitution whilst depending before the public; was condemned by the apparent intention of the parties which ratified the Constitution; was condemned by the explanatory amendments proposed by Congress themselves to the Constitution; and he hoped it would receive its final condemnation, by the vote of this house.

THOMAS JEFFERSON

Opinion on the Constitutionality of a National Bank

15 February 1791

At the outset of the new administration, Madison, the most important architect of constitutional reform, had been the president's most regular advisor and the draftsman of his most important messages to Congress. Believing that the presidential veto should be used to guard the Constitution, Washington asked Madison to draft a veto message and called on his cabinet for their opinions on Madison's views. Jefferson's and Hamilton's responses are among the most famous of the early expositions of strict and broad constructions of the Constitution, although neither was publicized at the time. In the end, of course, Washington accepted Hamilton's opinion, which would also be adopted by the Marshall court in its decision in the celebrated case of *M'Culloch v. Maryland* (1819).

The bill for establishing a National Bank undertakes among other things:

1. To form the subscribers into a corporation.
2. To enable them in their corporate capacities to receive grants of land; and so far is against the laws of *Mortmain*.
3. To make alien subscribers capable of holding lands; and so far is against the laws of *Alienage*.

4. To transmit these lands, on the death of a proprietor, to a certain line of successors; and so far changes the course of *Descents*.

5. To put the lands out of the reach of forfeiture or escheat; and so far is against the laws of *Forfeiture* and *Escheat*.

6. To transmit personal chattels to successors in a certain line; and so far is against the laws of *Distribution*.

7. To give them the sole and exclusive right of banking under the national authority; and so far is against the laws of Monopoly.

8. To communicate to them a power to make laws paramount to the laws of the States: for so they must be construed, to protect the institution from the control of the State legislatures; and so, probably, they will be construed.

I consider the foundation of the Constitution as laid on this ground: That “all powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States or to the people.” [XIIth amendment.] To take a single step beyond the boundaries thus specially drawn around the powers of Congress, is to take possession of a boundless field of power, no longer susceptible of any definition.

The incorporation of a bank, and the powers assumed by this bill, have not, in my opinion, been delegated to the United States by the Constitution.

I. They are not among the powers specially enumerated: for these are: 1st. A power to lay taxes for the purpose of paying the debts of the United States; but no debt is paid by this bill, nor any tax laid. Were it a bill to raise money, its origination in the Senate would condemn it by the Constitution.

2d. “To borrow money.” But this bill neither borrows money nor ensures the borrowing it. The proprietors of the bank will be just as free as any other money holders to lend or not to lend their money to the public. The operation proposed in the bill, first to lend them two millions, and then to borrow them back again, cannot change the nature of the latter act, which will still be a payment, and not a loan, call it by what name you please.

3. To “regulate commerce with foreign nations, and among the States, and with the Indian tribes.” To erect a bank, and to regulate commerce, are very different acts. He who erects a bank, creates a subject of commerce in its bills; so does he who makes a bushel of wheat, or digs

a dollar out of the mines; yet neither of these persons regulates commerce thereby. To make a thing which may be bought and sold, is not to prescribe regulations for buying and selling. Besides, if this was an exercise of the power of regulating commerce, it would be void, as extending as much to the internal commerce of every State as to its external. For the power given to Congress by the Constitution does not extend to the internal regulation of the commerce of a state (that is to say of the commerce between citizen and citizen), which remain exclusively with its own legislature; but to its external commerce only, that is to say, its commerce with another state, or with foreign nations, or with the Indian tribes. Accordingly the bill does not propose the measure as a regulation of trade, but as “productive of considerable advantages to trade.” Still less are these powers covered by any other of the special enumerations.

II. Nor are they within either of the general phrases, which are the two following:—

1. To lay taxes to provide for the general welfare of the United States, that is to say, “to lay taxes for *the purpose* of providing for the general welfare.” For the laying of taxes is the *power* and the general welfare the *purpose* for which the power is to be exercised. They are not to lay taxes *ad libitum* for any purpose they please; but only to *pay the debts or provide for the welfare of the Union*. In like manner, they are not to *do anything they please* to provide for the general welfare, but only to *lay taxes* for that purpose. To consider the latter phrase, not as describing the purpose of the first, but as giving a distinct and independent power to do any act they please, which might be for the good of the Union, would render all the preceding and subsequent enumerations of power completely useless.

It would reduce the whole instrument to a single phrase, that of instituting a Congress with power to do whatever would be for the good of the United States; and, as they would be the sole judges of the good or evil, it would be also a power to do whatever evil they please.

It is an established rule of construction where a phrase will bear either of two meanings, to give it that which will allow some meaning to the other parts of the instrument, and not that which would render all the others useless. Certainly no such universal power was meant to be given them. It was intended to lace them up straitly within the enumerated powers, and those without which, as means, these powers could not be carried into effect. It is known

that the very power now proposed *as a means* was rejected *as an end* by the Convention which formed the Constitution. A proposition was made to them to authorize Congress to open canals, and an amendatory one to empower them to incorporate. But the whole was rejected, and one of the reasons for rejection urged in debate was, that then they would have a power to erect a bank, which would render the great cities, where there were prejudices and jealousies on the subject, adverse to the reception of the Constitution.

2. The second general phrase is “to make all laws *necessary* and proper for carrying into execution the enumerated powers.” But they can all be carried into execution without a bank. A bank therefore is not *necessary*, and consequently not authorized by this phrase.

It has been urged that a bank will give great facility or convenience in the collection of taxes. Suppose this were true: yet the Constitution allows only the means which are “*necessary*,” not those which are merely “convenient” for effecting the enumerated powers. If such a latitude of construction be allowed to this phrase as to give any non-enumerated power, it will go to every one, for there is not one which ingenuity may not torture into a *convenience* in some instance *or other* to *some one* of so long a list of enumerated powers. It would swallow up all the delegated powers, and reduce the whole to one power, as before observed. Therefore it was that the Constitution restrained them to the *necessary* means, that is to say, to those means without which the grant of power would be nugatory.

But let us examine this convenience and see what it is. The report on this subject, page 3, states the only *general* convenience to be the preventing the transportation and re-transportation of money between the states and the treasury (for I pass over the increase of circulating medium, ascribed to it as a want, and which, according to my ideas of paper money, is clearly a demerit). Every state will have to pay a sum of tax money into the treasury; and the treasury will have to pay, in every state, a part of the interest on the public debt and salaries to the officers of government resident in that state. In most of the states there will still be a surplus of tax money to come up to the seat of government for the officers residing there. The payments of interest and salary in each state may be made by treasury orders on the state collector. This will take up the greater part of the money he has collected in his state, and consequently prevent the great mass of it from being

drawn out of the state. If there be a balance of commerce in favor of that state against the one in which the government resides, the surplus of taxes will be remitted by the bills of exchange drawn for that commercial balance. And so it must be if there was a bank. But if there be no balance of commerce, either direct or circuitous, all the banks in the world could not bring up the surplus of taxes but in the form of money. Treasury orders then, and bills of exchange may prevent the displacement of the main mass of the money collected without the aid of any bank; and where these fail, it cannot be prevented even with that aid.

Perhaps, indeed, bank bills may be a more *convenient* vehicle than treasury orders. But a little *difference* in the degree of *convenience*, cannot constitute the necessity which the constitution makes the ground for assuming any non-enumerated power.

Besides, the existing banks will, without a doubt, enter into arrangements for lending their agency, and the more favorable, as there will be a competition among them for it; whereas the bill delivers us up bound to the national bank, who are free to refuse all arrangement, but on their own terms, and the public not free, on such refusal, to employ any other bank. That of Philadelphia, I believe, now does this business, by their post-notes, which, by an arrangement with the treasury, are paid by any state collector to whom they are presented. This expedient alone suffices to prevent the existence of that *necessity* which may justify the assumption of a non-enumerated power as a means for carrying into effect an enumerated one. The thing may be done, and has been done, and well done, without this assumption; therefore, it does not stand on that degree of *necessity* which can honestly justify it.

It may be said that a bank whose bills would have a currency all over the states, would be more convenient than one whose currency is limited to a single State. So it would be still more convenient that there should be a bank, whose bills should have a currency all over the world. But it does not follow from this superior convenience, that there exists anywhere a power to establish such a bank; or that the world may not go on very well without it.

Can it be thought that the Constitution intended that for a shade or two of *convenience*, more or less, Congress should be authorized to break down the most ancient and fundamental laws of the several states, such as those against Mortmain, the laws of Alienage, the rules of descent, the acts of distribution, the laws of escheat and forfeiture,

the laws of monopoly? Nothing but a necessity invincible by any other means, can justify such a prostitution of laws which constitute the pillars of our whole system of jurisprudence. Will Congress be too straight-laced to carry the Constitution into honest effect, unless they may pass over the foundation-laws of the state government for the slightest convenience of theirs?

The negative of the President is the shield provided by the Constitution to protect against the invasions of the legislature: 1. The right of the Executive. 2. Of the Judiciary. 3. Of the States and state legislatures. The present is the case of a right remaining exclusively with the states, and consequently one of those intended by the Constitution to be placed under its protection.

It must be added, however, that unless the President's mind on a view of everything which is urged for and against this bill is tolerably clear that it is unauthorized by the Constitution; if the pro and the con hang so even as to balance his judgment, a just respect for the wisdom of the legislature would naturally decide the balance in favor of their opinion. It is chiefly for cases where they are clearly misled by error, ambition, or interest, that the Constitution has placed a check in the negative of the President.

ALEXANDER HAMILTON

Opinion on the Constitutionality of a National Bank

15 February 1791

The Secretary of the Treasury having perused with attention the papers containing the opinions of the Secretary of State and Attorney General concerning the constitutionality of the bill for establishing a National Bank proceeds according to the order of the President to submit the reasons which have induced him to entertain a different opinion.

It will naturally have been anticipated that, in performing this task, he would feel uncommon solicitude. Personal considerations alone arising from the reflection that the measure originated with him would be sufficient to produce it. The sense which he has manifested of the great importance of such an institution to the successful administration of the department under his particular care, and an expectation of serious ill consequences to result from

a failure of the measure, do not permit him to be without anxiety on public accounts. But the chief solicitude arises from a firm persuasion that principles of construction like those espoused by the Secretary of State and the Attorney General would be fatal to the just & indispensable authority of the United States.

In entering upon the argument it ought to be premised that the objections of the Secretary of State and Attorney General are founded on a general denial of the authority of the United States to erect corporations. The latter indeed expressly admits that if there be anything in the bill which is not warranted by the Constitution, it is the clause of incorporation.

Now it appears to the Secretary of the Treasury that this *general principle is inherent* in the very *definition of Government* and *essential* to every step of the progress to be made by that of the United States: namely—that every power vested in a Government is in its nature *sovereign* and includes by *force* of the *term* a right to employ all the *means* requisite and fairly *applicable* to the attainment of the *ends* of such power; and which are not precluded by restrictions & exceptions specified in the Constitution, or not immoral, or not contrary to the essential ends of political society.

This principle in its application to Government in general would be admitted as an axiom. And it will be incumbent upon those who may incline to deny it to *prove* a distinction; and to shew that a rule which in the general system of things is essential to the preservation of the social order is inapplicable to the United States.

The circumstances that the powers of sovereignty are in this country divided between the national and state governments does not afford the distinction required. It does not follow from this that each of the *portions* of powers delegated to the one or to the other is not sovereign *with regard to its proper objects*. It will only *follow* from it that each has sovereign power as to *certain things*, and not as to *other things*. To deny that the Government of the United States has sovereign power as to its declared purposes & trusts, because its power does not extend to all cases, would be equally to deny that the state governments have sovereign power in any case, because their power does not extend to every case. The tenth section of the first article of the Constitution exhibits a long list of very important things which they may not do. And thus the United States would furnish the singular spectacle of

a *political society* without *sovereignty*, or of a people *governed* without *government*.

If it would be necessary to bring proof to a proposition so clear as that which affirms that the powers of the federal government, *as to its objects*, are sovereign, there is a clause of its Constitution which would be decisive. It is that which declares that the Constitution and the laws of the United States made in pursuance of it, and all treaties made or which shall be made under their authority shall be the supreme law of the land. The power which can create the *Supreme law* of the land, in any case, is doubtless sovereign *as to such case*.

This general & indisputable principle puts at once an end to the *abstract* question—Whether the United States have power to *erect a corporation?* that is to say, to give a *legal or artificial capacity* to one or more persons, distinct from the natural. For it is unquestionably incident to *sovereign power* to erect corporations, and consequently to *that* of the United States, in *relation to the objects* intrusted to the management of the government. The difference is this—where the authority of the government is general, it can create corporations in *all cases*; where it is confined to certain branches of legislation, it can create corporations only in those cases.

Here then as far as concerns the reasoning of the Secretary of State & the Attorney General, the affirmative of the constitutionality of the bill might be permitted to rest. It will occur to the President that the principle here advanced has been untouched by either of them.

For a more complete elucidation of the point nevertheless, the arguments which they have used against the power of the government to erect corporations, however foreign they are to the great & fundamental rule which has been stated, shall be particularly examined. And after shewing that they do not tend to impair its force, it shall also be shewn that the power of incorporation incident to the government in certain cases does fairly extend to the particular case which is the object of the bill.

The first of these arguments is that the foundation of the Constitution is laid on this ground “that all powers not delegated to the United States by the Constitution nor prohibited to it by the States are reserved to the States or to the people,” whence it is meant to be inferred that Congress can in no case exercise any power not included in those enumerated in the Constitution. And it is affirmed that the power of erecting a corporation is not included in any of the enumerated powers.

The main proposition here laid down, in its true signification, is not to be questioned. It is nothing more than a consequence of this republican maxim, that all government is a delegation of power. But how much is delegated in each case is a question of fact to be made out by fair reasoning & construction upon the particular provisions of the Constitution—taking as guides the general principles & general ends of government.

It is not denied that there are *implied* as well as *express* powers, and that the former are as effectually delegated as the latter. And for the sake of accuracy it shall be mentioned that there is another class of powers which may be properly denominated *resulting* powers. It will not be doubted that if the United States should make a conquest of any of the territories of its neighbors, they would possess sovereign jurisdiction over the conquered territory. This would rather be a result from the whole mass of the powers of the government & from the nature of political society, than a consequence of either of the powers specially enumerated.

But be this as it may, it furnishes a striking illustration of the general doctrine contended for. It shews an extensive case in which a power of erecting corporations is either implied in or would result from some or all of the powers vested in the National Government. The jurisdiction acquired over such conquered territory would certainly be competent to every species of legislation.

To return—It is conceded, that implied powers are to be considered as delegated equally with express ones.

Then it follows that as a power of erecting a corporation may as well be *implied* as any other thing; it may as well be employed as an *instrument* or *mean* of carrying into execution any of the specified powers as any other instrument or mean whatever. The only question must be, in this as in every other case, whether the mean to be employed, or in this instance the corporation to be erected, has a natural relation to any of the acknowledged objects or lawful ends of the government. Thus a corporation may not be erected by Congress for superintending the police of the city of Philadelphia because they are not authorized to *regulate* the *police* of that city; but one may be erected in relation to the collection of the taxes, or to the trade with foreign countries, or to the trade between the states, or with the Indian Tribes, because it is the province of the federal government to regulate those objects & because it is incident to a general *sovereign* or

legislative power to regulate a thing to employ all the means which relate to its regulation to the *best & greatest advantage*.

A strange fallacy seems to have crept into the manner of thinking & reasoning upon the subject. Imagination appears to have been unusually busy concerning it. An incorporation seems to have been regarded as some great, independent, substantive thing—as a political end of peculiar magnitude & moment; whereas it is truly to be considered as a *quality, capacity, or mean* to an end. Thus a mercantile company is formed with a certain capital for the purpose of carrying on a particular branch of business. Here the business to be prosecuted is the *end*; the association in order to form the requisite capital is the primary mean. Suppose that an incorporation were added to this; it would only be to add a new *quality* to that association; to give it an artificial capacity by which it would be enabled to prosecute the business with more safety & convenience.

That the importance of the power of incorporation has been exaggerated, leading to erroneous conclusions, will further appear from tracing it to its origin. The Roman law is the source of it, according to which a *voluntary* association of individuals at *any time* or *for any purpose* was capable of producing it. In England, whence our notions of it are immediately borrowed, it forms a part of the executive authority, & the exercise of it has been often *delegated* by that authority. Whence, therefore, the ground of the supposition that it lies beyond the reach of all those very important portions of sovereign power, legislative as well as executive, which belong to the government of the United States?

To this mode of reasoning respecting the right of employing all the means requisite to the execution of the specified powers of the government, it is objected that none but *necessary* & proper means are to be employed, & the Secretary of State maintains that no means are to be considered as *necessary* but those without which the grant of the power would be *nugatory*. Nay so far does he go in his restrictive interpretation of the word as even to make the case of *necessity* which shall warrant the constitutional exercise of the power to depend on *casual & temporary* circumstances, an idea which alone refutes the construction. The *expediency* of exercising a particular power, at a particular time, must indeed depend on *circumstances*; but the constitutional right of exercising it must be uniform & invariable—the same today as tomorrow.

All the arguments therefore against the constitutionality of the bill derived from the accidental existence of certain state-banks, institutions which *happen* to exist today, & for ought that concerns the government of the United States, may disappear tomorrow, must not only be rejected as fallacious, but must be viewed as demonstrative that there is a *radical* source of error in the reasoning.

It is essential to the being of the national government that so erroneous a conception of the meaning of the word *necessary* should be exploded.

It is certain that neither the grammatical nor popular sense of the term requires that construction. According to both, *necessary* often means no more than *needful, requisite, incidental, useful, or conducive* to. It is a common mode of expression to say that it is *necessary* for a government or a person to do this or that thing when nothing more is intended or understood than that the interests of the government or person require, or will be promoted, by the doing of this or that thing. The imagination can be at no loss for exemplification of the use of the word in this sense.

And it is the true one in which it is to be understood as used in the Constitution. The whole turn of the clause containing it indicates that it was the intent of the convention by that clause to give a liberal latitude to the exercise of the specified powers. The expressions have peculiar comprehensiveness. They are—“to make *all laws*, necessary and proper for *carrying into execution* the foregoing powers & all *other powers* vested by the constitution in the *government* of the United States, or in any *department* or *officer* thereof.” To understand the word as the Secretary of State does would be to depart from its obvious & popular sense, and to give it a *restrictive* operation; an idea never before entertained. It would be to give it the same force as if the word *absolutely* or *indispensably* had been prefixed to it.

Such a construction would beget endless uncertainty & embarrassment. The cases must be palpable & extreme in which it could be pronounced with certainty that a measure was absolutely necessary, or one without which the exercise of a given power would be nugatory. There are few measures of any government which would stand so severe a test. To insist upon it would be to make the criterion of the exercise of any implied power a *case of extreme necessity*; which is rather a rule to justify the overleaping of the bounds of constitutional authority than to govern the ordinary exercise of it.

It may be truly said of every government, as well as of that of the United States, that it has only a right to pass such laws as are necessary & proper to accomplish the objects intrusted to it. For no government has a right to do *merely what it pleases*. Hence by a process of reasoning similar to that of the Secretary of State, it might be proved that neither of the state governments has a right to incorporate a bank. It might be shewn that all the public business of the state could be performed without a bank, and inferring thence that it was unnecessary it might be argued that it could not be done, because it is against the rule which has been just mentioned. A like mode of reasoning would prove that there was no power to incorporate the inhabitants of a town, with a view to a more perfect police: For it is certain that an incorporation may be dispensed with, though it is better to have one. It is to be remembered that there is no *express* power in any state constitution to erect corporations.

The *degree* in which a measure is necessary can never be a test of the *legal* right to adopt it. That must ever be a matter of opinion; and can only be a test of expediency. The *relation* between the *measure* and the *end*, between the *nature of the mean* employed towards the execution of a power and the object of that power, must be the criterion of constitutionality, not the more or less of *necessity* or *utility*.

The practice of the government is against the rule of construction advocated by the Secretary of State. Of this the act concerning light houses, beacons, buoys & public piers is a decisive example. This doubtless must be referred to the power of regulating trade, and is fairly relative to it. But it cannot be affirmed that the exercise of that power, in this instance, was strictly necessary; or that the power itself would be *nugatory* without that of regulating establishments of this nature.

This restrictive interpretation of the word *necessary* is also contrary to this sound maxim of construction: namely, that the powers contained in a constitution of government, especially those which concern the general administration of the affairs of a country, its finances, trade, defence, etc. ought to be construed liberally in advancement of the public good. This rule does not depend on the particular form of a government or on the particular demarkation of the boundaries of its powers, but on the nature and objects of government itself. The means by which national exigencies are to be provided for, national inconveniencies obviated, national prosperity

promoted, are of such infinite variety, extent and complexity, that there must, of necessity, be great latitude of discretion in the selection & application of those means. Hence, consequently, the necessity & propriety of exercising the authorities intrusted to a government on principles of liberal construction. . . .

But while, on the one hand, the construction of the Secretary of State is deemed inadmissible, it will not be contended on the other that the clause in question gives any *new* or *independent* power. But it gives an explicit sanction to the doctrine of *implied* powers, and is equivalent to an admission of the proposition that the government, *as to its specified powers and objects*, has plenary & sovereign authority, in some cases paramount to that of the states, in others coordinate with it. For such is the plain import of the declaration that it may pass *all laws* necessary & proper to carry into execution those powers.

It is no valid objection to the doctrine to say that it is calculated to extend the powers of the general government throughout the entire sphere of state legislation. The same thing has been said and may be said with regard to every exercise of power by *implication* or *construction*. The moment the literal meaning is departed from, there is a chance of error and abuse. And yet an adherence to the letter of its powers would at once arrest the motions of the government. It is not only agreed, on all hands, that the exercise of constructive powers is indispensable, but every act which has been passed is more or less an exemplification of it. One has been already mentioned, that relating to light houses, etc. That which declares the power of the President to remove officers at pleasure acknowledges the same truth in another and a signal instance.

The truth is that difficulties on this point are inherent in the nature of the federal constitution. They result inevitably from a division of the legislative power. The consequence of this division is that there will be cases clearly within the power of the National Government; others clearly without its power; and a third class, which will leave room for controversy & difference of opinion, & concerning which a reasonable latitude of judgment must be allowed.

But this doctrine which is contended for is not chargeable with the consequence imputed to it. It does not affirm that the national government is sovereign in all respects, but that it is sovereign to a certain extent: that is, to the extent of the objects of its specified powers.

It leaves therefore a criterion of what is constitutional and of what is not so. This criterion is the *end* to which the measure relates as a *mean*. If the end be clearly comprehended within any of the specified powers, & if the measure have an obvious relation to that end, and is not forbidden by any particular provision of the constitution—it may safely be deemed to come within the compass of the national authority. There is also this further criterion which may materially assist the decision. Does the proposed measure abridge a preexisting right of any state, or of any individual? If it does not, there is a strong presumption in favour of its constitutionality; & slighter relations to any declared object of the Constitution may be permitted to turn the scale. . . .

There are two points in the suggestions of the Secretary of State which have been noted that are peculiarly incorrect. One is that the proposed incorporation is against the laws of monopoly, because it stipulates an exclusive right of banking under the national authority. The other that it gives power to the institution to make laws paramount to those of the states.

But with regard to the first point, the bill neither prohibits any state from erecting as many banks as they please, nor any number of individuals from associating to carry on the business, & consequently is free from the charge of establishing a monopoly: for monopoly implies a *legal impediment* to the carrying on of the trade by others than those to whom it is granted.

And with regard to the second point, there is still less foundation. The bylaws of such an institution as a bank can operate only upon its own members; can only concern the disposition of its own property; and must essentially resemble the rules of a private mercantile partnership. They are expressly not to be contrary to law; and law must here mean the law of a state as well as of the United States. There never can be a doubt that a law of the corporation, if contrary to a law of a state, must be overruled as void; unless the law of the state is contrary to that of the United States; and then the question will not be between the law of the state and that of the corporation, but between the law of the state and that of the United States.

Another argument made use of by the Secretary of State is the rejection of a proposition by the convention to empower Congress to make corporations, either generally, or for some special purpose.

What was the precise nature or extent of this proposition, or what the reasons for refusing it, is not ascertained by any authentic document, or even by accurate recollection. As far as any such document exists, it specifies only canals. If this was the amount of it, it would at most only prove that it was thought inexpedient to give a power to incorporate for the purpose of opening canals, for which purpose a special power would have been necessary; except with regard to the Western Territory, there being nothing in any part of the Constitution respecting the regulation of canals. It must be confessed, however, that very different accounts are given of the import of the proposition and of the motives for rejecting it. Some affirm that it was confined to the opening of canals and obstructions in rivers; others, that it embraced banks; and others, that it extended to the power of incorporating generally. Some again alledge that it was disagreed to because it was thought improper to vest in Congress a power of erecting corporations—others, because it was thought unnecessary to *specify* the power, and inexpedient to furnish an additional topic of objection to the Constitution. In this state of the matter, no inference whatever can be drawn from it.

But whatever may have been the nature of the proposition or the reasons for rejecting it concludes nothing in respect to the real merits of the question. The Secretary of State will not deny that whatever may have been the intention of the framers of a constitution, or of a law, that intention is to be sought for in the instrument itself, according to the usual & established rules of construction. Nothing is more common than for laws to *express* and *effect* more or less than was intended. If then a power to erect a corporation, in any case, be deducible by fair inference from the whole or any part of the numerous provisions of the Constitution of the United States, arguments drawn from extrinsic circumstances, regarding the intention of the convention, must be rejected. . . .

It is presumed to have been satisfactorily shewn in the course of the preceding observations

1. That the power of the government *as to* the objects intrusted to its management is in its nature sovereign.
2. That the right of erecting corporations is one inherent in & inseparable from the idea of sovereign power.
3. That the position that the government of the United States can exercise no power but such as is delegated to it by its constitution does not militate against this principle.

4. That the word *necessary* in the general clause can have no *restrictive* operation, derogating from the force of this principle, indeed, that the degree in which a measure is or is not necessary cannot be a *test of constitutional* right, but of expediency only.

5. That the power to erect corporations is not to be considered as an *independent & substantive* power but as an *incidental & auxiliary* one; and was therefore more properly left to implication than expressly granted.

6. That the principle in question does not extend the power of the government beyond the prescribed limits, because it only affirms a power to *incorporate for purposes within the sphere of the specified powers*.

And lastly that the right to exercise such a power, in certain cases, is unequivocally granted in the most *positive & comprehensive* terms.

To all which it only remains to be added that such a power has actually been exercised in two very eminent instances: namely in the erection of two governments, One, northwest of the river Ohio, and the other southwest—the last, *independent of any antecedent compact*.

And there results a full & complete demonstration that the Secretary of State & Attorney General are mistaken when they deny generally the power of the national government to erect corporations.

It shall now be endeavored to be shewn that there is a power to erect one of the kind proposed by the bill. This will be done by tracing a natural & obvious relation between the institution of a bank and the objects of several of the enumerated powers of the government; and by shewing that, *politically* speaking, it is necessary to the effectual execution of one or more of those powers. In the course of this investigation, various instances will be stated by way of illustration of a right to erect corporations under those powers.

Some preliminary observations may be proper.

The proposed bank is to consist of an association of persons for the purpose of creating a joint capital to be employed, chiefly and essentially, in loans. So far the object is not only lawful, but it is the mere exercise of a right which the law allows to every individual. The Bank of New York, which is not incorporated, is an example of such an association. The bill proposes in addition that the government shall become a joint proprietor in this undertaking, and that it shall permit the bills of the company payable on demand to be receivable in its revenues,

& stipulates that it shall not grant privileges similar to those which are to be allowed to this company to any others. All this is incontrovertibly within the compass of the discretion of the government. The only question is, whether it has a right to incorporate this company in order to enable it the more effectually to accomplish *ends* which are in themselves lawful.

To establish such a right, it remains to shew the relation of such an institution to one or more of the specified powers of the government.

Accordingly it is affirmed that it has a relation more or less direct to the power of collecting taxes; to that of borrowing money; to that of regulating trade between the states; and to those of raising, supporting & maintaining fleets & armies. To the two former, the relation may be said to be *immediate*.

And, in the last place, it will be argued that it is, *clearly*, within the provision which authorizes the making of all *needful* rules & *regulations* concerning the *property* of the United States, as the same has been practiced upon by the government.

A Bank relates to the collection of taxes in two ways; *indirectly*, by increasing the quantity of circulating medium & quickening circulation, which facilitates the means of paying—*directly*, by creating a *convenient species of medium* in which they are to be paid. . . .

A Bank has a direct relation to the power of borrowing money, because it is a usual and in sudden emergencies an essential instrument in the obtaining of loans to government.

A nation is threatened with a war. Large sums are wanted, on a sudden, to make the requisite preparations. Taxes are laid for the purpose, but it requires time to obtain the benefit of them. Anticipation is indispensable. If there be a bank, the supply can at once be had; if there be none loans from individuals must be sought. The progress of these is often too slow for the exigency; in some situations they are not practicable at all. Frequently, when they are, it is of great consequence to be able to anticipate the product of them by advances from a bank. . . .

The institution of a bank has also a natural relation to the regulation of trade between the states: in so far as it is conducive to the creation of a convenient medium of *exchange* between them, and to the keeping up a full circulation by preventing the frequent displacement of the metals in reciprocal remittances. Money is the very hinge

on which commerce turns. And this does not mean merely gold & silver; many other things have served the purpose with different degrees of utility. Paper has been extensively employed. . . .

Illustrations of this kind might be multiplied without end. They shall, however, be pursued no further.

There is a sort of evidence on this point arising from an aggregate view of the Constitution, which is of no inconsiderable weight. The very general power of laying & collecting taxes & appropriating their proceeds—that of borrowing money indefinitely—that of coining money & regulating foreign coins—that of making all needful rules and regulations respecting the property of the United States—these powers combined, as well as the reason & nature of the thing speak strongly this language: That it is the manifest design and scope of the Constitution to vest in Congress all the powers requisite to the effectual administration of the finances of the United States. As far as concerns this object, there appears to be no parsimony of power.

To suppose, then, that the government is precluded from the employment of so usual as well as so important an instrument for the administration of its finances as that of a bank, is to suppose what does not coincide with the general tenor & complexion of the Constitution, and what is not agreeable to impressions that any mere spectator would entertain concerning it. Little less than a prohibitory clause can destroy the strong presumptions which result from the general aspect of the government. Nothing but demonstration should exclude the idea that the power exists.

In all questions of this nature the practice of mankind ought to have great weight against the theories of individuals.

The fact, for instance, that all the principal commercial nations have made use of trading corporations or companies for the purposes of *external commerce* is a satisfactory proof that the establishment of them is an incident to the regulation of that commerce.

This other fact, that banks are an usual engine in the administration of national finances, & an ordinary & the most effectual instrument of loans, & one which in this country has been found essential, pleads strongly against the supposition that a government clothed with most of the most important prerogatives of sovereignty in relation to the revenues, its debts, its credit, its defense, its

trade, its intercourse with foreign nations—is forbidden to make use of that instrument as an appendage to its own authority. . . .

It is presumed, that nothing of consequence in the observations of the Secretary of State and Attorney General has been left unnoticed.

There are indeed a variety of observations of the Secretary of State designed to shew that the utilities ascribed to a bank in relation to the collection of taxes and to trade could be obtained without it, to analyse which would prolong the discussion beyond all bounds. It shall be forborne for two reasons—first because the report concerning the Bank may speak for itself in this respect; and secondly, because all those observations are grounded on the erroneous idea that the *quantum* of necessity or utility is the test of a constitutional exercise of power. . . .

JAMES MADISON TO THOMAS JEFFERSON

On Speculative Excess

Summer 1791

Soon after the adjournment of the third session of Congress and Washington's approval of the national bank, Jefferson joined Madison in New York City for a pleasure tour through upper New York and part of New England, taking time before departing from the city for a breakfast with the revolutionary poet and journalist Philip Freneau, whom they were seeking to persuade to launch a national newspaper. Upon their return to the city, Jefferson traveled on to Philadelphia to catch up on business. Madison remained in New York, where he witnessed the opening of subscriptions for stock in the new national bank.

10 July

. . . The Bank-Shares have risen as much in the market here as at Philadelphia. It seems admitted on all hands now that the plan of the institution gives a moral certainty of gain to the subscribers with scarce a physical possibility of loss. The subscriptions are consequently a mere scramble for so much public plunder which will be engrossed by those already loaded with the spoils of indi[vi]duals. The event shews what would have been the operation of the plan if, *as originally proposed*, subscriptions had been limited to the 1st of April and to the favorite species of stock

which the Bank-Jobbers had monopolized. It pretty clearly appears also in what proportions the public debt lies in the country—What sort of hands hold it, and by whom the people of the U.S. are to be governed. Of all the shameful circumstances of this business, it is among the greatest to see the members of the Legislature who were most active in pushing this job, openly grasping its emoluments. [Philip] Schuyler is to be put at the head of the Directors, if the weight of the N.Y. subscribers can effect it. Nothing new is talked of here. In fact stockjobbing drowns every other subject. The Coffee House is in an eternal buzz with the gamblers. . . .

8 August

. . . It is said that packet boats & expresses are again sent from this place to the southern states to buy up the paper of all sorts which has risen in the market here. These

& other abuses make it a problem whether the system of the old paper under a bad government, or of the new under a good one, be chargeable with the greater substantial injustice. The true difference seems to be that by the former the few were the victims to the many; by the latter the many to the few. It seems agreed on all hands now that the bank is a certain & gratuitous augmentation of the capitals subscribed in a proportion of not less than 40 or 50 percent. And if the deferred debt should be immediately provided for in favor of the purchasers of it in the deferred shape, & since the unanimous vote that no change shd. be made in the funding system, my imagination will not attempt to set bounds to the daring depravity of the times. The stockjobbers will become the praetorian band of the government—at once its tool & its tyrant; bribed by its largesses, & overawing it by clamours and combinations. . . .

Commerce and Manufactures

When the War for Independence was succeeded by a sharp, postwar depression, numerous Americans began to think again about the economic and commercial policies appropriate for the new republic. Early in the Revolution, few had doubted that an American doctrine of free trade would revolutionize the world and bring unprecedented prosperity at home. By 1784, it was clear that it had actually done neither. Many blamed the economic troubles, in no small part, on European policies that favored their own merchants and excluded American ships or products from some of the best potential markets. Britain's navigation laws—and, most especially, the closure of the British West Indies to American ships—were widely seen as the most objectionable of all. The best response, however, was a matter for intense dispute. During the Confederation years, various states attempted individually, without success, to retaliate against the British regulations. Some Americans began to advocate encouragement of native manufactures and the development of a larger domestic market for American goods. Jefferson and Madison were more reluctant to promote intensive economic change or to accept the inequalities that urbanization and industrialization seemed to entail. But men of both persuasions were convinced that it was critical to grant the central government authority to regulate the nation's commerce, to negotiate commercial treaties, and to retaliate against the European regulations if required. None of the nation's needs was more responsible for the demand for federal reform. The Constitution was barely ratified, however, before the underlying differences among its advocates erupted in ferocious disagreements.

THOMAS JEFFERSON

Notes on the State of Virginia

1785

Jefferson's only book, originating as a response to a set of inquiries by the secretary of the French legation to the United States and initially published in France when Jefferson succeeded

Benjamin Franklin as minister to that court, included a classic statement of the agrarianism characteristic of the views of both of the Virginia leaders of the emerging opposition.

Query XIX: 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 manufactures, 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 labor 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, depend for it on the casualties and caprice of customers. Dependence 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 labor 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 work-shops 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.

Jefferson and Madison on Republican Political Economy

Thomas Jefferson to G. K. van Hogendorp

13 October 1785

. . . You ask what I think on the expediency of encouraging our states to be commercial? Were I to indulge my own theory, I should wish them to practice neither commerce nor navigation, but to stand with respect to

Europe precisely on the footing of China. We should thus avoid wars, and all our citizens should be husbandmen. Whenever indeed our numbers should so increase as that our produce would overstock the markets of those nations who should come to seek it, the farmers must either employ the surplus of their time in manufactures or the surplus of our hands must be employed in manufactures or in navigation. But that day would, I think be distant, and we should long keep our workmen in Europe, while Europe should be drawing rough materials & even subsistence from America. But this is theory only, & a theory which the servants of America are not at liberty to follow. Our people have a decided taste for navigation & commerce. They take this from their mother country; & their servants are in duty bound to calculate all their measures on this datum: we wish to do it by throwing open all the doors of commerce & knocking off its shackles. But as this cannot be done for others, unless they will do it for us, & there is no great probability that Europe will do this, I suppose we shall be obliged to adopt a system which may shackle them in our ports as they do us in theirs.

James Madison to Thomas Jefferson

19 June 1786

. . . Your reflections on the idle poor of Europe form a valuable lesson to the legislators of every country, and particularly of a new one. I hope you will enable yourself before you return to America to compare with this description of people in France the condition of the indigent part of other communities in Europe where the like causes of wretchedness exist in a less degree. I have no doubt that the misery of the lower classes will be found to abate wherever the government assumes a freer aspect & the laws favor a subdivision of property. Yet I suspect that the difference will not fully account for the comparative comfort of the mass of people in the United States. Our limited population has probably as large a share in producing this effect as the political advantages which distinguish us. A certain degree of misery seems inseparable from a high degree of populousness. If the lands in Europe which are now dedicated to the amusement of the idle rich were parcelled out among the idle poor, I readily conceive the happy revolution which

would be experienced by a certain proportion of the latter. But still would there not remain a great proportion unrelieved? No problem in political economy has appeared to me more puzzling than that which relates to the most proper distribution of the inhabitants of a country fully peopled. Let the lands be shared among them ever so wisely, & let them be supplied with laborers ever so plentifully, as there must be a great surplus of subsistence, there will also remain a great surplus of inhabitants, a greater by far than will be employed in clothing both themselves & those who feed them and in administering to both every other necessary & even comfort of life. What is to be done with this surplus? Hitherto we have seen them distributed into manufacturers of superfluities, idle proprietors of productive funds, domestics, soldiers, merchants, mariners, and a few other less numerous classes. All these classes notwithstanding have been found insufficient to absorb the redundant members of a populous society; and yet a reduction of most of those classes enters into the very reform which appears so necessary & desirable. From a more equal partition of property, must result a greater simplicity of manners, consequently a less consumption of manufactured superfluities, and a less proportion of idle proprietors & domestics. From a juster government must result less need of soldiers either for defense agst. dangers from without or disturbances from within. The number of merchants must be inconsiderable under any modification of society; and that of mariners will depend more on geographical position than on the plan of legislation. But I forget that I am writing a letter not a dissertation. . . .

James Madison to James Monroe

7 August 1785

. . . Viewing in the abstract the question whether the power of regulating trade, to a certain degree at least, ought to be vested in Congress, it appears to me not to admit of a doubt but that it should be decided in the affirmative. If it be necessary to regulate trade at all, it surely is necessary to lodge the power where trade can be regulated with effect, and experience has confirmed what reason foresaw, that it can never be so regulated by the states acting in their separate capacities. They can no

more exercise this power separately than they could separately carry on war or separately form treaties of alliance or commerce. The nature of the thing therefore proves the former power, no less than the latter, to be within the reason of the federal Constitution. Much indeed is it to be wished, as I conceive, that no regulations of trade, that is to say no restrictions or imposts whatever, were necessary. A perfect freedom is the system which would be my choice. But before such a system will be eligible perhaps for the U.S., they must be out of debt; before it will be attainable, all other nations must concur in it. Whilst any one of these imposes on our vessels, seamen, &c in their ports, clogs from which they exempt their own, we must either retort the distinction or renounce not merely a just profit, but our only defence against the danger which may most easily beset us. Are we not at this moment under this very alternative? The policy of G.B. (to say nothing of other nations) has shut against us the channels without which our trade with her must be a losing one, and she has consequently the triumph, as we have the chagrin, of seeing accomplished her prophetic threats that our independence should forfeit commercial advantages for which it would not recompense us with any new channels of trade. What is to be done? Must we remain passive victims to foreign politics; or shall we exert the lawful means which our independence has put into our hands of extorting redress? The very question would be an affront to every citizen who loves his country. What then are those means? Retaliating regulations of trade only. How are these to be effectuated? Only by harmony in the measures of the states. How is this harmony to be obtained? Only by an acquiescence of all the states in the opinion of a reasonable majority. If Congress as they are now constituted can not be trusted with the power of digesting and enforcing this opinion, let them be otherwise constituted: let their numbers be increased, let them be chosen oftener, and let their period of service be shortened; or if any better medium than Congress can be proposed by which the wills of the states may be concentrated, let it be substituted, or lastly let no regulation of trade adopted by Congress be in force untill it shall have been ratified by a certain proportion of the states. But let us not sacrifice the end to the means: let us not rush on certain ruin in order to avoid a possible danger. I conceive it to be of great importance that the defects of

the federal system should be amended, not only because such amendments will make it better answer the purpose for which it was instituted, but because I apprehend danger to its very existence from a continuance of defects which expose a part if not the whole of the empire to severe distress. The suffering part, even when the minor part, can not long respect a government which is too feeble to protect their interest; but when the suffering part came to be the major part, and they despair of seeing a protecting energy given to the general government, from what motives is their allegiance to be any longer expected. Should G.B. persist in the machinations which distress us, and seven or eight of the states be hindered by the others from obtaining relief by federal means, I own, I tremble at the anti-federal expedients into which the former may be tempted. As to the objection against intrusting Congress with a power over trade, drawn from the diversity of interests in the states, it may be answered 1. that if this objection had been listened to, no confederation could have ever taken place among the states. 2. that if it ought now to be listened to, the power held by Congress of forming commercial treaties, by which 9 states may indirectly dispose of the commerce of the residue, ought to be immediately revoked. 3. that the fact is that a case can scarcely be imagined in which it would be the interest of any 2/3ds of the states to oppress the remaining 1/3d. 4. that the true question is whether the commercial interests of the states do not meet in more points than they differ. To me it is clear that they do; and if they do there are so many more reasons for, than against, submitting the commercial interest of each state to the direction and care of the majority. Put the West India trade alone, in which the interest of every state is involved, into the scale against all the inequalities which may result from any probable regulation by nine states, and who will say that the latter ought to preponderate? I have heard the different interest which the Eastern States have as carriers pointed out as a ground of caution to the Southern States who have no bottoms of their own agst their concurring hastily in retaliations on G.B. But will the present system of G.B. ever give the Southern States bottoms; and if they are not their own carriers I should suppose it no mark either of folly or incivility to give our custom to our brethren rather than to those who have not yet entitled themselves to the name of friends. . . .

JAMES MADISON

Speech in the House of Representatives on Commercial Retaliation and Discrimination

25 April 1789

On 8 April 1789, the first day of business for the First Federal Congress, Madison introduced a set of resolutions looking toward the imposition of import and tonnage duties, which would provide the new government with a steady source of independent revenues. In addition to favoring native shippers, these would have levied higher duties on the merchants of nations that did not have commercial treaties with the United States than on those of nations that did—a proposition clearly aimed to discriminate against the English and in favor of America's French allies. Madison defended this proposition in a speech of 9 April and again in this speech of 25 April.

. . . Let us review the policy of Great Britain toward us; has she ever shown any disposition to enter into reciprocal regulations? Has she not by a temporising policy plainly declared that until we are able and willing to do justice to ourselves, she will shut us out from her ports and make us tributary to her? Have we not seen her taking one legislative step after another to destroy our commerce? Has not her legislature given discretionary powers to the executive, that so she might be ever on the watch and ready to seize every advantage the weakness of our situation might expose? Have we not reason to believe she will continue a policy void of regard to us, whilst she can continue to gather into her lap the benefits we feebly endeavor to withhold, and for which she ought rather to court us by an open and liberal participation of the commerce we desire? Will she not, if she finds us indecisive in counteracting her machinations, continue to consult her own interest as heretofore? If we remain in a state of apathy, we do not fulfill the object of our appointment; most of the states in the union have, in some shape or other, shown symptoms of disapprobation of British policy; those states have now relinquished the power of continuing their systems, but under an impression that a more efficient government would effectually support their views. If we are timid and inactive we disappoint the just expectations of our constituents, and I venture to say, we disappoint the very nation against whom the measure is principally directed.

It has been said that Great Britain receives all the produce of this country in our own bottoms. I believe that in some ports of that kingdom our vessels are admitted, but those in the West Indies, into which we want admission most, are closely barred against us; but the reason that she admits us is because it is necessary to repay herself for her exports to this country and to constitute herself a market for this and the European nations. Adventitious causes have drawn within the commercial vortex of her policy almost all the trade of America, and the productions of the most distant clime, consumed among us, are tributary to her revenue; as long therefore as we do not protect ourselves and endeavor to restore the stream of commerce to its natural channel, we shall find no relaxation on the part of Britain, the same obnoxious policy will be pursued while we submissively bear the oppression. This is a copious subject, and leads to serious and important reflections. After what has passed, I am certain that there is a disposition to make a discrimination, to teach the nations that are not in alliance with us that there is an advantage to be gained by the connection. To give some early symptom of the power and will of the new government to redress our national wrongs must be productive of benefit. We soon shall be in a condition, we now are in a condition, we now are in a condition, to wage a commercial warfare with that nation. The produce of this country is more necessary to the rest of the world than that of other countries is to America. If we were disposed to hazard the experiment of interdicting the intercourse between us and the powers not in alliance, we should have overtures of the most advantageous kind tendered by those nations. If we have the disposition, we have abundantly the power to vindicate our cause; let us but show the world that we know justly how to consider our commercial friends and commercial adversaries. Let us show that if a war breaks out in Europe, and is extended and carried on in the West Indies, that we can treat with friendship and succour the one, while we can shut the other out of our ports. By these favors, without entering into the contest, or violating the law of nations, or even the privilege of neutrals, we can give the most decided advantage.

I will not enlarge on this subject; but it must be apparent to every gentleman that we possess natural advantages which no other nation does; we can therefore with justice stipulate for a reciprocity in commerce. The way to obtain this is by discrimination; and therefore, though the proposed measure may not be very favorable to the nations in alliance,

yet I hope it will be adopted for the sake of the principle it contains. I should rather be in favor of a small discrimination than a large one, on purpose to avoid the loss of revenue which anyhow in this article will be but trifling.

Congressional Proceedings on Commercial Discrimination 1789

Madison's proposals passed the House of Representatives in 1789, but were rejected in the Senate by a combination of southern members who feared higher duties, northerners who opposed the concept of discrimination in principle, and a few who favored even stronger retaliation than Madison had proposed. He summarized the congressional debates for Jefferson, who was still in France but sympathized entirely with his friend's position. Madison would press the matter again in 1790 and 1791, but was again defeated. Fortified by Jefferson's powerful report on American commerce, he would revive it once again in 1794.

James Madison to Thomas Jefferson

30 June 1789

The Senate has [rejected the House of Representatives' proposal for commercial discrimination]. It had been proposed by the H. of Reps. that, besides a discrimination in the tonnage, a small reduction should be made in the duty on distilled spirits imported from countries in treaty with the U. States. The Senate were opposed to any discrimination whatsoever, contending that even G. Britain should stand on the same footing with the most favored nations. The arguments on that side of the question were that the U.S. were not bound by treaty to give any commercial preferences to particular nations—that they were not bound by gratitude, since our allies had been actuated by their own interest and had obtained their compensation in the dismemberment of a rival empire—that in national and particularly in commercial measures, gratitude was, moreover, no proper motive, interest alone being the statesman's guide—that G.B. made no discrimination against the U.S. compared with other nations; but on the contrary distinguished them by a number of advantages—that if G.B. possessed almost the whole of our trade it proceeded from causes which proved that she could carry

it on for us on better terms than the other nations of Europe—that we were too dependent on her trade to risk her displeasure by irritating measures which might induce her to put us on a worse footing than at present—that a small discrimination could only irritate without operating on her interests or fears—that if any thing were done it would be best to make a bolder stroke at once and that in fact the Senate had appointed a committee to consider the subject in that point of view.

On the other side it was contended that it would be absurd to *give* away every thing that could *purchase* the stipulation wanted by us, that the motives in which the new government originated, the known sentiments of the people at large, and the laws of most of the states subsequent to the peace showed clearly that a distinction between nations in treaty and nations not in treaty would coincide with the public opinion, and that it would be offensive to a great number of citizens to see G.B. in particular put on the footing of the most favored nations by the first act of a government instituted for the purpose of uniting the states in the vindication of their commercial interests against her monopolizing regulations—that this respect to the sentiments of the people was the more necessary in the present critical state of the government—that our trade at present entirely contradicted the advantages expected from the Revolution, no new channels being opened with other European nations, and the British channels being narrowed by a refusal of the most natural and valuable one to the U.S.—that this evil proceeded from the deep hold the British monopoly had taken of our country, and the difficulty experienced by France, Holland, etc. in entering into competition with her—that in order to break this monopoly, those nations ought to be aided till they could contend on equal terms—that the market of France was particularly desirable to us—that her disposition to open it would depend on the disposition manifested on our part, etc., etc.—that our trade would not be in its proper channels until it should flow *directly* to the countries making the exchange, in which case, too, American vessels would have a due share in the transaction, whereas at present the whole carriage of our bulky produce is confined to British bottoms—that with respect to G.B. we had good reason to suppose that her conduct would be regulated by the apparent temper of the new government—that a passiveness under her restrictions would confirm her in them, whilst

an evidence of intention as well as ability to face them would ensure a reconsideration of her policy—that it would be sufficient to begin with a moderate discrimination, exhibiting a readiness to invigorate our measures as circumstances might require—that we had no reason to apprehend a disposition in G.B. to resort to a commercial contest, or the consequences of such an experiment, her dependence on us being greater than ours on her. The supplies of the United States are necessary to the existence, and their market to the value, of her islands. The returns are either superfluities or poisons. In time of famine, the cry of which is heard every three or four years, the bread of the United States is essential. In time of war, which is generally decided in the West Indies, friendly offices, not violating the duties of neutrality, might effectually turn the scale in favor of an adversary. In the direct trade with Great Britain, the consequences ought to be equally dreaded by her. The raw and bulky exports of the United States employ her shipping, contribute to her revenue, enter into her manufactures, and enrich her merchants, who stand between the United States and the consuming nations of Europe. A suspension of the intercourse would suspend all these advantages, force the trade into rival channels from which it might not return, and besides a temporary loss of a market for 1/4 of her exports, hasten the establishment of manufactures here, which would so far cut off the market forever. On the other side, the United States would suffer but little. The manufactures of Great Britain, as far as desirable, would find their way through other channels, and if the price were a little augmented it would only diminish an excessive consumption. They could do almost wholly without such supplies, and better without than with many of them. In one important view the contest would be particularly in their favor. The articles of luxury, a privation of which would be salutary to them, being the work of the indigent, may be regarded as necessaries to the manufacturing party: . . .

Thomas Jefferson to James Madison

28 August 1789

It is impossible to desire better dispositions towards us than prevail in [the French] assembly. Our proceedings have been viewed as a model for them on every occasion; and tho in the heat of debate men are generally disposed to contradict

every authority urged by their opponents, ours has been treated like that of the Bible, open to explanation but not to question. I am sorry that in the moment of such a disposition anything should come from us to check it. The placing them on a mere footing with the English will have this effect. When of two nations, the one has engaged herself in a ruinous war for us, has spent her blood and money to save us, has opened her bosom to us in peace, and receive us almost on the footing of her own citizens, while the other has moved heaven, earth and hell to exterminate us in war, has insulted us in all her councils in peace, shut her doors to us in every part where her interests would admit it, libelled us in foreign nations, endeavored to poison them against the reception of our most precious commodities, to place these two nations on a footing is to give a great deal more to one than to the other if the maxim be true that to make unequal quantities equal you must add more to the one than the other. To say in excuse that gratitude is never to enter into the motives of national conduct is to revive a principle which has been buried for centuries with its kindred principles of the lawfulness of assassination, poison, perjury, etc. All of these were legitimate principles in the dark ages which intervened between ancient and modern civilization, but exploded and held in just horror in the 18th century. I know but one code of morality for man whether acting singly or collectively. . . . Let us hope that our new government will take some other occasion to show that they mean to proscribe no virtue from the canons of their conduct with other nations. In every other instance the new government has ushered itself to the world as honest, masculine and dignified. It has shown genuine dignity in my opinion in exploding adulatory titles; they are the offerings of abject baseness, and nourish that degrading vice in the people. . . .

ALEXANDER HAMILTON

Report on the Subject of Manufactures

5 December 1791

Hamilton's economic program culminated in the great Report on Manufactures, which has rightly been described as his response to the Virginians' program of commercial discrimination. Most of the recommendations of the report were never enacted by

Congress, but the constitutional assumptions on which it rested and the vision of the American future that it advanced would both become major subjects for future disputes.

The Secretary of the Treasury, in obedience to the order of the House of Representatives of the 15th day of January, 1790, has applied his attention at as early a period as his other duties would permit to the subject of Manufactures; and particularly to the means of promoting such as will tend to render the United States independent on foreign nations for military and other essential supplies. And he there[upon] respectfully submits the following Report.

The expediency of encouraging manufactures in the United States, which was not long since deemed very questionable, appears at this time to be pretty generally admitted. The embarrassments which have obstructed the progress of our external trade have led to serious reflections on the necessity of enlarging the sphere of our domestic commerce: the restrictive regulations which in foreign markets abridge the vent of the increasing surplus of our agricultural produce serve to beget an earnest desire that a more extensive demand for that surplus may be created at home; and the complete success which has rewarded manufacturing enterprise in some valuable branches, conspiring with the promising symptoms which attend some less mature essays in others, justify a hope that the obstacles to the growth of this species of industry are less formidable than they were apprehended to be; and that it is not difficult to find, in its further extension, a full indemnification for any external disadvantages which are or may be experienced, as well as an accession of resources favorable to national independence and safety.

There still are, nevertheless, respectable patrons of opinions unfriendly to the encouragement of manufactures. The following are, substantially, the arguments by which these opinions are defended.

"In every country (say those who entertain them) agriculture is the most beneficial and *productive* object of human industry. This position, generally if not universally true, applies with peculiar emphasis to the United States on account of their immense tracts of fertile territory, uninhabited and unimproved. Nothing can afford so advantageous an employment for capital and labour as the conversion of this extensive wilderness into cultivated farms. Nothing, equally with this, can contribute to the population, strength and real riches of the country."

“To endeavor by the extraordinary patronage of Government to accelerate the growth of manufactures is, in fact, to endeavor by force and art to transfer the natural current of industry from a more to a less beneficial channel. Whatever has such a tendency must necessarily be unwise. Indeed it can hardly ever be wise in a government, to attempt to give a direction to the industry of its citizens. This, under the quicksighted guidance of private interest, will, if left to itself, infallibly find its own way to the most profitable employment; and 'tis by such employment that the public prosperity will be most effectually promoted. To leave industry to itself, therefore, is, in almost every case, the soundest as well as the simplest policy.”

“This policy is not only recommended to the United States by considerations which affect all nations, it is, in a manner, dictated to them by the imperious force of a very peculiar situation. The smallness of their population compared with their territory—the constant allurements to emigration from the settled to the unsettled parts of the country—the facility with which the less independent condition of an artisan can be exchanged for the more independent condition of a farmer, these and similar causes conspire to produce, and for a length of time must continue to occasion, a scarcity of hands for manufacturing occupation, and dearness of labor generally. To these disadvantages for the prosecution of manufactures, a deficiency of pecuniary capital being added, the prospect of a successful competition with the manufactures of Europe must be regarded as little less than desperate. Extensive manufactures can only be the offspring of a redundant, at least of a full, population. Till the latter shall characterize the situation of this country, 'tis vain to hope for the former.”

“If, contrary to the natural course of things, an unseasonable and premature spring can be given to certain fabrics by heavy duties, prohibitions, bounties, or by other forced expedients, this will only be to sacrifice the interests of the community to those of particular classes. Besides the misdirection of labor, a virtual monopoly will be given to the persons employed on such fabrics; and an enhancement of price, the inevitable consequence of every monopoly, must be defrayed at the expence of the other parts of the society. It is far preferable that those persons should be engaged in the cultivation of the earth and that we should procure, in exchange for its productions, the commodities with which foreigners are able to supply us in greater perfection and upon better terms.”

This mode of reasoning is founded upon facts and principles which have certainly respectable pretensions. If it had governed the conduct of nations more generally than it has done, there is room to suppose that it might have carried them faster to prosperity and greatness than they have attained by the pursuit of maxims too widely opposite. Most general theories, however, admit of numerous exceptions, and there are few, if any, of the political kind which do not blend a considerable portion of error with the truths they inculcate.

In order to an accurate judgement how far that which has been just stated ought to be deemed liable to a similar imputation, it is necessary to advert carefully to the considerations which plead in favour of manufactures, and which appear to recommend the special and positive encouragement of them, in certain cases, and under certain reasonable limitations.

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 subsistence of man—as the principal source of those materials which constitute the nutriment of other kinds of labor—as including a state most favorable 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 anything 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. That its real interests, precious and important as without the help of exaggeration, they truly are, will be advanced, rather than injured, by the due encouragement of manufactures, may, it is believed, be satisfactorily demonstrated. And it is also believed that the expediency of such encouragement in a general view may be shown to be recommended by the most cogent and persuasive motives of national policy. . . .

. . . Manufacturing establishments not only occasion a positive augmentation of the produce and revenue of the society, . . . they contribute essentially 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 promoting 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 various 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.

Each of these circumstances has a considerable influence upon the total mass of industrious effort in a community. Together, they add to it a degree of energy and effect which are not easily conceived. Some comments upon each of them, in the order in which they have been stated, may serve to explain their importance.

I. As to the Division of Labor.

It has justly been observed that there is scarcely anything of greater moment in the economy of a nation than the proper division of labor. The separation of occupations causes each to be carried to a much greater perfection than it could possibly acquire if they were blended. This arises principally from three circumstances.

1st—The greater skill and dexterity naturally resulting from a constant and undivided application to a single object. It is evident that these properties must increase in proportion to the separation and simplification of objects and the steadiness of the attention devoted to each, and must be less in proportion to the complication of objects and the number among which the attention is distracted.

2nd—The economy of time—by avoiding the loss of it incident to a frequent transition from one operation to another of a different nature. This depends on various circumstances—the transition itself—the orderly disposition of the implements, machines and materials employed in the operation to be relinquished—the preparatory steps to the commencement of a new one—the interruption of the impulse which the mind of the workman acquires from being engaged in a particular operation—the distractions, hesitations and reluctances which attend the passage from one kind of business to another.

3rd—An extension of the use of machinery. A man occupied on a single object will have it more in his power and will be more naturally led to exert his imagination in devising methods to facilitate and abridge labor than if he were perplexed by a variety of independent and dissimilar

operations. Besides this, the fabrication of machines, in numerous instances becoming itself a distinct trade, the artist who follows it has all the advantages which have been enumerated for improvement in his particular art; and in both ways the invention and application of machinery are extended.

And from these causes united, the mere separation of the occupation of the cultivator from that of the artificer has the effect of augmenting the *productive powers* of labor and, with them, the total mass of the produce or revenue of a country. In this single view of the subject, therefore, the utility of artificers or manufacturers towards promoting an increase of productive industry is apparent.

II. As to an extension of the use of machinery, a point which though partly anticipated requires to be placed in one or two additional lights.

The employment of machinery forms an item of great importance in the general mass of national industry. 'Tis an artificial force brought in aid of the natural force of man and, to all the purposes of labor, is an increase of hands; an accession of strength, *unencumbered too by the expense of maintaining the laborer*. May it not therefore be fairly inferred that those occupations which give greatest scope to the use of this auxiliary contribute most to the general stock of industrious effort, and, in consequence, to the general product of industry?

It shall be taken for granted, and the truth of the position referred to observation, that manufacturing pursuits are susceptible in a greater degree of the application of machinery than those of agriculture. If so, all the difference is lost to a community which, instead of manufacturing for itself, procures the fabrics requisite to its supply from other countries. The substitution of foreign for domestic manufactures is a transfer to foreign nations of the advantages accruing from the employment of machinery, in the modes in which it is capable of being employed, with most utility and to the greatest extent.

The cotton mill, invented in England within the last twenty years, is a signal illustration of the general proposition which has been just advanced. In consequence of it, all the different processes for spinning cotton are performed by means of machines, which are put in motion by water and attended chiefly by women and children; and by a smaller number of persons, in the whole, than are requisite in the ordinary mode of spinning. And it is an advantage of great moment that the operations of this mill continue with

convenience during the night as well as through the day. The prodigious effect of such a machine is easily conceived. To this invention is to be attributed essentially the immense progress which has been so suddenly made in Great Britain in the various fabrics of cotton.

III. As to the additional employment of classes of the community not ordinarily engaged in the particular business.

This is not among the least valuable of the means by which manufacturing institutions contribute to augment the general stock of industry and production. In places where those institutions prevail, besides the persons regularly engaged in them, they afford occasional and extra employment to industrious individuals and families who are willing to devote the leisure resulting from the intermissions of their ordinary pursuits to collateral labors as a resource of multiplying their acquisitions or enjoyments. The husbandman himself experiences a new source of profit and support from the increased industry of his wife and daughters, invited and stimulated by the demands of the neighboring manufactories.

Besides this advantage of occasional employment to classes having different occupations, there is another of a nature allied to it and of a similar tendency. This is—the employment of persons who would otherwise be idle (and in many cases a burthen on the community), either from the bias of temper, habit, infirmity or body, or some other cause, indisposing or disqualifying them for the toils of the country. It is worthy of particular remark that, in general, women and children are rendered more useful, and the latter more early useful, by manufacturing establishments than they would otherwise be. Of the number of persons employed in the cotton manufactories of Great Britain, it is computed that $\frac{4}{7}$ nearly are women and children, of whom the greatest proportion are children and many of them of a very tender age.

And thus it appears to be one of the attributes of manufactures, and one of no small consequence, to give occasion to the exertion of a greater quantity of industry, even by the *same number* of persons, where they happen to prevail, than would exist if there were no such establishments.

IV. As to the promoting of emigration from foreign countries. Men reluctantly quit one course of occupation and livelihood for another, unless invited to it by very apparent and proximate advantages. Many who would go from one country to another, if they had a prospect of

continuing with more benefit the callings to which they have been educated, will often not be tempted to change their situation, by the hope of doing better, in some other way. Manufacturers who, listening to the powerful invitations of a better price for their fabrics, or their labor, of greater cheapness of provisions and raw materials, of an exemption from the chief part of the taxes, burthens and restraints which they endure in the old world, of greater personal independence and consequence under the operation of a more equal government, and of what is far more precious than mere religious toleration—a perfect equality of religious privileges—would probably flock from Europe to the United States to pursue their own trades or professions if they were once made sensible of the advantages they would enjoy, and were inspired with an assurance of encouragement and employment, will with difficulty be induced to transplant themselves with a view to becoming cultivators of land.

If it be true, then, that it is the interest of the United States to open every possible avenue to emigration from abroad, it affords a weighty argument for the encouragement of manufactures, which for the reasons just assigned, will have the strongest tendency to multiply the inducements to it.

Here is perceived an important resource, not only for extending the population and with it the useful and productive labor of the country, but likewise for the prosecution of manufactures without deducting from the number of hands which might otherwise be drawn to tillage; and even for the indemnification of agriculture for such as might happen to be diverted from it. Many whom manufacturing views would induce to emigrate would afterwards yield to the temptations which the particular situation of this country holds out to agricultural pursuits. And while agriculture would in other respects derive many signal and unmingled advantages from the growth of manufactures, it is a problem whether it would gain or lose as to the article of the number of persons employed in carrying it on.

V. As to the furnishing greater scope for the diversity of talents and dispositions which discriminate men from each other.

This is a much more powerful means of augmenting the fund of national industry than may at first sight appear. It is a just observation that minds of the strongest and most active powers for their proper objects fall below mediocrity and labor without effect if confined to uncongenial pursuits. And it is thence to be inferred that the results of

human exertion may be immensely increased by diversifying its objects. When all the different kinds of industry obtain in a community, each individual can find his proper element and can call into activity the whole vigor of his nature. And the community is benefitted by the services of its respective members in the manner in which each can serve it with most effect.

If there be anything in a remark often to be met with—namely, that there is in the genius of the people of this country a peculiar aptitude for mechanic improvements, it would operate as a forcible reason for giving opportunities to the exercise of that species of talent by the propagation of manufactures.

VI. As to the affording a more ample and various field for enterprise.

This also is of greater consequence in the general scale of national exertion than might perhaps on a superficial view be supposed, and has effects not altogether dissimilar from those of the circumstance last noticed. To cherish and stimulate the activity of the human mind by multiplying the objects of enterprise is not among the least considerable of the expedients by which the wealth of a nation may be promoted. Even things in themselves not positively advantageous sometimes become so by their tendency to provoke exertion. Every new scene which is opened to the busy nature of man to rouse and exert itself is the addition of a new energy to the general stock of effort.

The spirit of enterprise, useful and prolific as it is, must necessarily be contracted or expanded in proportion to the simplicity or variety of the occupations and productions which are to be found in a society. It must be less in a nation of mere cultivators than in a nation of cultivators and merchants, less in a nation of cultivators and merchants than in a nation of cultivators, artificers and merchants.

VII. As to the creating, in some instances, a new, and securing in all, a more certain and steady demand for the surplus produce of the soil.

This is among the most important of the circumstances which have been indicated. It is a principal mean by which the establishment of manufactures contributes to an augmentation of the produce or revenue of a country, and has an immediate and direct relation to the prosperity of agriculture.

It is evident that the exertions of the husbandman will be steady or fluctuating, vigorous or feeble, in proportion

to the steadiness or fluctuation, adequateness, or inadequateness of the markets on which he must depend for the vent of the surplus which may be produced by his labor; and that such surplus in the ordinary course of things will be greater or less in the same proportion.

For the purpose of this vent, a domestic market is greatly to be preferred to a foreign one, because it is, in the nature of things, far more to be relied upon.

It is a primary object of the policy of nations to be able to supply themselves with subsistence from their own soils; and manufacturing nations, as far as circumstances permit, endeavor to procure from the same source the raw materials necessary for their own fabrics. This disposition, urged by the spirit of monopoly, is sometimes even carried to an injudicious extreme. It seems not always to be recollected that nations who have neither mines nor manufactures can only obtain the manufactured articles of which they stand in need by an exchange of the products of their soils; and that, if those who can best furnish them with such articles are unwilling to give a due course to this exchange, they must of necessity make every possible effort to manufacture for themselves, the effect of which is that the manufacturing nations abridge the natural advantages of their situation through an unwillingness to permit the agricultural countries to enjoy the advantages of theirs, and sacrifice the interests of a mutually beneficial intercourse to the vain project of *selling every thing* and *buying nothing*.

But it is also a consequence of the policy which has been noted that the foreign demand for the products of agricultural countries is, in a great degree, rather casual and occasional than certain or constant. To what extent injurious interruptions of the demand for some of the staple commodities of the United States may have been experienced from that cause must be referred to the judgement of those who are engaged in carrying on the commerce of the country, but it may be safely assumed that such interruptions are at times very inconveniently felt, and that cases not unfrequently occur in which markets are so confined and restricted as to render the demand very unequal to the supply.

Independently likewise of the artificial impediments which are created by the policy in question, there are natural causes tending to render the external demand for the surplus of agricultural nations a precarious reliance. The differences of seasons in the countries which are the consumers make immense differences in the produce

of their own soils, in different years; and consequently in the degrees of their necessity for foreign supply. Plentiful harvests with them, especially if similar ones occur at the same time in the countries which are the furnishers, occasion of course a glut in the markets of the latter.

Considering how fast and how much the progress of new settlements in the United States must increase the surplus produce of the soil, and weighing seriously the tendency of the system which prevails among most of the commercial nations of Europe, whatever dependence may be placed on the force of natural circumstances to counteract the effects of an artificial policy, there appear strong reasons to regard the foreign demand for that surplus as too uncertain a reliance, and to desire a substitute for it in an extensive domestic market.

To secure such a market, there is no other expedient than to promote manufacturing establishments. Manufacturers, who constitute the most numerous class after the cultivators of land, are for that reason the principal consumers of the surplus of their labor.

This idea of an extensive domestic market for the surplus produce of the soil is of the first consequence. It is of all things that which most effectually conduces to a flourishing state of agriculture. If the effect of manufactories should be to detach a portion of the hands which would otherwise be engaged in tillage, it might possibly cause a smaller quantity of lands to be under cultivation, but by their tendency to procure a more certain demand for the surplus produce of the soil, they would, at the same time, cause the lands which were in cultivation to be better improved and more productive. And while, by their influence, the condition of each individual farmer would be meliorated, the total mass of agricultural production would probably be increased. For this must evidently depend as much, if not more, upon the degree of improvement than upon the number of acres under culture.

It merits particular observation that the multiplication of manufactories not only furnishes a market for those articles which have been accustomed to be produced in abundance in a country, but it likewise creates a demand for such as were either unknown or produced in inconsiderable quantities. The bowels as well as the surface of the earth are ransacked for articles which were before neglected. Animals, plants and minerals acquire a utility and value which were before unexplored.

The foregoing considerations seem sufficient to establish, as general propositions, that it is the interest of nations to diversify the industrious pursuits of the individuals who compose them—that the establishment of manufactures is calculated not only to increase the general stock of useful and productive labor, but even to improve the state of agriculture in particular; certainly to advance the interests of those who are engaged in it. There are other views that will be hereafter taken of the subject, which, it is conceived, will serve to confirm these inferences.

VIII. Previously to a further discussion of the objections to the encouragement of manufactures which have been stated, it will be of use to see what can be said in reference to the particular situation of the United States against the conclusions appearing to result from what has been already offered.

It may be observed, and the idea is of no inconsiderable weight, that however true it might be that a state which, possessing large tracts of vacant and fertile territory, was at the same time secluded from foreign commerce, would find its interest and the interest of agriculture in diverting a part of its population from tillage to manufactures; yet it will not follow that the same is true of a state which, having such vacant and fertile territory, has at the same time ample opportunity of procuring from abroad, on good terms, all the fabrics of which it stands in need for the supply of its inhabitants. The power of doing this at least secures the great advantage of a division of labor, leaving the farmer free to pursue exclusively the culture of his land and enabling him to procure with its products the manufactured supplies requisite either to his wants or to his enjoyments. And though it should be true that, in settled countries, the diversification of industry is conducive to an increase in the productive powers of labor, and to an augmentation of revenue and capital, yet it is scarcely conceivable that there can be anything of so solid and permanent advantage to an uncultivated and unpeopled country as to convert its wastes into cultivated and inhabited districts. If the revenue, in the mean time, should be less, the capital, in the event, must be greater.

To these observations, the following appears to be a satisfactory answer—

If the system of perfect liberty to industry and commerce were the prevailing system of nations—the arguments which dissuade a country in the predicament of the United States from the zealous pursuits of manufactures would

doubtless have great force. It will not be affirmed that they might not be permitted, with few exceptions, to serve as a rule of national conduct. In such a state of things, each country would have the full benefit of its peculiar advantages to compensate for its deficiencies or disadvantages. If one nation were in condition to supply manufactured articles on better terms than another, that other might find an abundant indemnification in a superior capacity to furnish the produce of the soil. And a free exchange, mutually beneficial, of the commodities which each was able to supply on the best terms, might be carried on between them, supporting in full vigor the industry of each. And though the circumstances which have been mentioned and others which will be unfolded hereafter render it probable that nations merely agricultural would not enjoy the same degree of opulence, in proportion to their numbers, as those which united manufactures with agriculture, yet the progressive improvement of the lands of the former might, in the end, atone for an inferior degree of opulence in the mean time; and in a case in which opposite considerations are pretty equally balanced, the option ought perhaps always to be in favor of leaving industry to its own direction.

But the system which has been mentioned is far from characterizing the general policy of nations. The prevalent one has been regulated by an opposite spirit.

The consequence of it is that the United States are to a certain extent in the situation of a country precluded from foreign commerce. They can, indeed, without difficulty obtain from abroad the manufactured supplies of which they are in want; but they experience numerous and very injurious impediments to the emission and vent of their own commodities. Nor is this the case in reference to a single foreign nation only. The regulations of several countries with which we have the most extensive intercourse throw serious obstructions in the way of the principal staples of the United States.

In such a position of things, the United States cannot exchange with Europe on equal terms; and the want of reciprocity would render them the victim of a system which should induce them to confine their views to agriculture and refrain from manufactures. A constant and increasing necessity on their part for the commodities of Europe, and only a partial and occasional demand for their own in return, could not but expose them to a state of impoverishment, compared with the opulence to which their political and natural advantages authorise them to aspire. . . .

Whatever room there may be for an expectation that the industry of a people, under the direction of private interest, will upon equal terms find out the most beneficial employment for itself, there is none for a reliance that it will struggle against the force of unequal terms, or will of itself surmount all the adventitious barriers to a successful competition which may have been erected either by the advantages naturally acquired from practice and previous possession of the ground, or by those which may have sprung from positive regulations and an artificial policy. This general reflection might alone suffice as an answer to the objection under examination, exclusively of the weighty considerations which have been particularly urged. . . .

One more point of view only remains in which to consider the expediency of encouraging manufactures in the United States.

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 & 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.

This idea of an opposition between those two interests is the common error of the early periods of every country, but experience gradually dissipates it. Indeed they are perceived so often to succor and to befriend each other that they come at length to be considered as one: a supposition which has been frequently abused and is not universally true. Particular encouragements of particular manufactures may be of a nature to sacrifice the interests of landholders to those of manufacturers, but it is nevertheless a maxim well established by experience, and generally acknowledged, where there has been sufficient experience, that the *aggregate* prosperity of manufactures and the *aggregate* prosperity of agriculture are intimately connected. In the course of the discussion which has [taken] place, various weighty considerations have been adduced operating in support of that maxim. Perhaps the superior steadiness of the demand of a domestic market for the surplus produce of the soil is alone a convincing argument of its truth.

Ideas of a contrariety of interest 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 contrariety is usually predi-

cated authorises a directly contrary conclusion. Mutual wants constitute one of the strongest links of political connection, and the extent of these bears a natural proportion to the diversity in the means of mutual supply.

Suggestions of an opposite complexion are ever to be deplored, as unfriendly to the steady pursuit of one great common cause, and to the perfect harmony of all the parts. . . .

A question has been made concerning the constitutional right of the Government of the United States to apply this species of encouragement, but there is certainly no good foundation for such a question. The national legislature has express authority “To lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the *common defense* and *general welfare*” with no other qualifications than that “all duties, imposts and excises, shall be *uniform* throughout the United States,” that no capitation or other direct tax shall be laid unless in proportion to numbers ascertained by a census or enumeration taken on the principles prescribed in the Constitution, and that “no tax or duty shall be laid on articles exported from any state.” These three qualifications excepted, the power to *raise money* is *plenary* and *indefinite*; and the objects to which it may be *appropriated* are no less comprehensive than the payment of the public debts and the providing for the common defense and

“*general welfare*.” The terms “*general welfare*” were doubtless intended to signify more than was expressed or imported in those which preceded; otherwise numerous exigencies incident to the affairs of a nation would have been left without a provision. The phrase is as comprehensive as any that could have been used; because it was not fit that the constitutional authority of the Union to appropriate its revenues should have been restricted within narrower limits than the “*general welfare*” and because this necessarily embraces a vast variety of particulars, which are susceptible neither of specification nor of definition.

It is therefore, of necessity, left to the discretion of the national legislature to pronounce upon the objects which concern the general welfare and for which, under that description, an appropriation of money is requisite and proper. And there seems to be no room for a doubt that whatever concerns the general interests of *learning*, of *agriculture*, of *manufactures*, and of *commerce* are within the sphere of the national councils *as far as regards an application of money*.

The only qualification of the generality of the phrase in question which seems to be admissible is this—that the object to which an appropriation of money is to be made be *general* and not *local*, its operation extending in fact, or by possibility, throughout the Union, and not being confined to a particular spot. . . .

The Collision

Even as Jefferson and Madison grew more alarmed about Hamilton's economic policies and the constitutional constructions employed to justify them, Jefferson's private correspondence revealed equal concern with what he saw as the undemocratic tenor of comments in Philadelphia social circles, uncritical praise of the administration in John Fenno's *Gazette of the United States* (the only newspaper with something like a national audience), and publications he considered unfriendly to the French Revolution and even to republican government itself. He was especially disgusted by the "Discourses on Davila," a series published anonymously in Fenno's Philadelphia paper, but easily recognized as an effort by Vice President John Adams to carry on his long-standing argument with French proponents of a unicameral legislature. In consequence, Jefferson left Philadelphia after the adjournment of the First Congress and approval of the national bank in the midst of a furor provoked by the appearance of an American edition of Thomas Paine's *The Rights of Man*. The publisher had prefaced Paine's response to Edmund Burke's *Reflections on the Revolution in France* with a private note in which the secretary of state had remarked that he was "extremely pleased to find . . . that something is at length to be publicly said against the political heresies which have sprung up among us." In New York City, Jefferson joined with Madison for a tour up the Hudson River and Lake Champlain, through Vermont, and back to the city by way of Connecticut and Long Island. Before departing on the tour, the two of them had breakfast with the revolutionary poet and publicist Philip Freneau, a former classmate whom Madison was already urging to move to Philadelphia to launch the new newspaper that Freneau had been planning. With an aid of an offer of a position as a translator in Jefferson's Department of State, the two Virginians eventually succeeded in this negotiation. Freneau launched his *National Gazette*, a semiweekly intended to compete for a national audience with the proadministration *Gazette of the United States*, on 31 October 1791, concurrently with the first meeting of the Second Congress and shortly before the appearance of Hamilton's Report on Manufactures. The *National Gazette's* anonymous attacks on Hamilton and his allies, escalating gradually into the spring, were a landmark in the transformation of a quarrel among the members of the new government into a public and national dispute.

JAMES MADISON

Essays for the *National Gazette*

1792

Madison prepared at least seventeen anonymous essays for the *National Gazette* during the meeting of the first session of the Second Congress. He added two more before the meeting of the second session in the fall. Intermixed with essays by Freneau himself and by unidentified writers signing their pieces with pseudonyms such as "Caius," "Brutus," or "Sidney," Madison's essays were part of a gradually escalating campaign against Hamiltonian political economy, broad construction of the Constitution, and growing criticism of the revolutionary experiment in France. The examples offered below provide a sound introduction to the breadth and depth of this attack.

"Consolidation"

3 December 1791

Much has been said, and not without reason, against a consolidation of the states into one government. Omitting lesser objections, two consequences would probably flow from such a change in our political system, which would justify the cautions used against it. *First*, it would be impossible to avoid the dilemma of either relinquishing the present energy and responsibility of a *single* executive magistrate for some *plural* substitute, which by dividing so great a trust might lessen the danger of it, or suffering so great an accumulation of powers in the hands of that officer as might by degrees transform him into a monarch. The incompetency of one legislature to regulate all the various objects belonging to the local governments would evidently force a transfer of many of them to the executive department, whilst the increasing splendor and number of its prerogatives supplied by this source might prove excitements to ambition too powerful for a sober execution of the elective plan, and consequently strengthen the pretexts

for a hereditary designation of the magistrate. *Second*, were the state governments abolished, the same space of country that would produce an undue growth of the executive power would prevent that control on the legislative body which is essential to a faithful discharge of its trust; neither the voice nor the sense of ten or twenty millions of people, spread through so many latitudes as are comprehended within the United States, could ever be combined or called into effect if deprived of those local organs through which both can now be conveyed. In such a state of things, the impossibility of acting together might be succeeded by the inefficacy of partial expressions of the public mind and this, at length, by a universal silence and insensibility, leaving the whole government to that *self-directed course* which, it must be owned, is the natural propensity of every government.

But if a consolidation of the states into one government be an event so justly to be avoided, it is not less to be desired, on the other hand, that a consolidation should prevail in their interests and affections. . . . In proportion as uniformity is found to prevail in the interests and sentiments of the several states, will be the practicability of accommodating legislative regulations to them, and thereby of withholding new and dangerous prerogatives from the executive. Again, the greater the mutual confidence and affection of all parts of the Union, the more likely they will be to concur amicably or to differ with moderation in the elective designation of the chief magistrate, and by such examples to guard and adorn the vital principle of our republican constitution. Lastly, the less the supposed difference of interests and the greater the concord and confidence throughout the great body of the people, the more readily must they sympathize with each other, the more seasonably can they interpose a common manifestation of their sentiments, the more certainly will they take the alarm at usurpation or oppression, and the more effectually will they *consolidate* their defense of the public liberty.

Here, then, is a proper object presented, both to those who are most jealously attached to the separate authority reserved to the states and to those who may be more inclined to contemplate the people of America in the light of one nation. Let the former continue to watch against every encroachment which might lead to a gradual consolidation of the states into one government. Let the latter employ their utmost zeal, by eradicating local prejudices and

mistaken rivalships, to consolidate the affairs of the states into one harmonious interest; and let it be the patriotic study of all to maintain the various authorities established by our complicated system, each in its respective constitutional sphere, and to erect over the whole one paramount empire of reason, benevolence, and brotherly affection.

“Charters”

18 January 1792

In Europe, charters of liberty have been granted by power. America has set the example and France has followed it of charters of power granted by liberty. This revolution in the practice of the world may, with an honest praise, be pronounced the most triumphant epoch of its history, and the most consoling presage of its happiness. We look back, already, with astonishment, at the daring outrages committed by despotism on the reason and the rights of man; We look forward with joy to the period when it shall be despoiled of all its usurpations and bound for ever in the chains with which it had loaded its miserable victims.

In proportion to the value of this revolution, in proportion to the importance of instruments every word of which decides a question between power and liberty, in proportion to the solemnity of acts proclaiming the will and authenticated by the seal of the people, the only earthly source of authority, ought to be the vigilance with which they are guarded by every citizen in private life and the circumspection with which they are executed by every citizen in public trust.

As compacts, charters of government are superior in obligation to all others, because they give effect to all others. As trusts, none can be more sacred, because they are bound on the conscience by the religious sanctions of an oath. As metes and bounds of government, they transcend all other landmarks, because every public usurpation is an encroachment on the private right, not of one, but of all.

The citizens of the United States have peculiar motives to support the energy of their constitutional charters.

Having originated the experiment, their merit will be estimated by its success.

The complicated form of their political system, arising from the partition of government between the states and the union, and from the separations and subdivisions of the several departments in each, requires a more than

common reverence for the authority which is to preserve order thro' the whole.

Being republicans, they must be anxious to establish the efficacy of popular charters in defending liberty against power and power against licentiousness; and in keeping every portion of power within its proper limits, by this means discomfiting the partizans of anti-republican contrivances for the purpose.

All power has been traced up to opinion. The stability of all governments and security of all rights may be traced to the same source. The most arbitrary government is controlled where the public opinion is fixed. The despot of Constantinople dares not lay a new tax, because every slave thinks he ought not. The most systematic governments are turned by the slightest impulse from their regular path, when the public opinion no longer holds them in it. We see at this moment the *executive* magistrate of Great-Britain exercising under the authority of the representatives of the *people* a *legislative* power over the West-India commerce.

How devoutly is it to be wished, then, that the public opinion of the United States should be enlightened, that it should attach itself to their governments as delineated in the *great charters*, derived not from the usurped power of kings, but from the legitimate authority of the people; and that it should guarantee, with a holy zeal, these political scriptures from every attempt to add to or diminish from them. Liberty and order will never be *perfectly* safe until a trespass on the constitutional provisions for either, shall be felt with the same keenness that resents an invasion of the dearest rights; until every citizen shall be an Argus to espy, and an Aegeon to avenge, the unhallowed deed.

“Parties”

23 January 1792

In every political society, parties are unavoidable. A difference of interests, real or supposed, is the most natural and fruitful source of them. The great object should be to combat the evil: 1. By establishing a political equality among all; 2. By withholding *unnecessary* opportunities from a few to increase the inequality of property by an immoderate, and especially an unmerited, accumulation of riches; 3. By the silent operation of laws which, without violating the rights of property, reduce extreme wealth towards a state of

mediocrity and raise extreme indigence towards a state of comfort; 4. By abstaining from measures which operate differently on different interests, and particularly such as favor one interest at the expense of another; 5. By making one party a check on the other so far as the existence of parties cannot be prevented nor their views accommodated. If this is not the language of reason, it is that of republicanism.

In all political societies, different interests and parties arise out of the nature of things, and the great art of politicians lies in making them checks and balances to each other. Let us then increase these *natural distinctions* by favoring an inequality of property; and let us add to them *artificial distinctions*, by establishing *kings* and *nobles* and *plebians*. We shall then have the more checks to oppose to each other: we shall then have the more scales and the more weights to perfect and maintain the equilibrium. This is as little the voice of reason as it is that of republicanism.

From the expediency, in politics, of making natural parties mutual checks on each other, to infer the propriety of creating artificial parties, in order to form them into mutual checks, is not less absurd than it would be, in ethics, to say that new vices ought to be promoted, where they would counteract each other, because this use may be made of existing vices.

“Government of the United States”

4 February 1792

Power being found by universal experience liable to abuses, a distribution of it into separate departments has become a first principle of free governments. By this contrivance, the portion entrusted to the same hands being less, there is less room to abuse what is granted; and the different hands being interested, each in maintaining its own, there is less opportunity to usurp what is not granted. Hence the merited praise of governments modelled on a partition of their powers into legislative, executive, and judiciary, and a repartition of the legislative into different houses.

The political system of the United States claims still higher praise. The power delegated by the people is first divided between the general government and the state governments, each of which is then subdivided into

legislative, executive, and judiciary departments. And as in a single government these departments are to be kept separate and safe, by a defensive armour for each; so, it is to be hoped, do the two governments possess each the means of preventing or correcting unconstitutional encroachments of the other.

Should this improvement on the theory of free government not be marred in the execution, it may prove the best legacy ever left by lawgivers to their country, and the best lesson ever given to the world by its benefactors. If a security against power lies in the division of it into parts mutually controlling each other, the security must increase with the increase of the parts into which the whole can be conveniently formed.

It must not be denied that the task of forming and maintaining a division of power between different governments is greater than among different departments of the same government, because it may be more easy (though sufficiently difficult) to separate, by proper definitions, the legislative, executive, and judiciary powers, which are more distinct in their nature, than to discriminate by precise enumerations one class of legislative powers from another class, one class of executive from another class, and one class of judiciary from another class, where the powers being of a more kindred nature, their boundaries are more obscure and run more into each other.

If the task be difficult, however, it must by no means be abandoned. Those who would pronounce it impossible offer no alternative to their country but schism or consolidation, both of them bad, but the latter the worst, since it is the high road to monarchy, than which nothing worse, in the eye of republicans, could result from the anarchy implied in the former.

Those who love their country, its repose, and its republicanism, will therefore study to avoid the alternative, by elucidating and guarding the limits which define the two governments, by inculcating moderation in the exercise of the powers of both, and particularly a mutual abstinence from such as might nurse present jealousies or engender greater.

In bestowing the eulogies due to the partitions and internal checks of power, it ought not the less to be remembered that they are neither the sole nor the chief palladium of constitutional liberty. The people, who are the authors of this blessing, must also be its guardians.

Their eyes must be ever ready to mark, their voice to pronounce, and their arm to repel or repair aggressions on the authority of their constitutions, the highest authority next to their own, because the immediate work of their own, and the most sacred part of their property, as recognizing and recording the title to every other.

“Republican Distribution of Citizens”

3 March 1792

A perfect theory on this subject would be useful, not because it could be reduced to practice by any plan of legislation, or ought to be attempted by violence on the will or property of individuals, but because it would be a monition against empirical experiments by power, and a model to which the free choice of occupations by the people might gradually approximate the order of society.

The best distribution is that which would most favor *health, virtue, intelligence* and *competency* in the *greatest number* of citizens. It is needless to add to these objects *liberty* and *safety*. The first is presupposed by them. The last must result from them.

The life of the husbandman is pre-eminently suited to the comfort and happiness of the individual. *Health*, the first of blessings, is an appurtenance of his property and his employment. *Virtue*, the health of the soul, is another part of his patrimony, and no less favored by his situation. *Intelligence* may be cultivated in this as well as in any other walk of life. If the mind be less susceptible of polish in retirement than in a crowd, it is more capable of profound and comprehensive efforts. Is it more ignorant of some things? It has a compensation in its ignorance of others. *Competency* is more universally the lot of those who dwell in the country, when liberty is at the same time their lot. The extremes both of want and of waste have other abodes. 'Tis not the country that peoples either the Bridewells or the Bedlams. These mansions of wretchedness are tenanted from the distresses and vices of overgrown cities.

The condition to which the blessings of life are most denied is that of the sailor. His health is continually assailed and his span shortened by the stormy element to which he belongs. His virtue, at no time aided, is occasionally exposed to every scene that can poison it. His mind, like his body, is imprisoned within the bark that

transports him. Though traversing and circumnavigating the globe, he sees nothing but the same vague objects of nature, the same monotonous occurrences in ports and docks; and at home in his vessel, what new ideas can shoot from the unvaried use of the ropes and the rudder, or from the society of comrades as ignorant as himself. In the supply of his wants he often feels a scarcity, seldom more than a bare sustenance; and if his ultimate prospects do not embitter the present moment, it is because he never looks beyond it. How unfortunate that in the intercourse by which nations are enlightened and refined, and their means of safety extended, the immediate agents should be distinguished by the hardest condition of humanity.

The great interval between the two extremes is, with a few exceptions, filled by those who work the materials furnished by the earth in its natural or cultivated state.

It is fortunate in general, and particularly for this country, that so much of the ordinary and most essential consumption takes place in fabrics which can be prepared in every family, and which constitute indeed the natural ally of agriculture. The former is the work within doors, as the latter is without; and each being done by hands or at times that can be spared from the other, the most is made of every thing.

The class of citizens who provide at once their own food and their own raiment may be viewed as the most truly independent and happy. They are more: they are the best basis of public liberty, and the strongest bulwark of public safety. It follows that the greater the proportion of this class to the whole society, the more free, the more independent, and the more happy must be the society itself.

In appreciating the regular branches of manufacturing and mechanical industry, their tendency must be compared with the principles laid down, and their merits graduated accordingly. Whatever is least favorable to vigor of body, to the faculties of the mind, or to the virtues or the utilities of life, instead of being forced or fostered by public authority, ought to be seen with regret as long as occupations more friendly to human happiness lie vacant.

The several professions of more elevated pretensions, the merchant, the lawyer, the physician, the philosopher, the divine, form a certain proportion of every civilized society, and readily adjust their numbers to its demands and its circumstances.

“Fashion”

20 March 1792

A humble address has been lately presented to the Prince of Wales by the BUCKLE MANUFACTURERS of Birmingham, Wassal, Wolverhampton, and their environs, stating that the BUCKLE TRADE gives employment to more than TWENTY THOUSAND persons, numbers of whom, in consequence of the prevailing fashion of SHOESTRINGS & SLIPPERS, are at present without employ, almost destitute of bread, and exposed to the horrors of want at the most inclement season; that to the manufactures of BUCKLES and BUTTONS, Birmingham owes its important figure on the map of England, that it is to no purpose to address FASHION herself, she being void of feeling and deaf to argument, but fortunately accustomed to listen to his voice, and to obey his commands: and finally, IMPLORING his Royal Highness to consider the deplorable condition of their trade, which is in danger of being ruined by the *mutability of fashion*, and to give that direction to the *public taste*, which will insure the lasting gratitude of the petitioners.

Several important reflections are suggested by this address.

I. The most precarious of all occupations which give bread to the industrious are those depending on mere fashion, which generally changes so suddenly, and often so considerably, as to throw whole bodies of people out of employment.

II. Of all occupations those are the least desirable in a free state which produce the most servile dependence of one class of citizens on another class. This dependence must increase as the *mutuality* of wants is diminished. Where the wants on one side are the absolute necessities and on the other are neither absolute necessities, nor result from the habitual economy of life, but are the mere caprices of fancy, the evil is in its extreme; or if not,

III. The extremity of the evil must be in the case before us, where the absolute necessities depend on the caprices of fancy and the caprice of a single fancy directs the fashion of the community. Here the dependence sinks to the lowest point of servility. We see a proof of it in the *spirit* of the address. *Twenty thousand* persons are to get or go without their bread as a wanton youth may fancy to wear his shoes with or without straps, or to fasten his straps with strings or with buckles. Can any despotism be more cruel than a situation in which the existence of thousands

depends on one will, and that will on the most slight and fickle of all motives, a mere whim of the imagination.

IV. What a contrast is here to the independent situation and manly sentiments of American citizens, who live on their own soil, or whose labour is necessary to its cultivation, or who were occupied in supplying wants which, being founded in solid utility, in comfortable accommodation, or in settled habits, produce a reciprocity of dependence, at once ensuring subsistence and inspiring a dignified sense of social rights.

V. The condition of those who receive employment and bread from the precarious source of fashion and superfluity is a lesson to nations, as well as to individuals. In proportion as a nation consists of that description of citizens, and depends on external commerce, it is dependent on the consumption and caprice of other nations. If the laws of propriety did not forbid, the manufacturers of Birmingham, Wassal, and Wolverhampton had as real an interest in supplicating the arbiters of fashion in America as the patron they have addressed. The dependence in the case of nations is even greater than among individuals of the same nation: for besides the *mutability of fashion* which is the same in both, the *mutability of policy* is another source of danger in the former.

“Property”

27 March 1792

This term in its particular application means “that dominion which one man claims and exercises over the external things of the world, in exclusion of every other individual.”

In its larger and juster meaning, it embraces every thing to which a man may attach a value and have a right; and *which leaves to every one else the like advantage.*

In the former sense, a man’s land, or merchandize, or money is called his property.

In the latter sense, a man has a property in his opinions and the free communication of them.

He has a property of peculiar value in his religious opinions, and in the profession and practice dictated by them.

He has a property very dear to him in the safety and liberty of his person.

He has an equal property in the free use of his faculties and free choice of the objects on which to employ them.

In a word, as a man is said to have a right to his property, he may be equally said to have a property in his rights.

Where an excess of power prevails, property of no sort is duly respected. No man is safe in his opinions, his person, his faculties, or his possessions.

Where there is an excess of liberty, the effect is the same, tho’ from an opposite cause.

Government is instituted to protect property of every sort, as well that which lies in the various rights of individuals as that which the term particularly expresses. This being the end of government, that alone is a *just* government which *impartially* secures to every man whatever is his *own*.

According to this standard of merit, the praise of affording a just security to property should be sparingly bestowed on a government which, however scrupulously guarding the possessions of individuals, does not protect them in the enjoyment and communication of their opinions, in which they have an equal, and in the estimation of some, a more valuable property.

More sparingly should this praise be allowed to a government where a man’s religious rights are violated by penalties, or fettered by tests, or taxed by a hierarchy. Conscience is the most sacred of all property, other property depending in part on positive law [but] the exercise of that being a natural and unalienable right. To guard a man’s house as his castle, to pay public and enforce private debts with the most exact faith, can give no title to invade a man’s conscience, which is more sacred than his castle, or to withhold from it that debt of protection for which the public faith is pledged by the very nature and original conditions of the social pact.

That is not a just government, nor is property secure under it, where the property which a man has in his personal safety and personal liberty is violated by arbitrary seizures of one class of citizens for the service of the rest. A magistrate issuing his warrants to a press gang would be in his proper functions in Turkey or Indostan, under appellations proverbial of the most compleat despotism.

That is not a just government, nor is property secure under it, where arbitrary restrictions, exemptions, and monopolies deny to part of its citizens that free use of their faculties and free choice of their occupations which not only constitute their property in the general sense of the word, but are the means of acquiring property strictly so called. What must be the spirit of legislation where a manufacturer of linen cloth is forbidden to bury his own child in a linen shroud, in order to favor his neighbor who manufactures woolen cloth; where the manufacturer and wearer of woolen cloth are again forbidden the

economical use of buttons of that material, in favor of the manufacturer of buttons of other materials!

A just security to property is not afforded by that government under which unequal taxes oppress one species of property and reward another species; where arbitrary taxes invade the domestic sanctuaries of the rich and excessive taxes grind the faces of the poor; where the keenness and competitions of want are deemed an insufficient spur to labor and taxes are again applied by an unfeeling policy as another spur; in violation of that sacred property, which Heaven, in decreeing man to earn his bread by the sweat of his brow, kindly reserved to him in the small repose that could be spared from the supply of his necessities.

If there be a government then which prides itself in maintaining the inviolability of property, which provides that none shall be taken *directly* even for public use without indemnification to the owner, and yet *directly* violates the property which individuals have in their opinions, their religion, their persons, and their faculties; nay more, which *indirectly* violates their property, in their actual possessions, in the labor that acquires their daily subsistence, and in the hallowed remnant of time which ought to relieve their fatigues and soothe their cares, the in[ference] will have been anticipated that such a government is not a pattern for the United States.

If the United States mean to obtain or deserve the full praise due to wise and just governments, they will equally respect the rights of property and the property in rights: they will rival the government that most sacredly guards the former; and by repelling its example in violating the latter, will make themselves a pattern to that and all other governments.

WILLIAM BRANCH GILES

Speech in the House of Representatives on the Apportionment Bill

9 April 1792

As public controversy mounted, the House of Representatives increasingly divided across a broad range of issues between Madison's allies and supporters of administration programs. Among the most vocal of the Madisonians was a young, new congressman

from Virginia, who would remain active in national politics for many years to come. Giles's speech on reapportioning (and enlarging) the House in accord with the Census of 1790 was perhaps the earliest to accuse Hamilton and his supporters of a deliberate design to subvert American liberty.

... He observed that all representative governments appeared to possess a natural tendency from republicanism to monarchy; that great inequalities in the distribution of wealth among individuals, consequent upon the progress of all governments, appeared to be the cause of their political evolutions; that no competent remedy against this evil had been heretofore discovered, or at least practically applied by any government; that perhaps this great political light may first shine forth through the medium of the American constitutions, and serve, as some others have previously done, to illumine not only the American, but the European world.

The peculiar circumstances of the United States, however, since the late Revolution, and in the infancy of the American governments, favored extremely this natural principle of the growing inequality in the distribution of wealth amongst individuals. An extensive, unexhausted, fertile country furnished full scope for agriculture, the plenty and cheapness of provisions and rude materials for manufactures, and an unshackled commerce for the merchant; and to these were added the blessings of peace and laws securing to the individual the exclusive possession of the fruits of his own industry, however abundant. There were intrinsic circumstances; there was a contingent one. A public debt—the price of the Revolution itself and its consequent blessings—had been incurred and, from the imbecility of the then existing Confederacy and other causes, was depreciated considerably below its nominal value; but it was then in small masses and not very unequally spread amongst the individuals throughout the whole United States. The Government of the United States, instead of managing this contingent circumstance with caution, and declaring so in its ministration, seized upon it with its fiscal arrangements and applied it as the most powerful machine to stimulate this growing inequality in the distribution of wealth—a principle perhaps too much favored by other existing causes. The Government, not satisfied with the debts contracted by the former Confederacy, assumed the payment of a great proportion of the debts contracted by the respective state governments

and established funds for paying the interest of the whole. This measure produced two effects, not very desirable amongst individuals. It gathered these scattered debts, at a very inferior price, from the hands of the many and placed them into the hands of the few; and it stimulates the value of them. Thus collected into greater masses, beyond all calculation, by the artificial application of fiscal mechanism, it produced a variety of serious effects with respect to the Government. In opposition to the agricultural or republican, it enlisted a great moneyed interest in the United States, who, having embarked their fortunes with the Government, would go all lengths with its Administration, whether right or wrong, virtuous or vicious, by rendering the debt but partially redeemable, passing perpetual tax laws, and mortgaging their products to the payment of the interest of this perpetually existing debt. It gave the Executive a qualified control over the best moneyed resources of the United States, not contemplated by the Constitution, nor founded in wisdom. It gave rise to an unauthorized incorporation of the moneyed interest, and placed it as far as possible from the reach of future Legislative influence. It established the doctrine that one systematic financier was better able to originate money bills and tax the people of the United States than the whole collected wisdom of their Representatives, with the aid of a reciprocity of feeling. It gave rise to the idea of a Sinking Fund, without limitation as to amount, to be placed in the hands of a few trustees and there to be protected from Legislative control by all the sanctions and securities annexed to private property. In short, it established the doctrine that all authority could be more safely intrusted to, and better executed by a few, than by many; and, in pursuance of this idea, made more continual drafts of authority from the Representative branch of the Government and placed it in the hands of the Executive; lessening, by this mechanism of administration, the constitutional influence of the people in the Government and fundamentally changing its native genius and original principle. He (Mr. G) knew of no competent remedy against the abominable evils to be apprehended from the future operation of these unhal- lowed principles but a permanent establishment of the candid or Republican interest in this House; and the best chance of effecting this great object he conceived to be a full representation of the people. His alarms respect- ing these fashionable, energetic principles were greatly

increased by a perspective view of some of the proposed measures of Government. He saw systems introduced to carve out of the common rights of one part of the community privileges, monopolies, exclusive rights, &c., for the benefit of another, with no other view, in his opinion, but to create nurseries of immediate dependants upon the Government, whose interest will always stimu- late them to support its measures, however iniquitous and tyrannical, and, indeed, the very emoluments which will compose the price of their attachment to the Government will grow out of a tyrannical violation of the rights of others. He would forbear to mention a variety of other circumstances to prove that principle[s] having a ten- dency to change the very nature of the Government have pervaded even the minutest ramifications of its fiscal arrangements, nor would he dwell upon the undue influ- ence to be apprehended from moneyed foreigners, who had become adventurers in the funds, nor the various avenues opened to facilitate the operation of corruption. He would merely remark that, acting under impressions produced by these considerations and strengthened by others not less pertinent and important, suggested by a number of gentlemen, in the course of the discussion of this subject, and believing that a full representation of the people will furnish the only chance of remedy for the existing and a competent protection against future evils, he should feel himself criminal if by his vote he should give up a single representative authorized by the Con- stitution. . . . The Government of America was now in a state of puberty, that is, at this time. She is to assume a fixed character, and he thought it in some degree rested upon the vote now to be given whether she would preserve the simplicity, chastity, and purity of her native representation and Republicanism, in which alone the true dignity and greatness of her character must consist; or whether she will, so early in youth, prostitute herself to the venal and borrowed artifices and corruptions of a stale and pampered monarchy? Whatever his own opin- ions or suspicions may be respecting the tendency of the present Administration, and whatever may be the discussion of today, he should still preserve a hope that the increased representation, supported by the enlightened spirit of the people at large, will form an effectual resis- tance to the pressure of the whole vices of the Adminis- tration and may yet establish the Government upon a broad, permanent, and republican basis. . . .

Letters of Fisher Ames to George Richards Minot

1791–1792

On the other side of the House, the letters of Fisher Ames, the acerbic congressman from Massachusetts who would be a leading Federalist speaker and writer well into the Jeffersonian ascendancy, were another indicator of sharpening feelings.

30 November 1791

... The remark so often made on the difference of opinion between the members [of Congress] from the two ends of the continent appears to me not only true, but founded on causes which are equally unpleasant and lasting. To the northward, we see how necessary it is to defend property by steady laws. Shays confirmed our habits and opinions. The men of sense and property, even a little above the multitude, wish to keep the government in force enough to govern. We have trade, money, credit, and industry, which is at once cause and effect of the others.

At the southward, a few gentlemen govern; the law is their coat of mail; it keeps off the weapons of the foreigners, their creditors, and at the same time it governs the multitude, secures negroes, etc., which is of double use to them. It is both government and anarchy, and in each case is better than any possible change, especially in favor of an exterior (or federal) government of any strength. ... Therefore, and for other causes, the men of weight in the four southern states (Charleston city excepted) were more generally *antis* and are now far more turbulent than they are with us. Many were federal among them at first, because they needed some remedy to evils which they saw and felt, but mistook, in their view of it, the remedy. A debt-compelling government is no remedy to men who have lands and negroes, and debts and luxury, but neither trade nor credit, nor cash, nor the habits of industry, or of submission to a rigid execution of law. My friend, you will agree with me that, ultimately, the same system of strict law which has done wonders for us would promote their advantage. But that relief is speculative and remote. Enormous debts required something better and speedier. I am told that, to this day, no British debt is recovered in

North Carolina. ... You will agree that our immediate wants were different—we to enforce, they to relax, law. ...

Patrick Henry and some others of eminent talents and influence have continued *antis*, and have assiduously nursed the embryos of faction, which the adoption of the Constitution did not destroy. It soon gave popularity to the *antis* with a grumbling multitude. It made two parties.

Most of the measures of Congress have been opposed by the southern members. I speak not merely of their members, but their gentlemen, etc. at home. As men, they are mostly enlightened, clever fellows. I speak of the tendency of things upon their politics, not their morals. This has sharpened discontent at home. The funding system, they say, is in favor of the moneyed interest, oppressive to the land; that is, favorable to us, hard on them. They pay tribute, they say, and the middle and eastern people, holders of seven eighths of the debt, receive it. And here is the burden of the song: almost all the little that they had, and which cost them twenty shillings for supplies or services, has been bought up at a low rate, and now they pay more tax towards the interest than they received for the paper. This *tribute*, they say, is aggravating, for all the reasons before given; they add, had the state debts not been assumed, they would have wiped it off among themselves very speedily and easily. Being assumed, it has become a great debt; and now an excise, that abhorrence of free states, must pay it. This they have never adopted in their states. The states of Virginia, North Carolina, and Georgia are large territories. Being strong and expecting by increase to be stronger, the government of Congress over them seems mortifying to their state pride. The pride of the strong is not soothed by yielding to a stronger. How much there is, and how much more can be made of all these themes of grief and anger by men who are inclined and qualified to make the most of them, need not be pointed out to a man who has seen so much and written so well upon the principles which disturb and endanger government.

I confess I have recited these causes rather more at length than I had intended. But you are an observer, and I hope will be a writer of our history. The picture I have drawn, though just, is not noticed. Public happiness is in our power as a nation. Tranquillity has smoothed the surface. But (what I have said of southern parties is so true that I may affirm) faction glows within like a coal-pit. The President lives—is a southern man, is venerated as a demi-god, he is chosen by unanimous vote, etc., etc. Change the key and ... You can fill up the blank. But while he lives, a steady

prudent system by Congress may guard against the danger. Peace will enrich our southern friends. Good laws will establish more industry and economy. The peculiar causes of discontent will have lost their force with time. Yet, circumstanced as they are, I think other subjects of uneasiness will be found. For it is impossible to administer the government according to their ideas. We must have a revenue; of course an excise. The debt must be kept sacred; the rights of property must be held inviolate. We must, to be safe, have some regular force and an efficient militia. All these, except the last, and that except in a form not worth having, are obnoxious to them. I have not noticed what they call their republicanism, because having observed what their situation is, you will see what their theory must be, in seeing what it is drawn from. I have not exhausted, but I quit this part of the subject. In fine, those three states are circumstanced not unlike our state in 1786.

I think these deductions flow from the premises: That the strength as well as hopes of the Union reside with the middle and eastern states. That our good men must watch and pray on all proper occasions for the preservation of federal measures and principles. That so far from being in a condition to swallow up the state governments, Congress cannot be presumed to possess too much force to preserve its constitutional authority, whenever the crisis to which these discontents are hastening shall have brought its power to the test. And, above all, that in the supposed crisis, the state partisans who seem to wish to clip the wings of the Union would be not the least zealous to support the Union. For, zealous as they may be to extend the power of the General Court of Massachusetts, they would not wish to be controlled by that of Virginia. I will not tire you with more speculation; but I will confess my belief that if, now, a vote was to be taken, "Shall the Constitution be adopted," and the people of Virginia and the other more southern states (the city of Charleston excepted) should answer instantly, according to their present feelings and opinions, it would be in the negative. . . .

8 March 1792

My Dear Friend,—Congress moves slowly, too slowly. The spirit of debate is a vice that grows by indulgence. It is a sort of captiousness that delights in nothing but contradiction. Add to this, we have near twenty *antis*, dragons watching

the tree of liberty, and who consider every strong measure, and almost every ordinary one, as an attempt to rob the tree of its fair fruit. We hear, incessantly, from the old foes of the Constitution, "this is unconstitutional, and that is"; and indeed, what is not? I scarce know a point which has not produced this cry, not excepting a motion for adjourning. If the Constitution is what they affect to think it, their former opposition to such a nonentity was improper. I wish they would administer it a little more in conformity to their first creed. The men who would hinder all that is done, and almost all that ought to be done, hang heavy on the debates. The fishery bill was unconstitutional; it is unconstitutional to receive plans of finance from the Secretary; to give bounties; to make the militia worth having; order is unconstitutional; credit is tenfold worse. . . .

3 May 1792

I am tired of the session. Attending Congress is very like going to school. Every day renews the round of yesterday; and if I stay a day or two after the adjournment, I shall be apt to go to Congress from habit, as some old horses are said to go to the meeting-house on Sunday without a rider, by force of their long habit of going on that day. . . .

Causes which I have in a former letter explained to you have generated a regular, well-disciplined opposition party, whose leaders cry "liberty," but mean, as all party leaders do, "power," who will write and talk and caress weak and vain men till they displace their rivals. The poor Vice will be baited before the election. All the arts of intrigue will be practiced—but more of this when we meet. . . .

PHILIP FRENEAU

"Rules for Changing a Limited Republican Government into an Unlimited Hereditary One"

4 and 7 July 1792

By midsummer 1792, the *National Gazette* was in full cry against the Hamiltonian program and the critics of the French. The following satire encapsulated nearly all of the opposition's charges.

I. It being necessary, in order to effect the change, to get rid of constitutional shackles and popular prejudices, all possible means and occasions are to be used for both these purposes.

II. Nothing being more likely to prepare the vulgar mind for aristocratical ranks and hereditary powers than TITLES, endeavor in the offset of the government to confer those on its most dignified officers. If the principal magistrate should happen to be particularly venerable in the eyes of the people, take advantage of that fortunate circumstance in setting the example.

III. Should the attempt fail, thro' his republican aversion to it, or from the danger of alarming the people, do not abandon the enterprise altogether, but lay up the proposition in record. Time may gain it respect, and it will be there always ready cut and dried for any favourable conjuncture that may offer.

IV. In drawing all bills, resolutions, and reports, keep constantly in view that the limitations in the constitution are ultimately to be explained away. Precedents and phrases may thus be shuffled in, without being adverted to by candid or weak people, of which good use may afterwards be made.

V. As the novelty and bustle of inaugurating the government will for some time keep the public mind in a heedless and unsettled state, let the *Press* during this period be busy in propagating the doctrines of monarchy and aristocracy. For this purpose it will be particularly useful to confound a mobbish democracy with a representative republic, that by exhibiting all the turbulent examples and enormities of the former, an odium may be thrown on the character of the latter. Review all the civil contests, convulsions, factions, broils, squabbles, bickerings, black eyes and bloody noses of ancient, middle and modern ages, caricature them into the most frightful forms and colors that can be imagined, and unfold one scene of the horrible tragedy after another 'till the people be made, if possible, to tremble at their own shadows.—*Let the Discourses on [Davila]*—then contrast with these pictures of terror the quiet of hereditary succession, the reverence claimed by birth and nobility, and the fascinating influence of stars, ribbands, and garters, cautiously suppressing all the bloody tragedies and unceasing oppressions which form the history of this species of government. No pains should be spared in this part of the undertaking, for the greatest will be wanted, it being extremely difficult, espe-

cially when a people have been taught to reason and feel their rights, to convince them that a king who is always an enemy to the people, and a nobility who are perhaps still more so, will take better care of the people than the people will take care of themselves.

VI. But the grand *nostrum* will be a PUBLIC DEBT, provided enough of it can be got, and it be medicated with the proper ingredients. If by good fortune a debt be ready at hand, the most is to be made of it. Stretch it and swell it to the utmost the items will bear. Allow as many extra claims as decency will permit. Assume all the debts of your neighbours: In a word, get as much debt as can be raked and scraped together, and when you have got all you can, “advertise” for more, and have the debt made *as big as possible*. This object being accomplished, the next will be to make it *as perpetual as possible*, and the next to that, to get it into *as few hands as possible*. The more effectually to bring this about, modify the debt, complicate it, divide it, subdivide it, subtract it, postpone it, let there be one third of two thirds: let there be three per cents, and four per cents, and six per cents, and present six per cents, and future six per cents. To be brief, let the whole be such a mystery that a *few only* can understand it; and let all possible opportunities and informations fall in the way of *these few*, to clinch their advantage over the many.

VII. It must not be forgotten that the members of the legislative body are to have a deep stake in the game. This is an essential point, and happily is attended with no difficulty. A sufficient number, properly disposed, can alternately legislate and speculate, and speculate and legislate, and buy and sell, and sell and buy, until a due portion of the property of their constituents has passed into their hands to give them an interest against their constituents, and to ensure the part they are to act. All this however must be carried on under cover of the closest secrecy; and it is particularly lucky that dealings in paper admit of more secrecy than any other. Should a discovery take place, the whole plan may be blown up.

VIII. The ways in which a great debt, so constituted and applied, will contribute to the ultimate end in view are both numerous and obvious. 1. The *favorite few*, thus possessed of it, whether within or without the government, will feel the staunchest fealty to it, and will go through thick and thin to support it in all its oppressions and usurpations. 2. Their money will give them consequence and influence, even among those who have been tricked out of it.

3. They will be the readiest materials that can be found for an hereditary aristocratic order, and whenever matters are ripe for one. 4. A great debt will require great taxes, great taxes many taxgatherers & other officers; & all officers are auxiliaries of power. 5. Heavy taxes may produce discontents; these may threaten resistance; and in proportion to this danger will be the pretence of a *standing army* to repel it. 6. A standing army in its turn will increase the moral force of the government by means of its appointments, and give it physical force by means of the sword, thus doubly forwarding the main object.

IX. The management of a great funded debt and an extensive system of taxes will afford a plea not to be neglected for establishing a great incorporated bank. The use of such a machine is well understood. If the constitution, according to its fair meaning, should not authorize it, so much the better. Push it through by a forced meaning, and you will get in the bargain an admirable precedent for future misconstructions. In fashioning the bank remember that it is to be made particularly instrumental in enriching and aggrandizing the elect few, who are to be called in due season to the honors and felicities of the *kingdom* preparing for them, and who are the pillars that must support it. It will be easy to throw the benefit entirely into their hands, and to make it a solid addition of 50, or 60, or 70 per cent to their former capitals of 800 per cent or 900 per cent without costing them a shilling, whilst it will be so difficult to explain to the people that this gain of the few is at the cost of the many, that the *contrary* may be boldly and safely pretended. The bank will be pregnant with other important advantages. It will admit the same men to be, at the same time, members of the bank and members of the government. The two institutions will thus be soldered together, and each made the stronger. Money will be put under the direction of the government, and the government under the direction of money. To crown the whole, the bank will have a proper interest in *swelling and perpetuating the public debt and public taxes*, with all the blessings of both, because its agency and its profits will be extended in exact proportion.

X. "Divide and govern" is a maxim consecrated by the experience of ages, and should be as familiar in its use to every politician as the knife he carries in his pocket. In the work here to be executed the best effects may be produced by this maxim, and with peculiar facility. An extensive

republic made up of lesser republics necessarily contains various sorts of people, distinguished by local and other interests and prejudices. Let the whole group be well examined in all its parts and relations, geographical and political, metaphysical and metaphorical; let there be first a northern and a southern section by a line running east and west, and then an eastern and western section by a line running north and south. By a suitable nomenclature, the landholders cultivating different articles can be discriminated from one another, all from the class of merchants, and both from that of manufacturers. One of the subordinate republics may be represented as a commercial state, another as a navigation state, another as a manufacturing state, others as agricultural states; and although the great body of the people in each be really agricultural, and the other characters be more or less common to all, still it will be politic to take advantage of such an arrangement. Should the members of the great republic be of different sizes, and subject to little jealousies on that account, another important division will be ready formed to your hand. Add again the divisions that may be carved out of *personal interests*, political opinions, and local parties.—With so convenient an assortment of votes, especially with the help of the *marked ones*, a majority may be packed for any question with as much ease as the odd trick by an adroit gamester, and any measure whatever be carried or defeated, as the great revolution to be brought about may require. It is only necessary therefore to recommend that full use be made of the resource: and to remark that, besides the direct benefit to be drawn from these artificial divisions, they will tend to smother the true and natural one, existing in all societies between the few who are always impatient of political equality, and the many who can never rise above it; between those who are to mount to the prerogatives, and those who are to be saddled with the burthens of the hereditary government to be introduced; in one word, between the general mass of the people, attached to their republican government and republican interests, and the chosen band devoted to monarchy and mammon.

XI. As soon as sufficient progress in the intended change shall have been made, and the public mind duly prepared according to the rules already laid down, it will be proper to venture on another and a bolder step towards a removal of the constitutional land-marks. Here the aid of former encroachments, and all the other precedents and

way-paving manoeuvres, will be called in of course. But, in order to render success the more certain, it will be of special moment to give the most plausible and popular name that can be found to the power that is to be usurped. It may be called, for example, a power for the common safety or the public good, or "the general welfare." If the people should not be too much enlightened, the name will have a most imposing effect. It will escape attention that it means, in fact, the same thing with a power to do anything the government pleases "in all cases whatsoever." To oppose the power may consequently seem to the ignorant, and be called by the artful, opposing the "general welfare," and may be cried down under that deception. As the people, however, may not run so readily into the snare as might be wished, it will be prudent to bait it well with some specious popular interest, such as the encouragement of manufactures, or even of agriculture, taking care not even to mention any unpopular object to which the power is equally applicable, such as religion, &c. &c. &c. By this contrivance, particular classes of people may possibly be taken in who will be a valuable reinforcement. With respect to the patronage of agriculture, there is not indeed much to be expected from it. It will be too quickly seen through by the owners and tillers of the soil that to tax them with one hand and pay back a part only with the other is a losing game on their side. From the power over manufactures more is to be hoped. It will not be so easily perceived that the premium bestowed may not be equal to the circuitous tax on consumption, which pays it. There are particular reasons, too, for pushing the experiment on this class of citizens. 1. As they live in towns and can act together, it is of vast consequence to gain them over to the interest of monarchy. 2. If the power over them be once established, the government can grant favors or monopolies as it pleases; can raise or depress this or that place, as it pleases; can gratify this or that individual, as it pleases; in a word, by creating a dependence in so numerous and important a class of citizens, it will increase its own independence of every class, and be more free to pursue the grand object in contemplation. 3. The expense of this operation will not in the end cost the government a shilling, for the moment any branch of manufacture has been brought to a state of tolerable maturity, *the exciseman will be ready* with his constable and his search-warrant to demand a reimbursement and as much more as can be squeezed out of the article. All this, it is to be remembered,

supposes that the manufacturers will be weak enough to be cheated, in some respects, out of their *interests*, and wicked enough, in others, to betray those of their fellow citizens, a supposition that, if known, would totally mar the experiment. Great care, therefore, must be taken to prevent it from leaking out.

XII. The expediency of seizing every occasion of external danger for augmenting and perpetuating the standing military force is too obvious to escape. So important is this matter that for any loss or disaster whatever attending the national arms, there will be ample consolation and compensation in the opportunity for enlarging the establishment. A military defeat will become a political victory, and the loss of a little vulgar blood contributes to ennoble that which flows in the veins of our future dukes and marquises.

XIII. The same prudence will improve the opportunity afforded by an increase of the military expenditures, for perpetuating the taxes required for them. If the inconsistency and absurdity of establishing a *perpetual* tax for a temporary service should produce any difficulty in the business, *Rule 10* must be resorted to. Throw in as many extraneous motives as will make up a majority, and the thing is effected in an instant. What was before evil will become good as easily as black could be made white by the same magical operation.

XIV. Throughout this great undertaking it will be wise to have some particular model constantly in view. The work can then be carried on more systematically, and every measure be fortified, in the progress, by apt illustrations and authorities. Should there exist a particular monarchy against which there are fewer prejudices than against any other; should it contain a mixture of the representative principle so as to present on one side the semblance of a republican aspect; should it moreover have a great, funded, complicated, irredeemable debt, with all the apparatus and appurtenances of excises, banks, &c. &c. &c. upon that a steady eye is to be kept. In all cases it will assist, and in most its statute-book will furnish a precise pattern by which there may be cut out any monied or monarchical project that may be wanted.

XV. As it is not to be expected that the change of a republic into a monarchy, with the rapidity desired, can be carried through without occasional suspicions and alarms, it will be necessary to be prepared for such events. The best general rule on the subject is to be taken from

the example of crying “Stop thief” first.—Neither lungs nor pens must be spared in charging every man who whispers, or even thinks, that the revolution on foot is meditated, with being himself an enemy to the established government and meaning to overturn it. Let the charge be reiterated and reverberated, till at last such confusion and uncertainty be produced that the people, being not able to find out where the truth lies, withdraw their attention from the contest.

Many other rules of great wisdom and efficacy ought to be added: but it is conceived that the above will be abundantly enough for the purpose. This will certainly be the case if the people can be either kept asleep so as not to discover, or be thrown into artificial divisions, so as not to resist, what is silently going forward.—Should it be found impossible, however, to prevent the people from awaking and uniting; should all artificial distinctions give way to the natural division between the lordly minded few and the well-disposed many; should all who have common interest make a common cause and shew an inflexible attachment to republicanism in opposition to a government of monarchy and of money, why then ****--

Alexander Hamilton to Edward Carrington

26 May 1792

Goaded by the mounting attacks in Congress and even more concerned about the campaign in the *National Gazette*, by means of which the opposition to his programs threatened to spread quite widely among the public, Hamilton decided to open a counteroffensive. The first step was a letter to Edward Carrington, a Virginia collector of customs, former Confederation congressman, and ally of Hamilton and Madison in the quest for federal reform. The second step would be a public attack on Jefferson's connection with Freneau and his gazette.

The analysis advanced in Hamilton's letter was, of course, a private communication, but later in 1792 a very similar attack on Jefferson and Madison appeared in the form of a 36-page pamphlet by William Loughton Smith, “The Politicks and Views of a Certain Party Displayed.” The representative from South Carolina often spoke for Hamilton in Congress, and it is natural to suspect that there was also some collaboration here.

Believing that I possess a share of your personal friendship and confidence and yielding to that which I feel towards you—persuaded also that our political creed is the same on *two essential points*, 1st the necessity of *Union* to the respectability and happiness of this Country and 2. the necessity of an *efficient* general government to maintain that Union—I have concluded to unbosom myself to you on the present state of political parties and views. I ask no reply to what I shall say. I only ask that you will be persuaded the representations I shall make are agreeable to the real and sincere impressions of my mind. You will make the due allowances for the influence of circumstances upon it—you will consult your own observations and you will draw such a conclusion as shall appear to you proper.

When I accepted the office I now hold, it was under a full persuasion that from similarity of thinking, conspiring with personal goodwill, I should have the firm support of Mr. Madison in the *general course* of my administration. Aware of the intrinsic difficulties of the situation and of the powers of Mr. Madison, I do not believe I should have accepted under a different supposition.

I have mentioned the similarity of thinking between that gentleman and myself. This was relative not merely to the general principles of national policy and government but to the leading points which were likely to constitute questions in the administration of the finances. I mean 1. the expediency of *funding* the debt 2. the inexpediency of *discrimination* between original and present holders 3. the expediency of *assuming* the state debts.

As to the first point, the evidence of Mr. Madison's sentiments at one period is to be found in the address of Congress of April 26, 1783, which was planned by him in conformity to his own ideas and without any previous suggestions from the committee and with his hearty cooperation in every part of the business. His conversations upon various occasions since have been expressive of a continuance in the same sentiment, nor indeed has he yet contradicted it by any part of his official conduct. How far there is reason to apprehend a change in this particular will be stated hereafter.

As to the second part, the same address is an evidence of Mr. Madison's sentiments at the same period. And I had been informed that at a later period he had been in the Legislature of Virginia a strenuous and successful opponent of the principle of discrimination. Add to this that a variety of conversations had taken place between him and

myself respecting the public debt down to the commencement of the new government in none of which had he glanced at the idea of a change of opinion. I wrote him a letter after my appointment in the recess of Congress to obtain his sentiments on the subject of the finances. In his answer there is not a word of his new system.

As to the third point, the question of an assumption of the state debts by the United States was in discussion when the convention that framed the present government was sitting at Philadelphia; and in a long conversation, which I had with Mr. Madison in an afternoon's walk, I well remember that we were perfectly agreed in the expediency and propriety of such a measure, though we were both of opinion that it would be more advisable to make it a measure of administration than an article of constitution; from the impolicy of multiplying obstacles to its reception on collateral details.

Under these circumstances, you will naturally imagine that it must have been a matter of surprise to me when I was apprised that it was Mr. Madison's intention to oppose my plan on both the last mentioned points.

Before the debate commenced, I had a conversation with him on my report, in the course of which I alluded to the calculation I had made of his sentiments and the grounds of that calculation. He did not deny them, but alledged in his justification that the very considerable alienation of the debt, subsequent to the periods at which he had opposed a discrimination, had essentially changed the state of the question—and that as to the assumption, he had contemplated it to take place *as matters stood at the peace*.

While the change of opinion avowed on the point of discrimination diminished my respect for the force of Mr. Madison's mind and the soundness of his judgment—and while the idea of reserving and setting afloat a vast mass of already extinguished debt as the condition of a measure the leading objects of which were an accession of strength to the national government and an assurance of order and vigour in the national finances by doing away the necessity of thirteen complicated and conflicting systems of finance—appeared to me somewhat extraordinary: Yet my previous impressions of the fairness of Mr. Madison's character and my reliance on his good will towards me disposed me to believe that his suggestions were sincere; and even, on the point of an assumption of the debts of the states as they stood at the peace, to lean towards a cooperation in his view; 'till on feeling the

ground I found the thing impracticable, and on further reflection I thought it liable to immense difficulties. It was tried and failed with little countenance.

At this time and afterwards repeated intimations were given to me that Mr. Madison, from a spirit of rivalry or some other cause, had become personally unfriendly to me; and one gentleman in particular, whose honor I have no reason to doubt, assured me that Mr. Madison in a conversation with him had made a pretty direct attempt to insinuate unfavorable impressions of me.

Still I suspended my opinion on the subject. I knew the malevolent officiousness of mankind too well to yield a very ready acquiescence to the suggestions which were made, and resolved to wait 'till time and more experience should afford a solution.

It was not 'till the last session that I became unequivocally convinced of the following truth—“*That Mr. Madison cooperating with Mr. Jefferson is at the head of a faction decidedly hostile to me and my administration, and actuated by views in my judgment subversive of the principles of good government and dangerous to the union, peace and happiness of the Country.*”

These are strong expressions; they may pain your friendship for one or both of the gentlemen whom I have named. I have not lightly resolved to hazard them. They are the result of a *Serious alarm* in my mind for the public welfare, and of a full conviction that what I have alledged is a truth, and a truth which ought to be told and well attended to by all the friends of Union and efficient National Government. The suggestion will, I hope, at least awaken attention, free from the bias of former prepossessions.

This conviction in my mind is the result of a long train of circumstances; many of them minute. To attempt to detail them all would fill a volume. I shall therefore confine myself to the mention of a few.

First—As to the point of opposition to me and my administration.

Mr. Jefferson with very little reserve manifests his dislike of the funding system generally, calling in question the expediency of funding a debt at all. Some expressions which he has dropped in my own presence (sometimes without sufficient attention to delicacy) will not permit me to doubt on this point representations which I have had from various respectable quarters. I do not mean that he advocates directly the undoing of what has been done, but he censures the whole on principles which, if they

should become general, could not but end in the subversion of the system.

In various conversations with *foreigners* as well as citizens, he has thrown censure on my *principles* of government and on my measures of administration. He has predicted that the people would not long tolerate my proceedings & that I should not long maintain my ground. Some of those, whom he *immediately* and *notoriously* moves, have even whispered suspicions of the rectitude of my motives and conduct. In the question concerning the Bank he not only delivered an opinion in writing against its constitutionality & expediency; but he did it *in a style and manner* which I felt as partaking of asperity and ill humour towards me. As one of the trustees of the sinking fund, I have experienced in almost every leading question opposition from him. When any turn of things in the community has threatened either odium or embarrassment to me, he has not been able to suppress the satisfaction which it gave him.

A part of this is of course information, and might be misrepresentation. But it comes through so many channels and so well accords with what falls under my own observation that I can entertain no doubt.

I find a strong confirmation in the following circumstances. *Freneau*, the present printer of the *National Gazette*, who was a journeyman with Childs & Swain at New York, was a known anti-federalist. It is reduced to a certainty that he was brought to Philadelphia by Mr. Jefferson to be the conductor of a newspaper. It is notorious that contemporarily with the commencement of his paper he was a clerk in the department of state for foreign languages. Hence a clear inference that his paper has been set on foot and is conducted under the patronage & not against the views of Mr. Jefferson. What then is the complexion of this paper? Let any impartial man peruse all the numbers down to the present day; and I never was more mistaken, if he does not pronounce that it is a paper devoted to the subversion of me & the measures in which I have had an agency; and I am little less mistaken if he do not pronounce that it is a paper of a tendency *generally unfriendly* to the Government of the U States. . . .

With regard to Mr. Madison—the matter stands thus. I have not heard, but in the one instance to which I have alluded, of his having held language unfriendly to me in private conversation. But in his public conduct there has been a more uniform & persevering opposition than I have been able to resolve into a sincere difference of opinion.

I cannot persuade myself that Mr. Madison and I, whose politics had formerly so much the *same point of departure*, should now diverge so widely in our opinions of the measures which are proper to be pursued. The opinion I once entertained of the candor and simplicity and fairness of Mr. Madison's character has, I acknowledge, given way to a decided opinion that *it is one of a peculiarly artificial and complicated kind*.

For a considerable part of the last session, Mr. Madison lay in a great measure *perdu*. But it was evident from his votes & a variety of little movements and appearances that he was the prompter of Mr. Giles & others, who were the open instruments of opposition. . . .

Mr. Jefferson is an avowed enemy to a funded debt. Mr. Madison disavows in public any intention to *undo* what has been done; but in a private conversation with Mr. Charles Carroll (Senator)—this gentleman's name I mention confidentially though he mentioned the matter to Mr. King & several other gentlemen as well as myself, & if any chance should bring you together you would easily bring him to repeat it to you—he favored the sentiment in Mr. Mercer's speech that a legislature had no right to *fund* the debt by mortgaging permanently the public revenues because they had no right to bind posterity. The inference is that what has been unlawfully done may be undone. . . .

The discourse of partisans in the Legislature & the publications in the party newspapers direct their main battery against the *principle* of a funded debt, & represent it in the most odious light as a perfect *Pandora's box*. . . .

Whatever were the original merits of the funding system, after having been so solemnly adopted, & after so great a transfer of property under it, what would become of the Government should it be reversed? What of the national reputation? Upon what system of morality can so atrocious a doctrine be maintained? In me, I confess it excites *indignation & horror!*

What are we to think of those maxims of government by which the power of a legislature is denied to bind the nation by a *Contract* in an affair of *property* for twenty-four years? For this is precisely the case of the debt. What are to become of all the legal rights of property, of all charters to corporations, nay, of all grants to a man his heirs & assigns forever, if this doctrine be true? What is the term for which a government is in capacity to *contract*? Questions might be multiplied without end to demonstrate the perniciousness & absurdity of such a doctrine.

In almost all the questions great & small which have arisen since the first session of Congress, Mr. Jefferson & Mr. Madison have been found among those who were disposed to narrow the Federal authority. The question of a National Bank is one example. The question of bounties to the fisheries is another. Mr. Madison resisted it on the ground of constitutionality 'till it was evident, by the intermediate questions taken, that the bill would pass & he then under the wretched subterfuge of a change of a single word "bounty" for "allowance" went over to the majority & voted for the bill. In the Militia bill & in a variety of minor cases he has leaned to abridging the exercise of federal authority, & leaving as much as possible to the states, & he has lost no opportunity of *sounding the alarm* with great affected solemnity at encroachments meditated on the rights of the states, & of holding up the bugbear of a faction in the government having designs unfriendly to liberty.

This kind of conduct has appeared to me the more extraordinary on the part of Mr. Madison as I know for a certainty it was a primary article in his creed that the real danger in our system was the subversion of the national authority by the preponderancy of the state governments. All his measures have proceeded on an opposite supposition.

I recur again to the instance of Freneau's paper. In matters of this kind one cannot have direct proof of man's latent views; they must be inferred from circumstances. As the coadjutor of Mr. Jefferson in the establishment of this paper, I include Mr. Madison in the consequences imputable to it.

In respect to our foreign politics the views of these gentlemen are in my judgment equally unsound & dangerous. *They have a womanish attachment to France and a womanish resentment against Great Britain.* They would draw us into the closest embrace of the former & involve us in all the consequences of her politics, & they would risk the peace of the country in their endeavors to keep us at the greatest possible distance from the latter. This disposition goes to a length particularly in Mr. Jefferson of which, till lately, I had no adequate idea. Various circumstances prove to me that if these gentlemen were left to pursue their own course there would be in less than six months *an open War between the U States & Great Britain.*

I trust I have a due sense of the conduct of France towards this country in the late Revolution, & that I shall always be among the foremost in making her every suitable

return; but there is a wide difference between this & implicating ourselves in all her politics; between bearing good will to her, & hating and wrangling with all those whom she hates. The neutral & the pacific policy appear to me to mark the true path to the U States.

Having now delineated to you what I conceive to be the true complexion of the politics of these gentlemen, I will now attempt a solution of these strange appearances.

Mr. Jefferson, it is known, did not in the first instance cordially acquiesce in the new constitution for the U States; he had many doubts and reserves. He left this country before we had experienced the imbecilities of the former.

In France he saw government only on the side of its abuses. He drank deeply of the French Philosophy, in religion, in science, in politics. He came from France in the moment of a fermentation which he had had a share in exciting, & in the passion and feelings of which he shared both from temperament and situation.

He came here probably with a too partial idea of his own powers, and with the expectation of a greater share in the direction of our councils than he has in reality enjoyed. I am not sure that he had not peculiarly marked out for himself the department of the Finances.

He came electrified *plus* with attachment to France and with the project of knitting together the two countries in the closest political bonds.

Mr. Madison had always entertained an exalted opinion of the talents, knowledge and virtues of Mr. Jefferson. The sentiment was probably reciprocal. A close correspondence subsisted between them during the time of Mr. Jefferson's absence from this country. A close intimacy arose upon his return.

Whether any peculiar opinions of Mr. Jefferson concerning the public debt wrought a change in the sentiments of Mr. Madison (for it is certain that the former is more radically wrong than the latter) or whether Mr. Madison seduced by the expectation of popularity and possibly by the calculation of advantage to the state of Virginia was led to change his own opinion—certain it is, that a very material *change* took place, & that the two gentlemen were united in the new ideas. Mr. Jefferson was indiscreetly open in his approbation of Mr. Madison's principles, upon his first coming to the seat of government. I say indiscreetly, because a gentleman in the administration in one department ought not to have taken sides against another, in another department.

The course of this business & a variety of circumstances which took place left Mr. Madison a very discontented & chagrined man and begot some degree of ill humour in Mr. Jefferson.

Attempts were made by these gentlemen in different ways to produce a commercial warfare with Great Britain. In this too they were disappointed. And as they had the liveliest wishes on the subject their dissatisfaction has been proportionally great; and as I had not favored the project, I was comprehended in their displeasure.

These causes and perhaps some others created, much sooner than I was aware of it, a systematic opposition to me on the part of those gentlemen. My subversion, I am now satisfied, has been long an object with them.

Subsequent events have encreased the spirit of opposition and the feelings of personal mortification on the part of these Gentlemen.

A mighty stand was made on the affair of the Bank. There was much *commitment* in that case. I prevailed.

On the Mint business I was opposed from the same quarter, & with still less success. In the affair of ways & means for the Western expedition—on the supplementary arrangements concerning the debt except as to the additional assumption, my views have been equally prevalent in opposition to theirs. This current of success on one side & defeat on the other have rendered the opposition furious, & have produced a disposition to subvert their competitors even at the expence of the Government.

Another circumstance has contributed to widening the breach. 'Tis evident beyond a question, from every movement, that Mr. Jefferson aims with ardent desire at the Presidential Chair. This too is an important object of the party-politics. It is supposed, from the nature of my former personal & political connexions, that I may favor some other candidate more than Mr. Jefferson when the question shall occur by the retreat of the present gentleman. My influence therefore with the community becomes a thing, on ambitious & personal grounds, to be resisted & destroyed.

You know how much it was a point to establish the Secretary of State as the officer who was to administer the Government in defect of the President & Vice President. Here I acknowledge, though I took far less part than was supposed, I ran counter to Mr. Jefferson's wishes; but if I had had no other reason for it, I had already *experienced opposition* from him which rendered it a measure of *self defense*.

It is possible too (for men easily heat their imaginations when their passions are heated) that they have by degrees persuaded themselves of what they may have at first only sported to influence others—namely that there is some dreadful combination against state government & republicanism; which according to them, are convertible terms. But there is so much absurdity in this supposition that the admission of it tends to apologize for their hearts, at the expense of their heads.

Under the influence of all these circumstances, the attachment to the Government of the U States, originally weak in Mr. Jefferson's mind, has given way to something very like dislike; in Mr. Madison's, it is so counteracted by personal feelings as to be more an affair of the head than of the heart—more the result of a conviction of the necessity of Union than of cordiality to the thing itself. I hope it does not stand worse than this with him.

In such a state of mind, both these gentlemen are prepared to hazard a great deal to effect a change. Most of the important measures of every government are connected with the Treasury. To subvert the present head of it they deem it expedient to risk rendering the Government itself odious; perhaps foolishly thinking that they can easily recover the lost affections & confidence of the people, and not appreciating as they ought to do the natural resistance to Government which in every community results from the human passions, the degree to which this is strengthened by the *organized rivalry* of state governments, & the infinite danger that the national government once rendered odious will be kept so by these powerful & indefatigable enemies.

They forget an old but a very just, though a coarse, saying—That it is much easier to raise the Devil than to lay him.

Poor *Knox* has come in for a share of their persecution as a man who generally thinks with me & who has a portion of the President's good will & confidence.

In giving you this picture of political parties, my design is, I confess, to awaken your attention, if it has not yet been awakened to the conduct of the gentlemen in question. If my opinion of them is founded, it is certainly of great moment to the public weal that they should be understood. I rely on the strength of your mind to appreciate men as they merit—when you have a clue to their real views.

A word on another point. I am told that serious apprehensions are disseminated in your state as to the existence

of a monarchical party mediating the destruction of state & republican government. If it is possible that so absurd an idea can gain ground it is necessary that it should be combatted. I assure you on my *private faith* and *honor* as a man that there is not in my judgment a shadow of foundation of it. A very small number of men indeed may entertain theories less republican than Mr. Jefferson & Mr. Madison; but I am persuaded there is not a man among them who would not regard as both *criminal* & *visionary* any attempt to subvert the republican system of the country. Most of these men rather *fear* that it may not justify itself by its fruits than feel a predilection for a different form; and their fears are not diminished by the factions & fanatical politics which they find prevailing among a certain set of gentlemen and threatening to disturb the tranquillity and order of the government.

As to the destruction of state governments, the *great* and *real* anxiety is to be able to preserve the national from the too potent and counteracting influence of those governments. As to my own political creed, I give it to you with the utmost sincerity. I am *affectionately* attached to the republican theory. I desire *above all things* to see the *equality* of political rights exclusive of all *hereditary* distinction firmly established by a practical demonstration of its being consistent with the order and happiness of society.

As to state governments, the prevailing bias of my judgment is that if they can be circumscribed within bounds consistent with the preservation of the national government they will prove useful and salutary. If the states were all of the size of Connecticut, Maryland or New Jersey, I should decidedly regard the local governments as both safe & useful. As the thing now is, however, I acknowledge the most serious apprehensions that the Government of the U States will not be able to maintain itself against their influence. I see that influence already penetrating into the national councils & perverting their direction.

Hence a disposition on my part towards a liberal construction of the powers of the national government and to erect every fence to guard it from depredations, which is, in my opinion, consistent with constitutional propriety.

As to the combination to prostrate the state governments, I disavow and deny it. From an apprehension lest the judiciary should not work efficiently or harmoniously I have been desirous of seeing some rational scheme of connection adopted as an amendment to the Constitution; otherwise I am for maintaining things as they are, though I doubt

much the possibility of it, from a tendency in the nature of things towards the preponderancy of the state governments.

I said that I was *affectionately* attached to the republican theory. This is the real language of my heart which I open to you in the sincerity of friendship; & I add that I have strong hopes of the success of that theory; but in candor I ought also to add that I am far from being without doubts. I consider its success as yet a problem.

It is yet to be determined by experience whether it be consistent with that *stability* and *order* in government which are essential to public strength & private security and happiness. On the whole, the only enemy which republicanism has to fear in this country is in the spirit of faction and anarchy. If this will not permit the ends of government to be attained under it—if it engenders disorders in the community, all regular & orderly minds will wish for a change—and the demagogues who have produced the disorder will make it for their own aggrandizement. This is the old story.

If I were disposed to promote monarchy & overthrow state governments, I would mount the hobby horse of popularity—I would cry out usurpation—danger to liberty etc., etc.—I would endeavor to prostrate the national government—raise a ferment—and then “ride in the Whirlwind and direct the Storm.” That there are men acting with Jefferson & Madison who have this in view I verily believe. I could lay my finger on some of them. That Madison does *not* mean it I also verily believe, and I rather believe the same of Jefferson; but I read him upon the whole thus—“A man of profound ambition & violent passions.”

You must be by this time tired of my epistle. Perhaps I have treated certain characters with too much severity. I have however not meant to do them injustice—and from the bottom of my soul believe I have drawn them truly and that it is of the utmost consequence to the public weal they should be viewed in their true colors. . . .

An Administration Divided

On 25 July 1792, the following paragraph appeared in John Fenno’s *Gazette of the United States* over the signature “T.L.”:

The editor of the *National Gazette* receives a salary from government. Query—Whether this salary is paid him for translations, or for publications, the design of

which is to vilify those to whom the voice of the people has committed the administration of public affairs.

In this, in two more notes over the same signature, and in a series of longer essays signed by "An American," all of them printed in the *Gazette of the United States* in July and August 1792, Hamilton went to war with his tormenters, accusing Jefferson of initially opposing the Constitution, identifying him as the leader of a determined opposition, and calling on him to resign his office if he could not support administration policies. Jefferson's friends, led by Madison and Monroe, jumped publicly (though anonymously) to his defense, and the rival editors of the two national newspapers were soon involved in a public argument over their relative independence from the political leaders. As the argument spread by way of reprintings into New England and the South, the whole country was treated to the spectacle of a full-blown newspaper war between the great executive officials.

Though Jefferson did not himself contribute to the public quarrel, he had long been warning Washington about Hamilton's character and designs. In July, Washington asked Hamilton to respond to the opposition's accusations (as these had been communicated to him by Jefferson). Then, in the middle of August, the president intervened with similar letters to the two principals, pleading for an end to public disputes. Both were chastened. Both were eager to persuade the president to serve another term. But neither would recede.

THOMAS JEFFERSON

Memorandum of a Conversation with the President

29 February 1792

. . . After breakfast we retired to his room & I unfolded my plan for the post-office, and after such an approbation of it as he usually permitted himself on the first presentment of any idea, and desiring me to commit it to writing, he, during that pause of conversation which follows a business closed, said in an affectionate tone that he had felt much concern at an expression which dropt from me yesterday & which marked my intention of retiring when he should. That as to himself, many motives obliged him to it. He had through the whole course of the war and most particularly at the close of it, uniformly declared his resolution to retire from public affairs & never to act in any public

office; that he had retired under that firm resolution, that the government however which had been formed being found evidently too inefficacious, and it being supposed that his aid was of some consequence towards bringing the people to consent to one of sufficient efficacy for their own good, he consented to come into the [Constitutional] Convention & on the same motive, after much pressing, to take a part in the new government and get it under way. That were he to continue longer, it might give room to say that having tasted the sweets of office he could not do without them; that he really felt himself growing old, his bodily health less firm, his memory, always bad, becoming worse, and perhaps the other faculties of his mind showing a decay to others of which he was insensible himself, that this apprehension particularly oppressed him, that he found moreover his activity lessened, business therefore more irksome, and tranquility & retirement become an irresistible passion. That however he felt himself obliged for these reasons to retire from the government, yet he should consider it as unfortunate if that should bring on the retirement of the great officers of the government, and that this might produce a shock on the public mind of dangerous consequence. I told him that no man had ever had less desire of entering into public offices than myself; that the circumstance of a perilous war, which brought everything into danger & called for all the services which every citizen could render, had induced me to undertake the administration of the government of Virginia, that I had both before & after refused repeated appointments of Congress to go abroad in that sort of office, which if I had consulted my own gratification, would always have been the most agreeable to me, that at the end of two years, I resigned the government of Virginia & retired with a firm resolution never more to appear in public life, that a domestic loss however happened and made me fancy that absence & a change of scene for a time might be expedient for me, that I therefore accepted a foreign appointment limited to two years, that at the close of that, Dr. Franklin having left France, I was appointed to supply his place, which I had accepted, & tho' I continued in it three or four years, it was under the constant idea of remaining only a year or two longer; that the revolution in France coming on, I had so interested myself in the event of that, that when obliged to bring my family home, I had still an idea of returning & awaiting the close of that to fix the era of my final retirement; that on my arrival here I found he

had appointed me to my present office, that he knew I had not come into it without some reluctance, that it was on my part a sacrifice of inclination to the opinion that I might be more serviceable here than in France, & with a firm resolution in my mind to indulge my constant wish for retirement at no very distant day: that when, therefore, I received his letter written from Mount Vernon on his way to Carolina & Georgia (April 1791) and discovered from an expression in that that he meant to retire from the government ere long, & as to the precise epoch there could be no doubt, my mind was immediately made up to make that the epoch of my own retirement from those labors of which I was heartily tired. That, however, I did not believe there was any idea in either of my brethren in the administration of retiring, that on the contrary I had perceived at a late meeting of the trustees of the sinking fund that the Secretary of the Treasury had developed the plan he intended to pursue, & that it embraced years in its view.—He said that he considered the Treasury Department as a much more limited one, going only to the single object of revenue, while that of the Secretary of State, embracing nearly all the objects of administration, was much more important, & the retirement of the officer therefore would be more noticed: that tho' the government had set out with a pretty general good will of the public, yet that symptoms of dissatisfaction had lately shown themselves far beyond what he could have expected, and to what height these might arise in case of too great a change in the administration, could not be foreseen.—

I told him that in my opinion there was only a single source of these discontents. Tho' they had indeed appeared to spread themselves over the War Department also, yet I considered that as an overflowing only from their real channel, which would never have taken place if they had not first been generated in another department, to wit that of the treasury. That a system had there been contrived for deluging the states with paper money instead of gold & silver, for withdrawing our citizens from the pursuits of commerce, manufactures, buildings, & other branches of useful industry, to occupy themselves & their capitals in a species of gambling destructive of morality & which had introduced its poison into the government itself. That it was a fact, as certainly known as that he & I were then conversing, that particular members of the legislature, while those laws were on the carpet, had feathered their nests with paper, had then voted for the laws, and

constantly since lent all the energy of their talents & instrumentality of their offices to the establishment & enlargement of this system: that they had chained it about our necks for a great length of time, & in order to keep the game in their hands had from time to time aided in making such legislative constructions of the Constitution as made it a very different thing from what the people thought they had submitted to; that they had now brought forward a proposition far beyond every one ever yet advanced, & to which the eyes of many were turned as the decision was to let us know whether we live under a limited or an unlimited government.—He asked me to what proposition I alluded? I answered to that in the Report on Manufactures which, under color of giving *bounties* for the encouragement of particular manufactures, meant to establish the doctrine that the power given by the Constitution to collect taxes to provide for the *general welfare* of the U.S. permitted Congress to take everything under their management which *they* should deem for the *public welfare* & which is susceptible of the application of money: consequently that the subsequent enumeration of their powers was not the description to which resort must be had, & did not at all constitute the limits of their authority: that this was a very different question from that of the bank, which was thought an incident to an enumerated power: that therefore this decision was expected with great anxiety: that indeed I hoped the proposition would be rejected, believing there was a majority in both houses against it, and that if it should be, it would be considered as a proof that things were returning into their true channel; & that at any rate I looked forward to the broad representation which would shortly take place for keeping the general constitution on its true ground, & that this would remove a great deal of the discontent which had shown itself. The conversation ended with this last topic. It is here stated nearly as much at length as it really was, the expressions preserved where I could recollect them, and their substance always faithfully stated.

Thomas Jefferson to George Washington

23 May 1792

I have determined to make the subject of a letter what for some time past has been a subject of inquietude to my mind without having found a good occasion of disburthening itself to you in conversation during the busy scenes

which occupied you here. Perhaps too you may be able, in your present situation, or on the road, to give it more time & reflection than you could do here at any moment.

When you first mentioned to me your purpose of retiring from the government, tho' I felt all the magnitude of the event, I was in a considerable degree silent. I knew that to such a mind as yours, persuasion was idle & impertinent: that before forming your decision, you had weighed all the reasons for & against the measure, had made up your mind on full view of them, & that there could be little hope of changing the result. Pursuing my reflections too I knew we were some day to try to walk alone; and if the essay should be made while you should be alive & looking on, we should derive confidence from that circumstance & resource if it failed. The public mind too was calm & confident, and therefore in a favorable state for making the experiment. Had no change of circumstances intervened, I should not, with any hope of success, have now ventured to propose to you a change of purpose. But the public mind is no longer confident and serene; and that from causes in which you are in no ways personally mixed. Tho these causes have been hackneyed in the public papers in detail, it may not be amiss, in order to calculate the effect they are capable of producing, to take a view of them in the mass, giving to each the form, real or imaginary, under which they have been presented.

It has been urged then that a public debt, greater than we can possibly pay before other causes of adding new debt to it will occur, has been artificially created, by adding together the whole amount of the debtor & creditor sides of accounts instead of taking only their balances, which could have been paid off in a short time: That this accumulation of debt has taken forever out of our power those easy sources of revenue which, applied to the ordinary necessities and exigencies of government, would have answered them habitually and covered us from habitual murmurings against taxes & tax-gatherers, reserving extraordinary calls for those extraordinary occasions which would animate the people to meet them. That though the calls for money have been no greater than we must generally expect for the same or equivalent exigencies, yet we are already obliged to strain the impost till it produces clamor and will produce evasion & war on our own citizens to collect it: and even to resort to an *Excise* law, of odious character with the people, partial in its operation, unproductive unless enforced by arbitrary & vexatious means, and committing the authority of the government in

parts where resistance is most probable & coercion least practicable. They cite propositions in Congress and suspect other projects on foot still to increase the mass of debt. They say that by borrowing at $\frac{2}{3}$ of the interest, we might have paid off the principal in $\frac{2}{3}$ of the time: but that from this we are precluded by its being made irredeemable but in small portions & long terms: That this irredeemable quality was given it for the avowed purpose of inviting its transfer to foreign countries. They predict that this transfer of the principal, when completed, will occasion an exportation of 3 millions of dollars annually for the interest, a drain of coin of which as there has been no example, no calculation can be made of its consequences: That the banishment of our coin will be completed by the creation of 10 millions of paper money in the form of bank bills, now issuing into circulation. They think the 10 or 12 percent annual profit paid to the lenders of this paper medium taken out of the pockets of the people, who would have had without interest the coin it is banishing. That all the capital employed in paper speculation is barren & useless, producing, like that on a gaming table, no accession to itself, and is withdrawn from commerce & agriculture where it would have produced addition to the common mass: That it nourishes in our citizens habits of vice and idleness instead of industry & morality: That it has furnished effectual means of corrupting such a portion of the legislature as turns the balance between the honest voters whichever way it is directed: That this corrupt squadron, deciding the voice of the legislature, have manifested their dispositions to get rid of the limitations imposed by the Constitution on the general legislature, limitations on the faith of which the states acceded to that instrument: That the ultimate object of all this is to prepare the way for a change from the present republican form of government to that of a monarchy, of which the English constitution is to be the model. That this was contemplated in the Convention is no secret, because its partisans have made none of it. To effect it then was impracticable, but they are still eager after their object, and are predisposing everything for its ultimate attainment. So many of them have got into the legislature that, aided by the corrupt squadron of paper dealers, who are at their devotion, they make a majority in both houses. The republican party, who wish to preserve the government in its present form, are fewer in number. They are fewer even when joined by the two, three, or half dozen anti-federalists, who, tho they dare not avow it, are still opposed to any

general government: but being less so to a republican than a monarchical one, they naturally join those whom they think pursuing the lesser evil.

Of all the mischiefs objected to the system of measures before mentioned, none is so afflicting and fatal to every honest hope as the corruption of the legislature. As it was the earliest of these measures, it became the instrument for producing the rest, & will be the instrument for producing in future a king, lords & commons, or whatever else those who direct it may choose. Withdrawn such a distance from the eye of their constituents, and these so dispersed as to be inaccessible to public information, & particularly to that of the conduct of their own representatives, they will form the most corrupt government on earth, if the means of their corruption be not prevented. The only hope of safety hangs now on the numerous representation which is to come forward the ensuing year. Some of the new members will probably be, either in principle or interest, with the present majority, but it is expected that the great mass will form an accession to the republican party. They will not be able to undo all which the two preceding legislatures, & especially the first, have done. Public faith & right will oppose this. But some parts of the system may be rightfully reformed; a liberation from the rest unremittingly pursued as fast as right will permit, & the door shut in future against similar commitments of the nation. Should the next legislature take this course, it will draw upon them the whole monarchical & paper interest. But the latter I think will not go all lengths with the former, because creditors will never, of their own accord, fly off entirely from their debtors. Therefore this is the alternative least likely to produce convulsion. But should the majority of the new members be still in the same principles with the present, & show that we have nothing to expect but a continuance of the same practices, it is not easy to conjecture what would be the result, nor what means would be resorted to for correction of the evil. True wisdom would direct that they should be temperate & peaceable, but the division of sentiment & interest happens unfortunately to be so geographical that no mortal can say that what is most wise & temperate would prevail against what is most easy & obvious. I can scarcely contemplate a more incalculable evil than the breaking of the union into two or more parts. Yet when we review the mass which opposed the original coalescence, when we consider that it lay chiefly in the Southern quarter, that the

legislature have availed themselves of no occasion of allaying it, but on the contrary whenever Northern & Southern prejudices have come into conflict, the latter have been sacrificed & the former soothed; that the owners of the debt are in the Southern & the holders of it in the Northern division; that the Antifederal champions are now strengthened in argument by the fulfilment of their predictions; that this has been brought about by the Monarchical federalists themselves, who, having been for the new government merely as a stepping stone to monarchy, have themselves adopted the very constructions of the Constitution of which, when advocating its acceptance before the tribunal of the people, they declared it insusceptible; that the republican federalists, who espoused the same government for its intrinsic merits, are disarmed of their weapons, that which they denied as prophecy being now become true history: who can be sure that these things may not proselyte the small number which was wanting to place the majority on the other side? And this is the event at which I tremble, & to prevent which I consider your continuance at the head of affairs as of the last importance. The confidence of the whole union is centered in you. Your being at the helm will be more than an answer to every argument which can be used to alarm & lead the people in any quarter into violence or secession. North & South will hang together if they have you to hang on; and, if the first correction of a numerous representation should fail in its effect, your presence will give time for trying others not inconsistent with the union & peace of the states.

I am perfectly aware of the oppression under which your present office lays your mind & of the ardor with which you pant for retirement to domestic life. But there is sometimes an eminence of character on which society have such peculiar claims as to control the predilection of the individual for a particular walk of happiness, & restrain him to that alone arising from the present & future benedictions of mankind. This seems to be your condition & the law imposed on you by providence in forming your character & fashioning the events on which it was to operate; and it is to motives like these, & not to personal anxieties of mine or others who have no right to call on you for sacrifices, that I appeal from your former determination & urge a revival of it, on the ground of change in the aspect of things. Should an honest majority result from the new & enlarged representation; should those acquiesce whose principles or

interest they may control, your wishes for retirement would be gratified with less danger as soon as that shall be manifest, without awaiting the completion of the second period of four years. One or two sessions will determine the crisis; and I cannot but hope that you can resolve to add one or two more to the many years you have already sacrificed to the good of mankind. . . .

THOMAS JEFFERSON

Memorandum of a Conversation with Washington

10 July 1792

My letter of [May 23] to the President, directed to him at Mt. Vernon, had not found him there, but came to him here. He told me of this & that he would take an occasion of speaking with me on the subject. He did so this day. He began by observing that he had put it off from day to day because the subject was painful, to wit his remaining in office which that letter solicited. He said that the declaration he had made when he quitted his military command of never again acting in public was sincere. That however when he was called on to come forward to set the present government in motion, it appeared to him that circumstances were so changed as to justify a change in his resolution: he was made to believe that in 2 years all would be well in motion & he might retire. At the end of two years he found some things still to be done. At the end of the 3d year he thought it was not worthwhile to disturb the course of things as in one year more his office would expire & he was decided then to retire. Now he was told there would still be danger in it. Certainly, if he thought so, he would conquer his longing for retirement. But he feared it would be said his former professions of retirement had been mere affectation, & that he was like other men, when once in office he could not quit it. He was sensible too of a decay of his hearing; perhaps his other faculties might fall off & he not be sensible of it. That with respect to the existing causes of uneasiness, he thought there were suspicions against a particular party which had been carried a great deal too far, there might be *desires*, but he did not believe there were *designs* to change the form of government into a monarchy. That there might be a few who wished it in the higher walks of life, particularly in the

great cities, but that the main body of the people in the Eastern states were as steadily for republicanism as in the Southern. That the pieces lately published, & particularly in Freneau's paper, seemed to have in view the exciting opposition to the government. That this had taken place in Pennsylvania as to the excise law, according to information he had received from General Hand, that they tended to produce a separation of the Union, the most dreadful of all calamities, and that whatever tended to produce anarchy, tended of course to produce a resort to monarchical government. He considered those papers as attacking him directly, for he must be a fool indeed to swallow the little sugar plumbs here & there thrown out to him. That in condemning the administration of the government they condemned him, for if they thought there were measures pursued contrary to his sentiment, they must conceive him too careless to attend to them or too stupid to understand them. That tho indeed he had signed many acts which he did not approve in all their parts, yet he had never put his name to one which he did not think on the whole was eligible. That as to the bank, which had been an act of so much complaint, until there was some infallible criterion of reason, a difference of opinion must be tolerated. He did not believe the discontents extended far from the seat of government. He had seen & spoken with many people in Maryland & Virginia in his late journey. He found the people contented & happy. He wished however to be better informed on this head. If the discontent were more extensive than he supposed, it might be that the desire that he should remain in the government was not general.

My observations to him tended principally to enforce the topics of my letter. I will not therefore repeat them except where they produced observations from him. I said that the two great complaints were that the national debt was unnecessarily increased, & that it had furnished the means of corrupting both branches of the legislature. That he must know & everybody knew there was a considerable squadron in both whose votes were devoted to the paper & stock-jobbing interest, that the names of a weighty number were known & several others suspected on good grounds. That on examining the votes of these men they would be found uniformly for every treasury measure, & that as most of these measures had been carried by small majorities they were carried by these very votes. That therefore it was a cause of just uneasiness when we saw a legislature

legislating for their own interests in opposition to those of the people. He said not a word on the corruption of the legislature, but took up the other point, defended the assumption, & argued that it had not increased the debt, for that all of it was honest debt. He justified the excise law, as one of the best laws which could be past, as nobody would pay the tax who did not choose to do it. With respect to the increase of the debt by the assumption, I observed to him that what was meant & objected to was that it increased the debt of the general government and carried it beyond the possibility of payment. That if the balances had been settled & the debtor states directed to pay their deficiencies to the creditor states, they would have done it easily and by resources of taxation in their power and acceptable to the people, by a direct tax in the South & an excise in the North. Still he said it would be paid by the people. Finding him really approving the treasury system I avoided entering into argument with him on those points.

Alexander Hamilton to George Washington, Objections and Answers Respecting the Administration of the Government

August 1792

I. Object. The public debt is greater than we can possibly pay before other causes of adding to it will occur; and this has been artificially created by adding together the *whole amount* of the debtor and creditor sides of the account.

Answer. The public debt was produced by the late war. It is not the fault of the present government that it exists, unless it can be proved that public morality and policy do not require of a government an honest provision for its debts. Whether it is greater than can be paid before new causes of adding to it will occur is a problem incapable of being solved but by experience; and this would be the case if it were not one fourth as much as it is. If the policy of the country be prudent, cautious and *neutral* towards foreign nations, . . . there is a rational probability that war may be avoided long enough to wipe off the debt. The Dutch, in a situation not near so favorable for it as that of the U States, have enjoyed intervals of peace longer than with proper exertions would suffice for the purpose. The debt of the U States compared with its present and

growing abilities is really a very light one. It is little more than 15,000,000 of pounds sterling, about the annual expenditure of Great Britain.

But whether the public debt shall be extinguished or not within a moderate period depends on the temper of the people. If they are rendered dissatisfied by misrepresentation of the measures of the government, the government will be deprived of an efficient command of the resources of the community towards extinguishing the debt. And thus, those who clamor are likely to be the principal causes of protracting the existence of the debt.

As to having been artificially increased, this is denied; perhaps indeed the true reproach of the system which has been adopted is that it has artificially diminished the debt as will be explained by and by.

The assertion that the debt has been increased by adding together the whole amount of the debtor and creditor sides of the account, not being very easy to be understood, is not easy to be answered. . . .

The general inducements to a provision for the public debt are—I. To preserve the public faith and integrity by fulfilling as far as was practicable the public engagements. II. To manifest a due respect for property by satisfying the public obligations in the hands of the public creditors and which were as much their property as their houses or their lands, their hats or their coats. III. To revive and establish public credit, the palladium of public safety. IV. To preserve the government itself by showing it worthy of the confidence which was placed in it, to procure to the community the blessings which in innumerable ways attend confidence in the government, and to avoid the evils which in as many ways attend the want of confidence in it.

The particular inducements to an assumption of the state debts were—I. To consolidate the finances of the country and give an assurance of permanent order in them, avoiding the collisions of thirteen different and independent systems of finance under concurrent and coequal authorities and the scramblings for revenue which would have been incident to so many different systems. II. To secure to the Government of the Union, by avoiding those entanglements, an effectual command of the resources of the Union for present and future exigencies. III. To *equalize the condition* of the *citizens* of the several states in the important article of taxation, rescuing a part of them from being oppressed with burthens beyond their strength, on account of extraordinary exertions in the war

and through the want of certain adventitious resources, which it was the good fortune of others to possess.

A mind naturally attached to order and system and capable of appreciating their immense value, unless misled by particular feelings, is struck at once with the prodigious advantages which in the course of time must attend such a simplification of the financial affairs of the country as results from placing all the parts of the public debt upon one footing—under one direction—regulated by one provision. The want of this sound policy has been a continual source of disorder and embarrassment in the affairs of the United Netherlands.

The true justice of the case of the public debt consists in that equalization of the condition of the citizens of all the states which must arise from a consolidation of the debt and common contributions towards its extinguishment. Little inequalities, as to the past, can bear no comparison with the more lasting inequalities which, without the assumption, would have characterized the future condition of the people of the U States, leaving upon those who had done most or suffered most a great additional weight of burthen.

If the foregoing inducements to a provision for the public debt (including an assumption of the state debts) were sufficiently cogent—then the justification of the excise law lies within a narrow compass. Some further source of revenue, besides the duties on imports, was indispensable, and none equally productive would have been so little exceptionable to the mass of the people.

Other reasons cooperated in the minds of some able men to render an excise at an early period desirable. They thought it well to lay hold of so valuable a resource of revenue before it was generally preoccupied by the state governments. They supposed it not amiss that the authority of the national government should be visible in some branch of internal revenue, lest a total non-exercise of it should beget an impression that it was never to be exercised & next that it ought not to be exercised. It was supposed too that a thing of the kind could not be introduced with a greater prospect of easy success than at a period when the government enjoyed the advantage of first impressions—when state-factions to resist its authority were not yet matured—when so much aid was to be derived from the popularity and firmness of the actual Chief Magistrate.

Facts hitherto do not indicate the measure to have been rash or ill advised. The law is in operation with perfect

acquiescence in all the states north of New York, though they contribute most largely. In New York and New Jersey it is in full operation, with some very partial complainings fast wearing away. In the greatest part of Pennsylvania it is in operation and with increasing good humor towards it. The four western counties continue exceptions. In Delaware it has had some struggle, which by the last accounts was surmounted. In Maryland and Virginia, it is in operation and without material conflict. In South Carolina it is now in pretty full operation, though in the interior parts it has had some serious opposition to overcome. In Georgia, no material difficulty has been experienced. North Carolina, Kentucky, & the four western counties of Pennsylvania present the only remaining impediments of any consequence to the full execution of the law. The latest advices from NC & Kentucky were more favorable than the former. . . .

The debt existed. It was to be provided for. In whatever shape the provision was made the object of speculation and the speculation would have existed. Nothing but abolishing the debt could have obviated it. It is therefore the fault of the Revolution not of the government that paper speculation exists.

An unsound or precarious provision would have increased this species of speculation in its most odious forms. The defects & casualties of the system would have been as much subjects of speculation as the debt itself.

The difference is that under a bad system the public stock would have been too uncertain an article to be a substitute for money & all the money employed in it would have been diverted from useful employment without anything to compensate for it. Under a good system the stock becomes more than a substitute for the money employed in negotiating it. . . .

Objection 11. Paper Speculation nourishes in our citizens &c.

Answer. This proposition within certain limits is true. Jobbing in the funds has some bad effects among those engaged in it. It fosters a spirit of gambling and diverts a certain number of individuals from other pursuits. But if the proposition be true that stock operates as capital, the effect upon the citizens at large is different. It promotes among them industry by furnishing a larger field of employment. Though this effect of a funded debt has been called in question in England by some theorists,

yet most theorists & all practical men allow its existence. And there is no doubt, as already intimated, that if we look into those scenes among ourselves where the largest portions of the debt are accumulated we shall perceive that a new spring has been given to industry in various branches.

But be all this as it may, the observation made under the last head applies here. The debt was the creature of the Revolution. It was to be provided for. Being so, in whatever form, it must have become an object of speculation and jobbing.

Objection 12. The funding of the debt has furnished effectual means of corrupting &c.

Answer. This is one of those assertions which can only be denied and pronounced to be malignant and false. No facts exist to support it, and being a mere matter of fact, no *argument* can be brought to repel it.

The assertors beg the question. They assume to themselves and to those who think with them infallibility. Take their words for it, they are the only honest men in the community. But compare the tenor of men's lives and *at least* as large a proportion of virtuous and independent characters will be found among those whom they malign as among themselves.

A member of a majority of the legislature would say to these defamers—

“In your vocabulary, Gentlemen, *creditor* and *enemy* appear to be synonymous terms—the *support of public credit* and *corruption* of similar import—an *enlarged* and *liberal* construction of the Constitution for the public good and for the maintenance of the due energy of the national authority of the same meaning with usurpation and a conspiracy to overturn the republican government of the country—every man of a different opinion from your own an ambitious despot or a corrupt knave. You bring everything to the standard of your narrow and depraved ideas, and you condemn without mercy or even decency whatever does not accord with it. Every man who is either too long or too short for your political couch must be stretched or lopped to suit it. But your pretensions must be rejected. Your insinuations despised. Your politics originate in immorality, in a disregard of the maxims of good faith and the rights of property, and if they could prevail must end in national disgrace and confusion. Your rules of construction for the authorities vested in the Government of the Union would arrest all its essential movements and

bring it back in practice to the same state of imbecility which rendered the old confederation contemptible. Your principles of liberty are principles of licentiousness incompatible with all government. You sacrifice everything that is venerable and substantial in society to the vain reveries of a false and new fangled philosophy. As to the motives by which I have been influenced, I leave my general conduct in private and public life to speak for them. Go and learn among my *fellow citizens* whether I have not uniformly maintained the character of an honest man. As to the love of liberty and country, you have given no stronger proofs of being actuated by it than I have done. Cease then to arrogate to yourself and to your party all the patriotism and virtue of the country. Renounce if you can the intolerant spirit by which you are governed—and begin to reform yourself instead of reprobating others, by beginning to doubt of your own infallibility.

Such is the answer which would naturally be given by a member of the majority in the legislature to such an objector. And it is the only one that could be given, until some evidence of the supposed corruption should be produced.

As far as I know, there is not a member of the legislature who can properly be called a stock-jobber or a paper dealer. There are several of them who were proprietors of public debt in various ways. Some for money lent & property furnished for the use of the public during the war, others for sums received in payment of debts—and it is supposeable enough that some of them had been purchasers of the public debt with intention to hold it as a valuable & convenient property, considering an honorable provision for it as matter of course.

It is a strange perversion of ideas, and as novel as it is extraordinary, that men should be deemed corrupt & criminal for becoming proprietors in the funds of their country. Yet I believe the number of members of Congress is very small who have ever been considerably proprietors in the funds.

And as to improper speculations on measures depending before Congress, I believe never was any *body* of men freer from them.

There are indeed several members of Congress who have become proprietors in the Bank of the United States, and a *few* of them to a pretty large amount, say 50 or 60 shares; but all operations of this kind were necessarily subsequent to the determination upon the measure. The subscriptions were of course subsequent & purchases

still more so. Can there be anything really blameable in this? Can it be culpable to invest property in an institution which has been established for the most important national purposes? Can that property be supposed to corrupt the holder? It would indeed tend to render him friendly to the preservation of the Bank; but in this there would be no collision between duty & interest, and it could give him no improper bias in other questions.

To uphold public credit and to be friendly to the Bank must be presupposed to be *corrupt things* before the being a proprietor in the funds or of bank stock can be supposed to have a *corrupting influence*. The being a proprietor in either case is a very different thing from being, in a proper sense of the term, a stock jobber. On this point of the corruption of the legislature one more observation of great weight remains. Those who oppose a *funded* debt and mean any provision for it contemplate an *annual* one. Now, it is impossible to conceive a more fruitful source of legislative corruption than this. All the members of it who should incline to speculate would have an annual opportunity of speculating upon their influence in the legislature to promote or retard or put off a provision. Every session the question whether the annual provision should be continued would be an occasion of pernicious caballing and corrupt bargaining. In this very view when the subject was in deliberation, it was impossible not to wish it declared upon once for all & out of the way.

Objection the 13. The Corrupt Squadron &c.

Here again the objectors beg the question. They take it for granted that their constructions of the Constitution are right and that the opposite ones are wrong, and with great good nature and candor ascribe the effect of a difference of opinion to a disposition to get rid of the limitations on the government.

Those who have advocated the constructions which have obtained have met their opponents on the ground of fair argument and they think have refuted them. How shall it be determined which side is right?

There are some things which the general government has clearly a right to do—there are others which it has clearly no right to meddle with, and there is a good deal of middle ground, about which honest & well disposed men may differ. The most that can be said is that some of this middle ground may have been occupied by the national legislature; and this surely is no evidence of a disposition to get rid of the limitations in the Constitution, nor can it be viewed in that light by men of candor.

The truth is one description of men is disposed to do the essential business of the nation by a liberal construction of the powers of the government; another from disaffection would fritter away those powers—a third from an overweening jealousy would do the same thing—a fourth from party & personal opposition are torturing the Constitution into objections to everything they do not like.

The Bank is one of the measures which is deemed by some the greatest stretch of power; and yet its constitutionality has been established in the most satisfactory manner.

And the most incorrigible theorist among its opponents would in one month's experience as head of the Department of the Treasury be compelled to acknowledge that it is an absolutely indispensable engine in the management of the finances and would quickly become a convert to its perfect constitutionality.

Objection XIV. The ultimate object of all.

To this there is no other answer than a flat denial—except this, that the project from its absurdity refutes itself.

The idea of introducing a monarchy or aristocracy into this country by employing the influence and force of a government continually changing hands towards it is one of those visionary things that none but madmen could meditate and that no wise men will believe.

If it could be done at all, which is utterly incredible, it would require a long series of time, certainly beyond the life of any individual to effect it. Who then would enter into such plot? For what purpose of interest or ambition?

To hope that the people may be cajoled into giving their sanctions to such institutions is still more chimerical. A people so enlightened and so diversified as the people of this country can surely never be brought to it but from convulsions and disorders, in consequence of the acts of popular demagogues.

The truth unquestionably is that the only path to a subversion of the republican system of the country is by flattering the prejudices of the people and exciting their jealousies and apprehensions, to throw affairs into confusion and bring on civil commotion. Tired at length of anarchy, or want of government, they may take shelter in the arms of monarchy for repose and security.

Those, then, who resist a confirmation of public order are the true artificers of monarchy—not that this is the intention of the generality of them. Yet it would not be difficult to lay the finger upon some of their party who may justly be suspected. When a man unprincipled in

private life, desperate in his fortune, bold in his temper, possessed of considerable talents, having the advantage of military habits—despotic in his ordinary demeanour—known to have scoffed in private at the principles of liberty—when such a man [Aaron Burr?] is seen to mount the hobby horse of popularity—to join in the cry of danger to liberty—to take every opportunity of embarrassing the general government & bringing it under suspicion—to flatter and fall in with all the nonsense of the zealots of the day—It may justly be suspected that his object is to throw things into confusion that he may “ride the storm and direct the whirlwind.”

It has aptly been observed that *Cato* was the Tory—*Caesar* the Whig of his day. The former frequently resisted—the latter always flattered—the follies of the people. Yet the former perished with the Republic; the latter destroyed it.

No popular government was ever without its Catalines & its Caesars. These are its true enemies.

As far as I am informed, the anxiety of those who are calumniated is to keep the government in the state in which it is, which they fear will be no easy task, from a natural tendency in the state of things to exalt the local on the ruins of the national government. Some of them appear to wish, in a constitutional way, a change in the judiciary department of the government, from an apprehension that an orderly and effectual administration of justice cannot be obtained without a more intimate connection between the state and national tribunals. But even this is not an object of any set of men as a party. There is a difference of opinion about it on various grounds among those who have generally acted together. As to any other change of consequence, I believe nobody dreams of it.

'Tis curious to observe the anticipations of the different parties. One side appears to believe that there is a serious plot to overturn the state governments and substitute monarchy to the present republican system. The other side firmly believes that there is a serious plot to overturn the general government & elevate the separate power of the states upon its ruins. Both sides may be equally wrong, & their mutual jealousies may be materially causes of the appearances which mutually disturb them and sharpen them against each other. . . .

No man, that I know of, contemplated the introducing into this country of a monarchy. A very small number (not more than three or four) manifested theoretical opinions

favorable in the abstract to a constitution like that of Great Britain, but everyone agreed that such a constitution except as to the general distribution of departments and powers was out of the question in reference to this country. The member who was most explicit on this point (a member from New York) declared in strong terms that the republican theory ought to be adhered to in this country as long as there was any chance of its success—that the idea of a perfect equality of political rights among the citizens, exclusive of all permanent or hereditary distinctions, was of a nature to engage the good wishes of every good man, whatever might be his theoretic doubts—that it merited his best efforts to give success to it in practice—that hitherto from an incompetent structure of the government it had not had a fair trial, and that the endeavor ought then to be to secure to it a better chance of success by a government more capable of energy and order.

Alexander Hamilton to George Washington

9 September 1792

I have the pleasure of your private letter of the 26th of August.

The feelings and views which are manifested in that letter are such as I expected would exist. And I most sincerely regret the causes of the uneasy sensations you experience. It is my most anxious wish, as far as may depend upon me, to smooth the path of your administration, and to render it prosperous and happy. And if any prospect shall open of healing or terminating the differences which exist, I shall most cheerfully embrace it, though I consider myself as the deeply injured party. The recommendation of such a spirit is worthy of the moderation and wisdom which dictated it; and if your endeavors should prove unsuccessful, I do not hesitate to say that in my opinion the period is not remote when the public good will require *substitutes* for the *differing members* of your administration. The continuance of a division there must destroy the energy of government, which will be little enough with the strictest Union. On my part there will be a most cheerful acquiescence in such a result.

I trust, Sir, that the greatest frankness has always marked and will always mark every step of my conduct towards you. In this disposition, I cannot conceal from you that

I have had some instrumentality of late in the retaliations which have fallen upon certain public characters and that I find myself placed in a situation not to be able to recede *for the present*.

I considered myself as compelled to this conduct by reasons public as well as personal of the most cogent nature. I *know* that I have been an object of uniform opposition from Mr. Jefferson, from the first moment of his coming to the City of New York to enter upon his present office. I *know*, from the most authentic sources, that I have been the frequent subject of the most unkind whispers and insinuations from the same quarter. I have long seen a formed party in the legislature, under his auspices, bent upon my subversion. I cannot doubt, from the evidence I possess, that the *National Gazette* was instituted by him for political purposes and that one leading object of it has been to render me and all the measures connected with my department as odious as possible.

Nevertheless I can truly say that, except explanations to confidential friends, I never directly or indirectly retaliated or countenanced retaliation till very lately. I can even assure you that I was instrumental in preventing a very severe and systematic attack upon Mr. Jefferson by an association of two or three individuals, in consequence of the persecution which he brought upon the Vice President by his indiscreet and light letter to the printer, transmitting *Paine's* pamphlet.

As long as I saw no danger to the government from the machinations which were going on, I resolved to be a silent sufferer of the injuries which were done me. I determined to avoid giving occasion to anything which could manifest to the world dissensions among the principal characters of the government, a thing which can never happen without weakening its hands and in some degree throwing a stigma upon it.

But when I no longer doubted that there was a formed party deliberately bent upon the subversion of measures which in its consequences would subvert the government—when I saw that the undoing of the funding system in particular (which, whatever may be the original merits of that system, would prostrate the credit and the honor of the nation and bring the government into contempt with that description of men who are in every society the only firm supporters of government) was an avowed object of the party; and that all possible pains were taking to produce that effect by rendering it odious to the

body of the people—I considered it as a duty to endeavour to resist the torrent, and as an essential mean to this end, to draw aside the veil from the principal actors. To this strong impulse, to this decided conviction, I have yielded. And I think events will prove that I have judged rightly.

Nevertheless I pledge my honor to you, Sir, that if you shall hereafter form a plan to reunite the members of your administration upon some steady principle of cooperation, I will faithfully concur in executing it during my continuance in office. And I will not directly or indirectly say or do a thing that shall endanger a feud. . . .

Thomas Jefferson to George Washington, Monticello

9 September 1792

. . . When I embarked in the government, it was with a determination to intermeddle not at all with the legislature, & as little as possible with my co-departments. The first and only instance of variance from the former part of my resolution, I was duped into by the Secretary of the Treasury and made a tool for forwarding his schemes, not then sufficiently understood by me; and of all the errors of my political life, this has occasioned me the deepest regret. It has ever been my purpose to explain this to you when, from being actors on the scene, we shall have become uninterested spectators only. The second part of my resolution has been religiously observed with the War Department &, as to that of the Treasury, has never been farther swerved from than by the mere enunciation of my sentiments in conversation, and chiefly among those who, expressing the same sentiments, drew mine from me. If it has been supposed that I have ever intrigued among the members of the legislatures to defeat the plans of the Secretary of the Treasury, it is contrary to all truth. As I never had the desire to influence the members, so neither had I any other means than my friendships, which I valued too highly to risk by usurpations on their freedom of judgment & the conscientious pursuit of their own sense of duty. That I have utterly, in my private conversations, disapproved of the system of the Secretary of the Treasury, I acknowledge & avow: and this was not merely a speculative difference. His system flowed from principles adverse to liberty, & was calculated to undermine

and demolish the republic, by creating an influence of his department over the members of the legislature. I saw this influence actually produced, & its first fruits to be the establishment of the great outlines of his project by the votes of the very persons who, having swallowed his bait, were laying themselves out to profit by his plans: & that had these persons withdrawn, as those interested in a question ever should, the vote of the disinterested majority was clearly the reverse of what they made it. These were no longer the votes then of the representatives of the people, but of deserters from the rights & interests of the people: & it was impossible to consider their decisions, which had nothing in view but to enrich themselves, as the measures of the fair majority, which ought always to be respected.—If what was actually doing begat uneasiness in those who wished for virtuous government, what was further proposed was not less threatening to the friends of the Constitution. For, in a Report on the subject of manufactures (still to be acted on) it was expressly assumed that the general government has a right to exercise all powers which may be for the *general welfare*, that is to say all the legitimate powers of government: since no government has a legitimate right to do what is not for the welfare of the governed. There was indeed a sham-limitation of the universality of this power *to cases where money is to be employed*. But about what is it that money cannot be employed? Thus the object of these plans taken together is to draw all the powers of government into the hands of the general legislature, to establish means for corrupting a sufficient corps in that legislature to divide the honest votes & preponderate, by their own, the scale which suited, & to have that corps under the command of the Secretary of the Treasury for the purpose of subverting step by step the principles of the Constitution, which he has so often declared to be a thing of nothing which must be changed. Such views might have justified something more than mere expressions of dissent, beyond which, nevertheless, I never went.—Has abstinence from the department committed to me been equally observed by him? To say nothing of other interferences equally known, in the case of the two nations with which we have the most intimate connections, France & England, my system was to give some satisfactory distinctions to the former, of little cost to us, in return for the solid advantages yielded us by them; & to have met the English with some restrictions which might induce them to abate their

severities against our commerce. I have always supposed this coincided with your sentiments. Yet the Secretary of the Treasury, by his cabals with members of the legislature, & by high-toned declamation on other occasions, has forced down his own system, which was exactly the reverse. He undertook, of his own authority, the conferences with the ministers of those two nations, & was, on every consultation, provided with some report of a conversation with the one or the other of them, adapted to his views. These views, thus made to prevail, their execution fell of course to me; & I can safely appeal to you, who have seen all my letters & proceedings, whether I have not carried them into execution as sincerely as if they had been my own, tho' I ever considered them as inconsistent with the honor & interest of our country. That they have been inconsistent with our interest is but too fatally proved by the stab to our navigation given by the French.—So that if the question be By whose fault is it that Colo. Hamilton & myself have not drawn together? the answer will depend on that to two other questions; whose principles of administration best justify, by their purity, conscientious adherence? and which of us has, notwithstanding, stepped farthest into the control of the department of the other?

To this justification of opinions, expressed in the way of conversation, against the views of Colo. Hamilton, I beg leave to add some notice of his late charges against me in Fenno's gazette; for neither the style, matter, nor venom of the pieces alluded to can leave a doubt of their author. Spelling my name & character at full length to the public, while he conceals his own under the signature of "An American," he charges me 1. With having written letters from Europe to my friends to oppose the present constitution while depending. 2. With a desire of not paying the public debt. 3. With setting up a paper to decry & slander the government. 1. The first charge is most false. No man in the U.S. I suppose, approved of every title in the Constitution; no one, I believe approved more of it than I did: and more of it was certainly disapproved by my accuser than by me, and of its parts most vitally republican. Of this the few letters I wrote on the subject (not half a dozen I believe) will be a proof: & for my own satisfaction & justification, I must tax you with the reading of them when I return to where they are. You will there see that my objection to the Constitution was that it wanted a bill of rights securing freedom of religion, free-

dom of the press, freedom from standing armies, trial by jury, & a constant Habeas Corpus act. Colo. Hamilton's was that it wanted a king and house of lords. The sense of America has approved my objection & added the bill of rights, not the king and lords. I also thought a longer term of service, insusceptible of renewal, would have made a President more independent. My country has thought otherwise, & I have acquiesced implicitly. He wishes the general government should have power to make laws binding the states in all cases whatsoever. Our country has thought otherwise: has he acquiesced? Notwithstanding my wish for a bill of rights, my letters strongly urged the adoption of the constitution, by nine states at least, to secure the good it contained. I at first thought that the best method of securing the bill of rights would be for four states to hold off till such a bill should be agreed to. But the moment I saw Mr. Hancock's proposition to pass the constitution as it stood and give perpetual instructions to the representatives of every state to insist on a bill of rights, I acknowledged the superiority of his plan, & advocated universal adoption. 2. The second charge is equally untrue. My whole correspondence while in France, & every word, letter, & act on the subject since my return, prove that no man is more ardently intent to see the public debt soon & sacredly paid off than I am. This exactly marks the difference between Colo. Hamilton's views & mine, that I would wish the debt paid tomorrow; he wishes it never to be paid, but always to be a thing wherewith to corrupt & manage the legislature. 3. I have never enquired what number of sons, relations, & friends of senators, representatives, printers or other useful partisans Colo. Hamilton has provided for among the hundred clerks of his department, the thousand excisemen, custom-house officers, loan officers, &c. &c. &c. appointed by him, or at his nod, and spread over the Union; nor could ever have imagined that the man who has the shuffling of millions backwards & forwards from paper into money & money into paper, from Europe to America, & America to Europe, the dealing out of Treasury-secrets among his friends in what time & measure he pleases, and who never slips an occasion for making friends with his means, that such a one I say would have brought forward a charge against me for having appointed the poet Freneau translating clerk to my office, with a salary of 250 dollars a year. That fact stands thus. While the government was at New York I was applied to

on behalf of Freneau to know if there was any place within my department to which he could be appointed. I answered there were but four clerkships, all of which I found full, and continued without any change. When we removed to Philadelphia, Mr. Pintard, the translating clerk, did not choose to remove with us. His office then became vacant. I was again applied to there for Freneau, & had no hesitation to promise the clerkship for him. I cannot recollect whether it was at the same time, or afterwards, that I was told he had a thought of setting up a newspaper there. But whether then, or afterwards, I considered it as a circumstance of some value, as it might enable me to do, what I had long wished to have done, that is, to have the material parts of the Leyden Gazette brought under your eye & that of the public, in order to possess yourself & them of a juster view of the affairs of Europe than could be obtained from any other public source. This I had ineffectually attempted through the press of Mr. Fenno while in New York, selecting & translating passages myself at first then having it done by Mr. Pintard the translating clerk, but they found their way too slowly into Mr. Fenno's papers. Mr. Bache essayed it for me in Philadelphia, but his being a daily paper, did not circulate sufficiently in the other states. He even tried, at my request, the plan of a weekly paper of recapitulation from his daily paper, in hopes that that might go into the other states, but in this too we failed. Freneau, as translating clerk & the printer of a periodical paper likely to circulate thro' the states (uniting in one person the parts of Pintard & Fenno) revived my hopes that the thing could at length be effected. On the establishment of his paper, therefore, I furnished him with the Leyden Gazettes, with an expression of my wish that he could always translate & publish the material intelligence they contained; & have continued to furnish them from time to time, as regularly as I received them. But as to any other direction or indication of my wish how his press should be conducted, what sort of intelligence he should give, what essays encourage, I can protest in the presence of heaven, that I never did by myself or any other, directly or indirectly, say a syllable, nor attempt any kind of influence. I can further protest, in the same awful presence, that I never did by myself or any other, directly or indirectly, write, dictate or procure any one sentence or sentiment to be inserted *in his, or any other, gazette* to which my name was not affixed or that of my office.—I surely

need not except here a thing so foreign to the present subject as a little paragraph about our Algerine captives, which I put once into Fenno's paper.—Freneau's proposition to publish a paper, having been about the time that the writings of Publicola & the Discourses on Davila had a good deal excited the public attention, I took for granted from Freneau's character, which had been marked as that of a good whig, that he would give free place to pieces written against the aristocratical & monarchical principles these papers had inculcated. This having been in my mind, it is likely enough I may have expressed it in conversation with others; tho' I do not recollect that I did. To Freneau I think I could not, because I had still seen him but once, & that was at a public table, at breakfast, at Mrs. Elsworth's, as I passed thro' New York the last year. And I can safely declare that my expectations looked only to the chastisement of the aristocratical & monarchical writers, & not to any criticisms on the proceedings of government. Colo. Hamilton can see no motive for any appointment but that of making a convenient partizan. But you Sir, who have received from me recommendations of a Rittenhouse, Barlow, Paine, will believe that talents & science are sufficient motives with me in appointments to which they are fitted: & that Freneau, as a man of genius, might find a preference in my eye to be a translating clerk, & make good title to the little aids I could give him as the editor of a gazette, by procuring subscriptions to his paper, as I did some, before it appeared, & as I have with pleasure done for the labors of other men of genius. I hold it to be one of the distinguishing excellencies of elective over hereditary successions that the talents which nature has provided in sufficient proportion should be selected by the society for the government of their affairs, rather than that this should be transmitted through the loins of knaves & fools passing from the debauches of the table to those of the bed. . . . He & Fenno are rivals for the public favor. The one courts them by flattery, the other by censure, & I believe it will be admitted that the one has been as servile as the other severe. But is not the dignity, & even decency of government committed, when one of its principal ministers enlists himself as an anonymous writer or paragraphist for either the one or the other of them?—No government ought to be without censors; & where the press is free, no one ever will. If virtuous, it need not fear the fair operation of attack & defense. Nature has given

to man no other means of sifting out the truth either in religion, law, or politics. I think it as honorable to the government neither to know nor notice its sycophants or censors as it would be undignified & criminal to pamper the former & persecute the latter.—So much for the past. A word now of the future.

When I came into this office, it was with a resolution to retire from it as soon as I could with decency. It pretty early appeared to me that the proper moment would be the first of those epochs at which the constitution seems to have contemplated a periodical change or renewal of the public servants. In this I was confirmed by your resolution respecting the same period; from which however I am happy in hoping you have departed. I look to that period with the longing of a wave-worn mariner, who has at length the land in view, & shall count the days & hours which still lie between me & it. In the meanwhile my main object will be to wind up the business of my office, avoiding as much as possible all new enterprise. With the affairs of the legislature, as I never did intermeddle, so I certainly shall not now begin. I am more desirous to predispose everything for the repose to which I am withdrawing than expose it to be disturbed by newspaper contests. If these however cannot be avoided altogether, yet a regard for your quiet will be a sufficient motive for my deferring it till I become merely a private citizen, when the propriety or impropriety of what I may say or do may fall on myself alone. I may then too avoid the charge of misapplying that time which now belonging to those who employ me, should be wholly devoted to their service. If my own justification or the interests of the republic shall require it, I reserve to myself the right of then appealing to my country, subscribing my name to whatever I write, & using with freedom & truth the facts & names necessary to place the cause in its just form before that tribunal. To a thorough disregard of the honors & emoluments of office I join as great a value for the esteem of my countrymen, & conscious of having merited it by an integrity which cannot be reproached, & by an enthusiastic devotion to their rights & liberty, I will not suffer my retirement to be clouded by the slanders of a man whose history, from the moment at which history can stoop to notice him, is a tissue of machinations against the liberty of the country which has not only received and given him bread, but heaped its honors on his head.—Still however I repeat the hope that it will not

be necessary to make such an appeal. Though little known to the people of America, I believe that, as far as I am known, it is not as an enemy to the republic, nor an intriguer against it, nor a waster of its revenue, nor proscriber of it to the purposes of corruption, as the American represents me; and I confide that yourself are satisfied that, as to dissensions in the newspapers, not a syllable of them has ever proceeded from me; & that no cabals or intrigues of mine have produced those in the legislature, & I hope I may promise, both to you & myself, that none will receive aliment from me during the short space I have to remain in office, which will find ample employment in closing the present business of the department. . . .

THOMAS JEFFERSON

Memorandum of a Conversation with the President

1 October 1792

. . . [Washington] expressed his concern at the difference which he found to subsist between the Sec. of the Treasury & myself, of which he said he had not been aware. He knew indeed that there was a marked difference in our political sentiments, but he had never suspected it had gone so far in producing a personal difference, and he wished he could be the mediator to put an end to it. That he thought it important to preserve the check of my opinions in the administration in order to keep things in their proper channel & prevent them from going too far. That as to the idea of transforming this government into a monarchy he did not believe there were ten men in the U.S. whose opinions were worth attention who entertained such a thought. I told him there were many more than he imagined. I recalled to his memory a dispute at his own table a little before we left Philadelphia, between General Schuyler on one side & Pinckney & myself on the other, wherein the former maintained the position that hereditary descent was as likely to produce good magistrates as election. I told him that tho' the people were sound, there were a numerous sect who had monarchy in contemplation. That the Secretary of the Treasury was one of these. That I had heard him say that this constitution was a shilly shally thing of mere milk & water, which could not last, & was only good as a step to something better. That when we reflected that he had

endeavored in the convention to make an English constitution of it, and when failing in that we saw all his measures tending to bring it to the same thing, it was natural for us to be jealous: and particularly when we saw that these measures had established corruption in the legislature, where there was a squadron devoted to the nod of the treasury, doing whatever he had directed & ready to do what he should direct. That if the equilibrium of the three great bodies legislative, executive, & judiciary could be preserved, if the legislative could be kept independent, I should never fear the result of such a government but that I could not but be uneasy when I saw that the executive had swallowed up the legislative branch. He said that as to that interested spirit in the legislature, it was what could not be avoided in any government, unless we were to exclude particular descriptions of men, such as the holders of the funds from all office. I told him there was great difference between the little accidental schemes of self interest which would take place in every body of men & influence their votes, and a regular system for forming a corps of interested persons who should be steadily at the orders of the Treasury. He touched on the merits of the funding system, observed that there was a difference of opinion about it, some thinking it very bad, others very good. That experience was the only criterion of right which he knew & this alone would decide which opinion was right. That for himself he had seen our affairs desperate & our credit lost, and that this was in a sudden & extraordinary degree raised to the highest pitch. I told him all that was ever necessary to establish our credit was an efficient government & an honest one declaring it would sacredly pay our debts, laying taxes for this purpose & applying them to it. I avoided going further into the subject. He finished by another exhortation to me not to decide too positively on retirement, & here we were called to breakfast.

THOMAS JEFFERSON

Memorandum of a Conversation with the President

7 February 1793

. . . [Washington expressed] his earnest wish that Hamilton & myself could coalesce in the measures of the government, and urged here the general reasons for it which he

had done to me on two former conversations. He said he had proposed the same thing to Hamilton, who expressed his readiness, and he thought our coalition would secure the general acquiescence of the public. I told him my concurrence was of much less importance than he seemed to imagine; that I kept myself aloof from all cabal & correspondence on the subject of the government & saw & spoke with as few as I could. That as to a coalition with Mr. Hamilton, if by that was meant that either was to sacrifice his general system to the other, it was impossible. We had both no doubt formed our conclusions after the most mature consideration, and principles conscientiously adopted could not be given up on either side. My wish was to see both houses of Congress cleansed of all persons interested in the bank or public stocks; & that a pure legislature being given us, I should always be ready to acquiesce under their determinations even if contrary to my own opinions, for that I subscribe to the principle that the will of the majority honestly expressed should give law. I confirmed him in the fact of the great discontents to the South, that they were grounded on seeing that their judgments & interests were sacrificed to those of the Eastern states on every occasion & their belief that it was the effect of a corrupt squadron of voters in Congress at the command of the Treasury, & they see that if the votes of those members who had an interest distinct from & contrary to the general interest of their constituents had been withdrawn, as in decency & honesty they should have been, the laws would have been the reverse of what they are in all the great questions. I instanced the new assumption carried in the House of Representatives by the Speaker's votes. On this subject he made no reply. . . .

JAMES MADISON

Further Essays for the *National Gazette*

“Spirit of Governments”

18 February 1792

No government is perhaps reducible to a sole principle of operation. Where the theory approaches nearest to this character, different and often heterogeneous principles

minge their influence in the administration. It is useful nevertheless to analyze the several kinds of government, and to characterize them by the spirit which predominates in each.

Montesquieu has resolved the great operative principles of government into fear, honor, and virtue, applying the first to pure despotisms, the second to regular monarchies, and the third to republics. The portion of truth blended with the ingenuity of this system sufficiently justifies the admiration bestowed on its author. Its accuracy however can never be defended against the criticisms which it has encountered. Montesquieu was in politics not a Newton or a Locke, who established immortal systems, the one in matter, the other in mind. He was in his particular science what Bacon was in universal science: He lifted the veil from the venerable errors which enslaved opinion and pointed the way to those luminous truths of which he had but a glimpse himself.

May not governments be properly divided, according to their predominant spirit and principles, into three species of which the following are examples?

First. A government operating by a permanent military force, which at once maintains the government and is maintained by it; which is at once the cause of burdens on the people and of submission in the people to their burdens. Such have been the governments under which human nature has groaned through every age. Such are the governments which still oppress it in almost every country of Europe, the quarter of the globe which calls itself the pattern of civilization and the pride of humanity.

Secondly. A government operating by corrupt influence; substituting the motive of private interest in place of public duty; converting its pecuniary dispensations into bounties to favorites or bribes to opponents; accommodating its measures to the avidity of a part of the nation instead of the benefit of the whole: in a word, enlisting an army of interested partizans, whose tongues, whose pens, whose intrigues, and whose active combinations, by supplying the terror of the sword, may support a real domination of the few under an apparent liberty of the many. Such a government, wherever to be found, is an imposter. It is happy for the new world that it is not on the west side of the Atlantic. It will be both happy and honorable for the United States if they never descend to mimic the costly pageantry of its form, nor betray themselves into the venal spirit of its administration.

Thirdly. A government deriving its energy from the will of the society, and operating by the reason of its measures on the understanding and interest of the society. Such is the government for which philosophy has been searching, and humanity been sighing, from the most remote ages. Such are the republican governments which it is the glory of America to have invented, and her unrivalled happiness to possess. May her glory be completed by every improvement on the theory which experience may teach; and her happiness be perpetuated by a system of administration corresponding with the purity of the theory.

“A Candid State of Parties”

22 September 1792

As it is the business of the contemplative statesman to trace the history of parties in a free country, so it is the duty of the citizen at all times to understand the actual state of them. Whenever this duty is omitted, an opportunity is given to designing men, by the use of artificial or nominal distinctions, to oppose and balance against each other those who never differed as to the end to be pursued, and may no longer differ as to the means of attaining it. The most interesting state of parties in the United States may be referred to three periods. Those who espoused the cause of independence and those who adhered to the British claims formed the parties of the first period, if, indeed, the disaffected class were considerable enough to deserve the name of a party. This state of things was superseded by the treaty of peace in 1783. From 1783 to 1787 there were parties in abundance, but being rather local than general, they are not within the present review.

The Federal Constitution, proposed in the latter year, gave birth to a second and most interesting division of the people. Everyone remembers it, because everyone was involved in it.

Among those who embraced the Constitution, the great body were unquestionably friends to republican liberty, tho' there were, no doubt, some who were openly or secretly attached to monarchy and aristocracy, and hoped to make the Constitution a cradle for these hereditary establishments.

Among those who opposed the Constitution, the great body were certainly well affected to the union and to good government, tho' there might be a few who had a leaning

unfavorable to both. This state of parties was terminated by the regular and effectual establishment of the federal government in 1788; out of the administration of which, however, has arisen a third division, which being natural to most political societies, is likely to be of some duration in ours.

One of the divisions consists of those who, from particular interest, from natural temper, or from the habits of life, are more partial to the opulent than to the other classes of society; and having debauched themselves into a persuasion that mankind are incapable of governing themselves, it follows with them, of course, that government can be carried on only by the pageantry of rank, the influence of money and emoluments, and the terror of military force. Men of those sentiments must naturally wish to point the measures of government less to the interest of the many than of a few, and less to the reason of the many than to their weaknesses; hoping perhaps in proportion to the ardor of their zeal, that by giving such a turn to the administration, the government itself may by degrees be narrowed into fewer hands and approximated to a hereditary form.

The other division consists of those who, believing in the doctrine that mankind are capable of governing themselves and hating hereditary power as an insult to the reason and an outrage to the rights of man, are naturally offended at every public measure that does not appeal to the understanding and to the general interests of the community, or that is not strictly conformable to the principles and conducive to the preservation of republican government.

This being the real state of parties among us, an experienced and dispassionate observer will be at no loss to decide on the probable conduct of each.

The antirepublican party, as it may be called, being the weaker in point of numbers, will be induced by the most obvious motives to strengthen themselves with the men of influence, particularly of moneyed, which is the most active and insinuating influence. It will be equally their true policy to weaken their opponents by reviving exploded parties and taking advantage of all prejudices, local, political, and occupational, that may prevent or disturb a general coalition of sentiments.

The Republican party, as it may be termed, conscious that the mass of people in every part of the union, in every state, and of every occupation must at bottom be with them, both in interest and sentiment, will naturally

find their account in burying all antecedent questions, in banishing every other distinction than that between enemies and friends to republican government, and in promoting a general harmony among the latter, wherever residing or however employed.

Whether the republican or the rival party will ultimately establish its ascendance is a problem which may be contemplated now; but which time alone can solve. On one hand experience shows that in politics as in war, stratagem is often an overmatch for numbers: and among more happy characteristics of our political situation, it is now

well understood that there are peculiarities, some temporary, others more durable, which may favor that side in the contest. On the republican side, again, the superiority of numbers is so great, their sentiments are so decided, and the practice of making a common cause, where there is a common sentiment and common interest, in spite of circumstantial and artificial distinctions, is so well understood, that no temperate observer of human affairs will be surprised if the issue in the present instance should be reversed, and the government be administered in the spirit and form approved by the great body of the people.

PART 6

Jeffersonian Foreign Policy

The Louisiana Purchase

France had ceded Louisiana to Spain in 1762, but Napoleon envisioned a rebuilding of the French empire in North America. At his insistence, Spain returned the province by the Treaty of Madrid, 21 March 1801.

News of the retrocession provoked intense alarm in the United States. Some of the Federalists in Congress urged an immediate recourse to force. But lacking both the means and the desire to initiate a conflict with France, Jefferson instead instructed Robert R. Livingston, the U.S. minister to France, to attempt to purchase a tract of land on the lower Mississippi, which could become an American port, or to obtain a guarantee of free navigation of the river with a right of deposit for American goods. On 12 January 1803, not long after the Spanish intendant at New Orleans (without instructions from his government) interdicted the American right of deposit at New Orleans, provoking more Federalist calls for a resort to force, the president nominated James Monroe as minister plenipotentiary to France. Monroe would join Livingston under instructions to offer up to \$10 million for the purchase of New Orleans and West Florida. Two million dollars had already been appropriated by Congress.

Even before Monroe arrived in France, Napoleon had abandoned his dream of a new American empire. A French army was hopelessly ensnarled in a slave revolt in Haiti, and Napoleon was beginning to prepare for a resumption of the war with Britain, in which event he would not be able to protect any of his North American possessions. On 11 April 1803, Foreign Minister Talleyrand offered Livingston the whole of Louisiana. Livingston and Monroe quickly decided to exceed their instructions and, on 2 May, signed a treaty. For roughly \$15 million, the ministers acquired some 828,000 square miles of land between the Mississippi and the Rockies, doubling the national territory of the United States. The greatest coup of Jefferson's administration, the Louisiana Purchase was nevertheless not free from problems. It was not entirely clear whether the boundaries of the province included West Florida, as Jefferson and his successor would both maintain. Moreover, the Constitution made no provision for the purchase of foreign territory and its eventual incorporation into the American Union, and the Jeffersonian Republicans had always insisted on a strict interpretation of the Constitution.

Despite his reservations, Jefferson decided not to urge a constitutional amendment. The Senate ratified the treaty on 20 October by a vote of 24 to 7. On 20 December the United States took possession of New Orleans, and on 27 October 1812, after years of arguments with the Spanish and a local revolt led by American inhabitants, President Madison simply issued a proclamation insisting on American possession of West Florida from the Mississippi to the Perdido Rivers and ordering its military occupation. On 14 May 1812, Congress incorporated this area into the Mississippi Territory.

Thomas Jefferson to Robert R. Livingston

18 April 1802

. . . The cession of Louisiana and the Floridas by Spain to France works most sorely on the U.S. On this subject the Secretary of State has written to you fully. Yet I cannot forbear recurring to it personally, so deep is the impression it makes in my mind. It completely reverses all the political relations of the U.S. and will form a new epoch in our political course. Of all nations of any consideration France is the one which hitherto has offered the fewest points on which we could have any conflict of right and the most points of a communion of interests. From these causes we have ever looked to her as our *natural friend*, as one with which we never could have an occasion of difference. Her growth therefore we viewed as our own, her misfortunes ours. There is on the globe one single spot, the possessor of which is our natural and habitual enemy. It is New Orleans, through which the produce of three-eighths of our territory must pass to market, and from its fertility it will ere long yield more than half of our whole produce and contain more than half our inhabitants. France placing herself in that door assumes to us the attitude of defiance. Spain might have retained it quietly for years. Her pacific dispositions, her feeble state, would induce her to increase our facilities there, so that her possession of the

place would be hardly felt by us, and it would not perhaps be very long before some circumstance might arise which might make the cession of it to us the price of something of more worth to her. Not so can it ever be in the hands of France. The impetuosity of her temper, the energy and restlessness of her character, placed in a point of eternal friction with us, and our character, which, though quiet and loving peace and the pursuit of wealth, is high-minded, despising wealth in competition with insult or injury, enterprising and energetic as any nation on earth, these circumstances render it impossible that France and the U.S. can continue long friends when they meet in so irritable a position. They as well as we must be blind if they do not see this; and we must be very improvident if we do not begin to make arrangements on that hypothesis. The day that France takes possession of N. Orleans fixes the sentence which is to restrain her forever within her low water mark. It seals the union of two nations who in conjunction can maintain exclusive possession of the ocean. From that moment we must marry ourselves to the British fleet and nation. We must turn all our attentions to a maritime force, for which our resources place us on very high grounds: and having formed and cemented together a power which may render reinforcement of her settlements here impossible to France, make the first cannon which shall be fired in Europe the signal for tearing up any settlement she may have made, and for holding the two continents of America in sequestration for the common purposes of the united British and American nations. This is not a state of things we seek or desire. It is one which this measure, if adopted by France, forces on us, as necessarily as any other cause, by the laws of nature, brings on its necessary effect. It is not from a fear of France that we deprecate this measure proposed by her. For however greater her force is than ours compared in the abstract, it is nothing in comparison of ours when to be exerted on our soil. But it is from a sincere love of peace and a firm persuasion that, bound to France by the interests and the strong sympathies still existing in the minds of our citizens and holding relative positions which ensure their continuance, we are secure of a long course of peace. Whereas the change of friends which will be rendered necessary if France changes that position embarks us necessarily as a belligerent power in the first war of Europe. In that case France will have held possession of New Orleans during the interval of a peace, long or short, at the end of which

it will be wrested from her. Will this short-lived possession have been an equivalent to her for the transfer of such a weight into the scale of her enemy? Will not the amalgamation of a young, thriving nation continue to that enemy the health and force which are at present so evidently on the decline? And will a few years possession of N. Orleans add equally to the strength of France? She may say she needs Louisiana for the supply of her West Indies. She does not need it in time of peace. And in war she could not depend on them because they would be so easily intercepted. I should suppose that all these considerations might in some proper form be brought into view of the government of France. Tho' stated by us, it ought not to give offense; because we do not bring them forward as a menace, but as consequences not controllable by us, but inevitable from the course of things. We mention them not as things which we desire by any means, but as things we deprecate; and we beseech a friend to look forward and to prevent them for our common interests.

If France considers Louisiana, however, as indispensable for her views, she might perhaps be willing to look about for arrangements which might reconcile it to our interest. If anything could do this it would be the ceding to us the island of New Orleans and the Floridas. This would certainly in a great degree remove the causes of jarring and irritation between us, and perhaps for such a length of time as might produce other means of making the measure permanently conciliatory to our interests and friendships. It would at any rate relieve us from the necessity of taking immediate measures for countervailing such an operation by arrangements in another quarter. Still we should consider N. Orleans and the Floridas as equivalent for the risk of a quarrel with France produced by her vicinage. I have no doubt you have urged these considerations on every proper occasion with the government where you are. They are such as must have effect if you can find the means of producing thorough reflection on them by that government. The idea here is that the troops sent to St. Domingo were to proceed to Louisiana after finishing their work in that island. If this were the arrangement, it will give you time to return again and again to the charge, for the conquest of St. Domingo will not be a short work. It will take considerable time to wear down a great number of soldiers. Every eye in the U.S. is now fixed on this affair of Louisiana. Perhaps nothing since the revolutionary war has produced more uneasy sensations through the body of the

nation. Notwithstanding temporary bickerings have taken place with France, she has still a strong hold on the affections of our citizens generally. I have thought it not amiss, by way of supplement to the letters of the Secretary of State, to write you this private one to impress you with the importance we affix to this transaction. I pray you to cherish Dupont. He has the best dispositions for the continuance of friendship between the two nations, and perhaps you may be able to make a good use of him. Accept assurance of my affectionate esteem and high consideration.

Thomas Jefferson to John C. Breckinridge

12 August 1803

The enclosed letter, tho' directed to you, was intended to me also, and was left open with a request that when perused, I would forward it to you. It gives me occasion to write a word to you on the subject of Louisiana, which being a new one, an interchange of sentiments may produce correct ideas before we are to act on them.

Our information as to the country is very incomplete; we have taken measures to obtain it in full as to the settled part, which I hope to receive in time for Congress. The boundaries, . . . will be a subject of negotiation with Spain, and if, as soon as she is at war, we push them strongly with one hand, holding out a price in the other, we shall certainly obtain the Floridas, and all in good time. In the meanwhile, without waiting for permission, we shall enter into the exercise of the natural right we have always insisted on with Spain, to wit, that of a nation holding the upper part of streams having a right of innocent passage thro' them to the ocean. We shall prepare her to see us practice on this, & she will not oppose it by force.

Objections are raising to the Eastward against the vast extent of our boundaries, and propositions are made to exchange Louisiana, or a part of it, for the Floridas. But, as I have said, we shall get the Floridas without, and I would not give one inch of the waters of the Mississippi to any nation, because I see in a light very important to our peace the exclusive right to its navigation & the admission of no nation into it but, as into the Potomac or Delaware, with our consent & under our police. These Federalists see in this acquisition the formation of a new confederacy, embracing

all the waters of the Mississippi on both sides of it, and a separation of its Eastern waters from us. These combinations depend on so many circumstances which we cannot foresee that I place little reliance on them. We have seldom seen neighborhood produce affection among nations. The reverse is almost the universal truth. Besides, if it should become the great interest of those nations to separate from this, if their happiness should depend on it so strongly as to induce them to go through that convulsion, why should the Atlantic States dread it? But especially why should we, their present inhabitants, take side in such a question? When I view the Atlantic States procuring for those on the eastern waters of the Mississippi friendly instead of hostile neighbors on its western waters, I do not view it as an Englishman would the procuring future blessings for the French nation, with whom he has no relations of blood or affection. The future inhabitants of the Atlantic & Mississippi States will be our sons. We leave them in distinct but bordering establishments. We think we see their happiness in their union, & we wish it. Events may prove it otherwise; and if they see their interest in separation, why should we take side with our Atlantic rather than our Mississippi descendants? It is the elder and the younger son differing. God bless them both, & keep them in union, if it be for their good, but separate them, if it be better. The inhabited part of Louisiana, from Point Coupé to the sea, will of course be immediately a territorial government, and soon a state. But above that, the best use we can make of the country for some time will be to give establishments in it to the Indians on the east side of the Mississippi in exchange for their present country, and open land offices in the last, & thus make this acquisition the means of filling up the eastern side, instead of drawing off its population. When we shall be full on this side, we may lay off a range of states on the western bank from the head to the mouth, & so, range after range, advancing compactly as we multiply.

This treaty must of course be laid before both Houses, because both have important functions to exercise respecting it. They, I presume, will see their duty to their country in ratifying & paying for it, so as to secure a good which would otherwise probably be never again in their power. But I suppose they must then appeal to *the nation* for an additional article to the Constitution, approving & confirming an act which the nation had not previously authorized. The Constitution has made no provision for our holding foreign territory, still less for incorporating foreign

nations into our Union. The Executive in seizing the fugitive occurrence which so much advances the good of their country, have done an act beyond the Constitution. The Legislature in casting behind them metaphysical subtleties and risking themselves like faithful servants, must ratify & pay for it, and throw themselves on their country for doing for them unauthorized what we know they would have done for themselves had they been in a situation to do it. It is the case of a guardian investing the money of his ward in purchasing an important adjacent territory; & saying to him when of age, I did this for your good; I pretend to no right to bind you: you may disavow me, and I must get out of the scrape as I can: I thought it my duty to risk myself for you. But we shall not be disavowed by the nation, and their act of indemnity will confirm & not weaken the Constitution, by more strongly marking out its lines. . . .

Thomas Jefferson to Wilson Cary Nicholas

7 September 1803

. . . I enclose you a letter from Monroe on the subject of the late treaty. You will observe a hint in it to do without delay what we are bound to do. There is reason, in the opinion of our ministers, to believe that if the thing were to do over again, it could not be obtained, and that if we give the least opening, they will declare the treaty void. A warning amounting to that has been given to them and an unusual kind of letter written by their minister to our Secretary of State, direct. Whatever Congress shall think it necessary to do should be done with as little debate as possible, and particularly so far as respects the constitutional difficulty. I am aware of the force of the observations you make on the power given by the Constitution to Congress to admit new states into the Union, without restraining the subject to the territory then constituting the U.S. But when I consider that the limits of the U.S. are precisely fixed by the treaty of 1783, that the Constitution expressly declares itself to be made for the U.S., I cannot help believing the intention was to permit Congress to admit into the Union new states which should be formed out of the territory for which, and under whose authority alone, they were then acting. I do not believe it was meant that they might receive England, Ireland, Holland, etc. into it, which would be the case on

your construction. When an instrument admits two constructions, the one safe, the other dangerous, the one precise, the other indefinite, I prefer that which is safe and precise. I had rather ask an enlargement of power from the nation, where it is found necessary, than to assume it by a construction which would make our powers boundless. Our peculiar security is in possession of a written Constitution. Let us not make it a blank paper by construction. I say the same as to the opinion of those who consider the grant of the treaty-making power as boundless. If it is, then we have no Constitution. If it has bounds, they can be no others than the definitions of the powers which that instrument gives. It specifies and delineates the operations permitted to the federal government, and gives all the powers necessary to carry these into execution. Whatever of these enumerated objects is proper for a law, Congress may make the law; whatever is proper to be executed by way of a treaty, the President and Senate may enter into the treaty; whatever is to be done by a judicial sentence, the judges may pass the sentence. Nothing is more likely than that their enumeration of powers is defective. This is the ordinary case of all human works. Let us go on then perfecting it, by adding, by way of amendment to the Constitution, those powers which time and trial show are still wanting. . . . I confess, then, I think it important in the present case to set an example against broad construction by appealing for new power to the people. If, however, our friends shall think differently, certainly I shall acquiesce with satisfaction, confiding that the good sense of our country will correct the evil of construction when it shall produce ill effects. . . .

[ALEXANDER HAMILTON]

“Purchase of Louisiana”

New York Evening Post

5 July 1803

At length the business of New Orleans has terminated favorably to this country. Instead of being obliged to rely any longer on the force of treaties for a place of deposit, the jurisdiction of the territory is now transferred to our hands and in future the navigation of the Mississippi will be ours unmolested. This, it will be allowed, is an important acquisition, not, indeed, as territory, but as being essential

to the peace and prosperity of our Western country, and as opening a free and valuable market to our commercial states. This purchase has been made during the period of Mr. Jefferson's presidency and will, doubtless, give éclat to his administration. Every man, however, possessed of the least candor and reflection will readily acknowledge that the acquisition has been solely owing to a fortuitous concurrence of unforeseen and unexpected circumstances and not to any wise or vigorous measures on the part of the American government.

As soon as we experienced from Spain a direct infraction of an important article of our treaty, in withholding the deposit of New Orleans, it afforded us justifiable cause of war, and authorized immediate hostilities. Sound policy unquestionably demanded of us to begin with a prompt, bold and vigorous resistance against the injustice: to seize the object at once; and having this *vantage ground*, should we have thought it advisable to terminate hostilities by a purchase, we might then have done it on almost our own terms. This course, however, was not adopted, and we were about to experience the fruits of our folly when another nation has found it her interest to place the French Government in a situation substantially as favorable to our views and interests as those recommended by the Federal party here, excepting indeed that we should probably have obtained the same object on better terms.

On the part of France the short interval of peace had been wasted in repeated and fruitless efforts to subjugate St. Domingo; and those means which were originally destined to the colonization of Louisiana had been gradually exhausted by the unexpected difficulties of this ill-starred enterprise.

To the deadly climate of St. Domingo and to the courage and obstinate resistance made by its black inhabitants are we indebted for the obstacles which delayed the colonization of Louisiana till the auspicious moment when a rupture between England and France gave a new turn to the projects of the latter, and destroyed at once all her schemes as to this favorite object of her ambition.

It was made known to Bonaparte that among the first objects of England would be the seizure of New Orleans and that preparations were even then in a state of forwardness for that purpose. The First Consul could not doubt that if an English fleet was sent thither, the place must fall without resistance; it was obvious, therefore, that it would be in every shape preferable that it should be placed in

the possession of a neutral power; and when, besides, some millions of money, of which he was extremely in want, were offered him to part with what he could no longer hold it affords a moral certainty that it was to an accidental state of circumstances, and not to wise plans, that this cession, at this time, has been owing. We shall venture to add that neither of the ministers through whose instrumentality it was effected will ever deny this, or even pretend that previous to the time when a rupture was believed to be inevitable, there was the smallest chance of inducing the First Consul, with his ambitious and aggrandizing views, to commute the territory for any sum of money in their power to offer. The real truth is, Bonaparte found himself absolutely compelled by situation to relinquish his darling plan of colonizing the banks of the Mississippi, and thus have the Government of the United States, by the unforeseen operation of events, gained what the feebleness and pusillanimity of its miserable system of measures could never have acquired. Let us then, with all due humility, acknowledge this as another of those signal instances of the kind interpositions of an over-ruling Providence, which we more especially experienced during our revolutionary war, & by which we have more than once been saved from the consequences of our errors and perverseness.

We are certainly not disposed to lessen the importance of this acquisition to the country, but it is proper that the public should be correctly informed of its real value and extent as well as of the terms on which it has been acquired. We perceive by the newspapers that various & very vague opinions are entertained; and we shall therefore venture to state our ideas with some precision as to the territory; but until the instrument of cession itself is published, we do not think it prudent to say much as to the conditions on which it has been obtained.

Prior to the treaty of Paris, 1763, France claimed the country on both sides of the river under the name of Louisiana, and it was her encroachments on the rear of the British Colonies which gave rise to the war of 1755. By the conclusion of the treaty of 1763, the limits of the colonies of Great Britain and France were clearly and permanently fixed; and it is from that and subsequent treaties that we are to ascertain what territory is really comprehended under the name of Louisiana. France ceded to Great Britain all the country east and southeast of a line drawn along the middle of the Mississippi from its source to the Iberville, and from thence along that river and the Lakes Maurepas and Pontchartrain

to the sea; France retaining the country lying west of the river, besides the town and Island of New Orleans on the east side. This she soon after ceded to Spain, who acquiring also the Floridas by the treaty of 1783, France was entirely shut out from the continent of North America. Spain, at the instance of Bonaparte, ceded to him Louisiana, including the Town and Island (as it is commonly called) of New Orleans. Bonaparte has now ceded the same tract of country, and this only, to the United States. The whole of East and West Florida, lying south of Georgia and of the Mississippi Territory, and extending to the Gulf of Mexico, still remains to Spain, who will continue, therefore, to occupy, as formerly, the country along the southern frontier of the United States, and the east bank of the river from the Iberville to the American line.

Those disposed to magnify its value will say that this western region is important as keeping off a troublesome neighbor and leaving us in the quiet possession of the Mississippi. Undoubtedly this has some force, but on the other hand it may be said that the acquisition of New Orleans is perfectly adequate to every purpose; for whoever is in possession of that has the uncontrolled command of the river. Again, it may be said, and this probably is the most favorable point of view in which it can be placed, that although not valuable to the United States for settlement, it is so to Spain, and will become more so, and therefore at some distant period will form an object which we may barter with her for the Floridas, obviously of far greater value to us than all the immense, undefined region west of the river.

It has been usual for the American writers on this subject to include the Floridas in their ideas of Louisiana, as the French formerly did, and the acquisition has derived no inconsiderable portion of its value and importance with the public from this view of it. It may, however, be relied on, that no part of the Floridas, not a foot of land on the east of the Mississippi, excepting New Orleans, falls within the present cession. As to the unbounded region west of the Mississippi, it is, with the exception of a very few settlements of Spaniards and Frenchmen bordering on the banks of the river, a wilderness through which wander numerous tribes of Indians. And when we consider the present extent of the United States, and that not one sixteenth part of its territory is yet under occupation, the advantage of the acquisition, as it relates to actual settlement, appears too distant and remote to strike the mind of a sober politician

with much force. This, therefore, can only rest in speculation for many years, if not centuries to come, and consequently will not perhaps be allowed very great weight in the account by the majority of readers. But it may be added that should our own citizens, more enterprising than wise, become desirous of settling this country and emigrate thither, it must not only be attended with all the injuries of a too widely dispersed population, but by adding to the great weight of the western part of our territory, must hasten the dismemberment of a large portion of our country or a dissolution of the Government. On the whole, we think it may with candor be said that, whether the possession at this time of any territory west of the river Mississippi will be advantageous, is at best extremely problematical. For ourselves, we are very much inclined to the opinion that, after all, it is the Island of New Orleans, by which the command of a free navigation of the Mississippi is secured, that gives to this interesting cession its greatest value, and will render it in every view of immense benefit to our country. By this cession we hereafter shall hold within our own grasp what we have heretofore enjoyed only by the uncertain tenure of a treaty, which might be broken at the pleasure of another, and (governed as we now are) with perfect impunity. Provided therefore we have not purchased it too dear, there is all the reason for exultation which the friends of the administration display, and which all Americans may be allowed to feel.

As to the pecuniary value of the bargain; we know not enough of the particulars to pronounce upon it. It is understood generally that we are to assume *debts* of France to our own citizens not exceeding four millions of dollars; and that for the remainder, being a very large sum, 6 per cent stock to be created and payment made in that. But should it contain no conditions or stipulations on our part, no "tangling alliances" of all things to be dreaded, we shall be very much inclined to regard it in a favorable point of view though it should turn out to be what may be called a costly purchase. . . .

The Island of New Orleans is in length about 150 miles; its breadth varies from 10 to 30 miles. Most of it is a marshy swamp, periodically inundated by the river. The town of New Orleans, situated about 105 miles from the mouth of the river, contains near 1300 houses and about 8000 inhabitants, chiefly Spanish and French. It is defended from the overflowings of the river by an embankment, or *leveé*, which extends near 50 miles.

The rights of the present proprietors of real estate in New Orleans and Louisiana, whether acquired by descent or by purchase, will, of course, remain undisturbed. How they are to be governed is another question; whether as a colony or to be formed into an integral part of the United States is a subject which will claim consideration hereafter. The probable consequences of the cession and the ultimate effect it is likely to produce on the political state of our country will furnish abundant matter of speculation to the American statesman.

Federalist Alarm

The discontents of northeastern Federalists with the Louisiana purchase are captured in these letters. Rufus King, a Massachusetts native and member of the Constitutional Convention, had gone on to become a senator from New York and ambassador to Britain; in 1816, he would be the last Federalist candidate for president. Timothy Pickering, the High-Federalist secretary of state dismissed by John Adams in 1800, was now a senator from Massachusetts.

Rufus King to Timothy Pickering (?)

4 November 1803

Congress may admit new states, but can the Executive by treaty admit them, or, what is equivalent, enter into engagements binding Congress to do so? As by the Louisiana Treaty, the ceded territory must be formed into states & admitted into the Union, is it understood that Congress can annex any condition to their admission? If not, as slavery is authorized & exists in Louisiana, and the treaty engages to protect the property of the inhabitants, will not the present inequality arising from the representation of slaves be increased?

As the provision of the Constitution on this subject may be regarded as one of its greatest blemishes, it would be with reluctance that one could consent to its being extended to the Louisiana states; and provided any act of Congress or of the several states should be deemed requisite to give validity to the stipulation of the treaty on this subject, ought not an effort to be made to limit the representation to the free inhabitants only? Had it been foreseen that we could raise revenue to the extent we have done from indirect taxes, the representation of slaves would

never have been admitted; but going upon the maxim that taxation and representation are inseparable, and that the Genl. Govt. must resort to direct taxes, the states in which slavery does not exist were injudiciously led to concede to this unreasonable provision of the Constitution. On account of the effect upon the public opinion produced by alterations of the fundamental laws of a country, we should hesitate in proposing what may appear to be beneficial; but I know no one alteration of the Constitution of the U.S. which I would so readily propose as to confine representation and taxation to the free inhabitants. . . .

Timothy Pickering to Rufus King

3 March 1804

As long ago as the 4th of November last, you were so obliging as to notice my letter concerning Louisiana. The ruling party do not *now* pretend that the Louisianians are *Citizens* of the U. States. They do not venture to say—they have never said—that the government had a constitutional power to incorporate that new & immense country into the Union; yet they will not give themselves the trouble to alter the Constitution for that purpose. It appears very evident that in a few years, when their power shall be more confirmed and the implicit obedience of the people has been habitual, they will erect states in that territory and incorporate them into the Union. . . . It is further evident that the Constitution will henceforward be only a convenient instrument, to be shaped, by construction, into any form that will best promote the views of the operators. In the name of the Constitution they will commit every arbitrary act which their projects may require; or they will alter it to suit their purposes. I begin to think it would be better if we had none. The leaders of the populace wanting the sanction of a constitutional power might then be more cautious in their measures. . . .

Timothy Pickering to Rufus King

4 March 1804

I must request you to consider this as a continuation of my letter yesterday.

I am disgusted with the men who now rule us and with their measures. At some manifestations of their malignancy

I am shocked. The coward wretch at the head, while, like a Parisian revolutionary monster, prating about humanity, could feel an infernal pleasure in the utter destruction of his opponents. We have too long witnessed his general turpitude—his cruel removals of faithful officers and the substitution of corruption and baseness for integrity and worth. We have now before the Senate a nomination of Meriweather Jones of Richmond, editor of the *Examiner*, a paper devoted to Jefferson and Jacobinism; and he is now to be rewarded. Mr. Hopkins, Commissioner of Loans, a man of property and integrity, is to give room to this Jones. The Commissioner may have at once in his hands thirty thousand dollars, to pay the public creditors in Virginia. He is required by law to give bond only in a sum of from five to ten thousand dollars; and Jones' character is so notoriously bad that we have satisfactory evidence he could not now get credit at any store in Richmond for a suit of clothes! Yet I am far from thinking if this evidence were laid before the Senate that his nomination will be rejected! I am therefore ready to say "come out from among them and be separate." Corruption is the object and instrument of the Chief and the tendency of his administration, for the purpose of maintaining himself in power & for the accomplishment of his infidel and visionary schemes. The corrupt portion of the people are the agents of his misrule; corruption is the recommendation to office; and many of some pretensions to character, but too feeble to resist temptation, become apostates. Virtue and worth are his enemies, and therefore he would overwhelm them.

The collision of democrats in your state promised some amendment. The administration of your government cannot possibly be worse. The Federalists here in general anxiously desire the election of Mr. Burr to the chair of New York; for they despair of a present ascendancy of the Federal party. Mr. Burr alone, we think, can break your democratic phalanx, and we anticipate much good from his success. Were New York detached (as under his administration it would be) from the Virginia influence, the whole Union should be benefited. Jefferson would then be forced to observe some caution and forbearance in his measures. And if a *separation* should be deemed proper, the five New England States, New York, and New Jersey would naturally be united. Among those seven states there is a sufficient congeniality of character to authorize the expectation of practicable harmony and a permanent union; New York the center. Without a

separation, can those states ever rid themselves of Negro Presidents and Negro Congresses and regain their just weight in the political balance? At this moment the slaves of the middle and southern states have fifteen representatives in Congress; and they will appoint 15 Electors of the next President & Vice President; and the number of slaves is continually increasing. You know this evil. But will the slave states ever renounce this advantage? As population is *in fact* no rule of taxation, the Negro representation ought to be given up. If refused, it would be a strong ground of separation; tho' perhaps an earlier occasion may occur to declare it. How many Indian wars, excited by the avidity of the western and southern states of Indian lands, shall we have to encounter? And who will pay the millions to support them? The Atlantic States. Yet the first moment we ourselves need assistance and call on the western states for taxes, they will declare off, or at any rate refuse to obey the call. Kentucky effectually resisted the collection of the excise; and of the \$37,000 direct tax assessed upon her so many years ago, she has paid only \$4,000, & probably will never pay the residue. In the mean time we are maintaining their representatives in Congress for governing us, who surely can much better govern ourselves. Whenever the western states detach themselves they will take Louisiana with them. In thirty years, the white population in the western states will equal that of the 13 States when they declared themselves independent of G. Britain. On the Census of 1790, Kentucky was entitled to *two* Representatives; under that of 1800 she sends *six*.

The facility with which we have seen an essential change in the Constitution proposed and generally adopted will perhaps remove your scruples about proposing what you intimate respecting Negro representation. But I begin to doubt whether that or any other change we could propose, with a chance of adoption, would be worth the breath, paper, and ink which would be expended in the acquisition. Some think Congress will rise in 15 or 20 days. . . .*

* I do not know *one reflecting* [New Englander] who is not anxious for the GREAT EVENT at which I have glanced. They fear, *they dread* the effects of the corruption so rapidly extending; and that if a decision be long delayed, it will be in vain to attempt it. If there be no improper delay, we have not any doubt but that the *great measure* be taken without the smallest hazard to private property or the public funds; the revenues of the Northern States being equal to their portion of the public debt. Leaving that for Louisiana on those who incurred it.

A Republican Response

“Desultory Reflections on the Aspect of Politics in Relation to the Western People,” by “Phocion” (Essay #1)

Kentucky Gazette and General Advertiser

27 September 1803

It is notorious that the people of the United States are at this time divided into two parties, the one attached to the administration of Mr. Jefferson and the other hostile to the man, his principles and his conduct. That whatever policy the former recommends or pursues is assailed by the latter with a violence unknown to any period of our history.

The motives which prompt them on to this opposition and the opposition itself must be worth an examination.

To do this successfully, we must examine into the characters of those composing the party.

One description of them appear to have attached themselves to the administrations which successively governed the United States prior to the year 1801, and upon the same principles the same class of men would attach themselves to any administration, in any age or country. I allude to those enemies to our Revolution from fear, those political fortune hunters that abound in every country, and to those who will abandon any party or enter into the service of any administration from motives of interest and reward.

A second class of them may consist of those who, acting from principle and prejudice, are yet respectable by their motives; and acting from mistaken views are entitled to all that charity which religion inculcates and sanctions.

In the former are to be found the leaders, who, whether their conduct is consistent or not, always find in the latter the instruments and tools adapted to every exigency and every occasion. Honest men are not infrequently victims or agents to the designing, and we should, therefore, ascribe the conduct of the latter to the imperfection of our nature. Nevertheless, their conduct, in its consequences, is equally dangerous to society, from whatever motives it may proceed; since if the blow is aimed, it must be immaterial to the sufferer whether from the mistaken, honest, or designing character. . . .

This abuse of power and influence led a number of enlightened and independent characters to an opposition which enlightened the public mind and finally placed Mr. Jefferson in the presidency.

After this event it was to be expected that a people which complained of abuses in every department of government would insist upon their removal; and that Mr. Jefferson would remove their authors from power.

The people directed it; Mr. Jefferson obeyed.

Then commenced a systematic opposition to his measures. No proposition was made, or act done, but what was immediately opposed. All the attempts of the opposition were directed to one end—the embarrassment of the executive. . . .

Consistency of principle and conduct they did not regard, provided they had consistency of opposition.

Such was their conduct during two sessions of Congress.

But one subject during the session of last Congress engrossed most of their attention, and in which they made exertions worthy a better cause. We allude to the measures which they proposed and opposed relative to the occlusion of the port of Orleans.

At that period they enlarged upon the misfortunes which would flow from the French colonization of Louisiana. Our wealth would be torn from us; the commerce of the western people ruined by the monopoly & exaction of the Frenchmen; the value of our western property lessened by the encouragement they would give to migration; our citizens enticed from their present habitations to become the instrument of French ambition and intrigue; our union dissolved by the machinations and intrigues of their officers; our independence endangered and our whole country fall a prey to the ambition of the consul. The attempt to secure our rights by negotiation was the child of a weak old man; the result of a disordered imagination. Whilst Monroe and Livingston were negotiating, the consul would seize this important territory himself. The period of action would be lost. The loss of blood in the old world were nothing when compared with the advantages of possessing ourselves of the whole country. But all these advantages would be lost by a weak, pusillanimous administration, ignorant of the true interest and right of the country, without capacity to comprehend or firmness to enforce them.

But the country has become ours without the effusion of blood, without entering upon a war, the expenses of which would have been incalculable, without incurring the dislike of powers whose commerce is most important to us, because they are the consumers of our produce; and it appears the act which secured these advantages is to be opposed because it is the act of Mr. Jefferson and the people.

A writer in an eastern paper says fifteen millions is too great a price for Louisiana, a country nearly as large as the United States, and upon which the western people must depend for their commercial importance. Last winter the party were for involving the union in a war, not to secure the country but to embarrass the executive. The western people, more reasonable, required security only, with less expense and risk.

Had war taken place as they desired, more than fifteen millions must have been expended on the operations of a single year.

The country must have been retained and the expense increased to retain it. If to all this we add the immense losses of our citizens engaged in commerce and the expenses of convoys to our merchantmen, how will the calculation then hold? Not to mention the loss of blood, the heartburning of the people of France, the eternalizing of their prejudices and rancor, by an attack upon them for the unprovoked aggression of a petty officer of another, before a demand of reparation had been made, conformable to the conduct of all civilized nations. Not to notice the advantages which other commercial states would obtain over us whilst our commerce to France, Spain, Italy, Holland, and their colonies should be interrupted, & the disadvantages we must have labored under at its revival. Whilst we were suffering all the inconveniences of war, others would be gaining at our expense, without an attempt on our part being made to ward off the evils or to obtain a peaceable remedy. Thus have nations ever been the sport of ambitious statesmen, devouring each other, and permitting states inimical to both to enrich themselves by their common quarrels. Why should we engage in war? Why should we abandon the road which has led us on with unexampled rapidity to the summit of wealth, distinction and power? We have profited by the misfortunes of others without the imputation of a crime, and we have profited to no purpose if we abandon our advantages in the moment of passion. . . .

Senate Debates on the Louisiana Purchase

2–3 November 1803

Despite constitutional objections by several of the Federalists in Congress, the treaty of cession itself was pushed through the Senate quickly by a vote of 24 to 7 on 27 October 1803. The Spanish, however, were still in possession of New Orleans, and Spain was known to object. On 2 November, Senator Samuel White of Delaware moved to postpone a bill creating a fund to pay for the purchase until it was clear that France could actually deliver. Most of the many issues raised by the purchase entered again into the debate on White's motion.

Wednesday, 2 November 1803

Samuel White

. . . I wish not to be understood as predicting that the French will not cede to us the actual and quiet possession of the territory. I hope to God they may, for possession of it we must have—I mean of New Orleans, and of such other positions on the Mississippi as may be necessary to secure to us forever the complete and uninterrupted navigation of that river. This I have ever been in favor of; I think it essential to the peace of the United States and to the prosperity of our Western country. But as to Louisiana, this new, immense, unbounded world, if it should ever be incorporated into this Union, which I have no idea can be done but by altering the Constitution, I believe it will be the greatest curse that could at present befall us; it may be productive of innumerable evils, and especially of one that I fear even to look upon. Gentlemen on all sides, with very few exceptions, agree that the settlement of this country will be highly injurious and dangerous to the United States; but as to what has been suggested of removing the Creeks and other nations of Indians from the eastern to the western banks of the Mississippi, and of making the fertile regions of Louisiana a howling wilderness never to be trodden by the foot of civilized man, it is impracticable. . . . You had as well pretend to inhibit the fish from swimming in the sea as to prevent the population of that country after its sovereignty shall become ours. To every man acquainted with the adventurous, roving, and enterprising temper of our people, and with the manner in which our Western country has been settled, such an idea must be

chimerical. The inducements will be so strong that it will be impossible to restrain our citizens from crossing the river. Louisiana must and will become settled, if we hold it, and with the very population that would otherwise occupy part of our present territory. Thus our citizens will be removed to the immense distance of two or three thousand miles from the capital of the Union, where they will scarcely ever feel the rays of the General Government; their affections will become alienated; they will gradually begin to view us as strangers; they will form other commercial connections, and our interests will become distinct.

These, with other causes that human wisdom may not now foresee, will in time effect a separation, and I fear our bounds will be fixed nearer to our houses than the waters of the Mississippi. We have already territory enough, and when I contemplate the evils that may arise to these States from this intended incorporation of Louisiana into the Union, I would rather see it given to France, to Spain, or to any other nation of the earth, upon the mere condition that no citizen of the United States should ever settle within its limits, than to see the territory sold for a hundred millions of dollars, and we retain the sovereignty. But however dangerous the possession of Louisiana might prove to us, I do not presume to say that the retention of it would not have been very convenient to France, and we know that at the time of the mission of Mr. Monroe, our administration had never thought of the purchase of Louisiana, and that nothing short of the fullest conviction of the part of the First Consul that he was on the very eve of a war with England, that this being the most defenseless point of his possessions, if such they could be called, was the one at which the British would first strike, and that it must inevitably fall into their hands, could ever have induced his pride and ambition to make the sale. He judged wisely that he had better sell it for as much as he could get than lose it entirely. And I do say that under existing circumstances, even supposing that this extent of territory was a desirable acquisition, fifteen millions of dollars was a most enormous sum to give. Our Commissioners were negotiating in Paris—they must have known the relative situation of France and England—they must have known at the moment that a war was unavoidable between the two countries, and they knew the pecuniary necessities of France and the naval power of Great Britain. These imperious circumstances should have been turned to our advantage, and if we were to purchase, should have

lessened the consideration. Viewing, Mr. President, this subject in any point of light—either as it regards the territory purchased, the high consideration to be given, the contract itself, or any of the circumstances attending it, I see no necessity for precipitating the passage of this bill; and if this motion for postponement should fail, and the question of the final passage of the bill be taken now, I shall certainly vote against it.

Thursday, 3 November

James Jackson

. . . The delay of the passage of the bill before you may have the most fatal consequences; and if, as some gentlemen have hinted on former occasions, the French are sick of their bargain, will give them an opportunity to break it altogether, or create such jealousies between the two nations as may render the ceded territory and its inhabitants of little value to us. In my opinion, policy, as well as justice, requires that we should comply with the stipulations on our part, promptly and with good faith, and leave no opening for complaint with the other party. We shall then stand justified in the eyes of the world and to ourselves, not only to take, but keep possession of this immense country, let what nation will oppose it.

But the honorable gentleman (Mr. Wells) has said that the French have no title, and, having no title herself, we can derive none from her. Is not, I ask, the King of Spain's proclamation declaring the cession of Louisiana to France and his orders to his governor and officers to deliver it to France, a title? Do nations give any other? . . . The King of Spain's proclamation fully satisfies me on that head, and I hope and believe he will be more prudent than in existing circumstances to involve himself in war with us. The English nation, after the handsome letter of Lord Hawkesbury to our Minister, Mr. King, expressing the approval of His Britannic Majesty of the treaty, cannot, in decency, interfere; and Bonaparte is bound in honor and good faith to protect us in the possession of that country; disgrace would cover him and his nation if he took any part against us. Whom, then, should we have to contend with? With the bayonets of the intrepid French grenadiers, as the honorable gentleman from Delaware, last session, told us, or with the enervated, degraded, and emaciated Spaniards? Shall we be told now that we are no match for these emaciated beings? Last session we were impressed with the necessity

of taking immediate possession of the island of New Orleans in the face of two nations, and now we entertain doubts if we can combat the weakest of those powers; and we are further told we are going to sacrifice the immense sum of fifteen millions of dollars and have to go to war with Spain for the country afterwards; when, last session, war was to take place at all events and no costs were equal to the object. Gentlemen seem to be displeased because we have procured it peaceably and at probably ten times less expense than it would have cost us had we taken forcible possession of New Orleans alone, which, I am persuaded, would have involved us in a war which would have saddled us with a debt of from one to two hundred millions, and perhaps have lost New Orleans and the right of deposit after all. I again repeat, sir, that I do not believe that Spain will venture war with the United States. I believe she dare not; if she does, she will pay the costs. The Floridas will be immediately ours; they will almost take themselves. The inhabitants pant for the blessings of your equal and wise government; they ardently long to become a part of the United States. . . . With two or three squadrons of dragoons and the same number of companies of infantry, not a doubt ought to exist of the total conquest of East Florida by an officer of tolerable talents. Exclusive, however, of the loss of the Floridas, to use the language of a late member of Congress, the road to Mexico is now open to us, which, if Spain acts in an amicable way, I wish may, and hope will, be shut as respects the United States forever. For these reasons, I think, sir, Spain will avoid a war, in which she has nothing to gain and everything to lose. . . . The bill is as carefully worded as possible; for the money is not to be paid until after Louisiana shall be placed in our possession.

Sir, it has been observed by a gentleman in debate yesterday (Mr. White) that Louisiana would become a grievance to us, and that we might as well attempt to prevent fish from swimming in water as to prevent our citizens from going across the Mississippi. The honorable gentleman is not so well acquainted with the frontier citizens as I am. . . . The citizens of the state I represent, scattered along an Indian frontier of from three to four hundred miles, have been restrained, except with one solitary instance, by two or three companies of infantry and a handful of dragoons, from crossing over artificial lines and water-courses, sometimes dry, into the Indian country,

after their own cattle, which no human prudence could prevent from crossing to a finer and more luxuriant range, and this too at a time when the feelings of Georgians were alive to the injuries they had received by the New York Treaty with the Creek Indians, which took Tallassee county from them after even three Commissioners appointed by the United States had reported to the President that it was *bona fide* the property of Georgia and sold under as fair a contract as could be formed by a civilized with an uncivilized society. If the Georgians, under these circumstances, were restrained from going on their ground, cannot means be devised to prevent citizens crossing into Louisiana? The frontier people are not the people they are represented; they will listen to reason and respect the laws of their country; it cannot be their wish, it is not their interest to go to Louisiana or see it settled for years to come; the settlement of it at present would part father and son, brother and brother, and friend and friend, and lessen the value of their lands beyond all calculation. If Spain acts an amicable part, I have no doubt myself but the Southern tribes of Indians can be persuaded to go there; it will be advantageous for themselves; they are now hemmed in on every side; their chance of game decreasing daily; plows and looms, whatever may be said, have no charms for them; they want a wider field for the chase, and Louisiana presents it. Spain may, in such case, discard her fears for her Mexican dominions, for half a century at least; and we should fill up the space the Indians removed from with settlers from Europe, and thus preserve the density of population within the original states. . . . In a century, sir, we shall be well populated and prepared to extend our settlements, and that world of itself will present itself to our approaches, and instead of the description given of it by the honorable gentleman, of making it a howling wilderness, where no civilized foot shall ever tread, if we could return at the proper period we would find it the seat of science and civilization.

Mr. President, in whatever shape I view this bill, I conceive it all-important that it should pass without a moment's delay. We have a bargain now in our power which, once missed, we never shall have again. Let us close our part of the contract by the passage of this bill, let us leave no opportunity for any power to charge us with a want of good faith; and having executed our stipulations in good faith we can appeal to God for the justice of our cause; and I trust that, confiding in that justice, there is

virtue, patriotism, and courage sufficient in the American nation, not only to take possession of Louisiana, but to keep that possession against the encroachments or attacks of any Power of earth. . . .

John Breckinridge

observed that he little expected a proceeding so much out of order would have been attempted as a re-discussion of the merits of the treaty on the passage of this bill; but as the gentlemen in the opposition had urged it, he would, exhausted as the subject was, claim the indulgence of the Senate in replying to some of their remarks.

No gentleman, continued he, has yet ventured to deny that it is incumbent on the United States to secure to the citizens of the western waters the uninterrupted use of the Mississippi. Under this impression of duty, what has been the conduct of the General Government, and particularly of the gentlemen now in the opposition, for the last eight months? When the right of deposit was violated by a Spanish officer without authority from his government, these gentlemen considered our national honor so deeply implicated, and the rights of the western people so wantonly violated, that no atonement or redress was admissible except through the medium of the bayonet. Negotiation was scouted at. It was deemed pusillanimous and was said to exhibit a want of fellow-feeling for the Western people and a disregard to their essential rights. Fortunately for their country, the counsel of these gentlemen was rejected, and their war measures negatived. The so much scouted process of negotiation was, however, persisted in, and instead of restoring the right of deposit and securing more effectually for the future our right to navigate the Mississippi, the Mississippi itself was acquired, and everything which appertained to it. I did suppose that those gentlemen who, at the last session, so strongly urged war measures for the attainment of this object, upon an avowal that it was too important to trust to the tardy and less effectual process of negotiation, would have stood foremost in carrying the treaty into effect and that the peaceful mode by which it was acquired would not lessen with them the importance of the acquisition. But it seems to me, sir, that the opinions of a certain portion of the United States with respect to this ill-fated Mississippi have varied as often as the fashions. [Here Mr. B. made some remarks on the attempts which were made in the old Congress, and which had

nearly proved successful, to cede this river to Spain for twenty-five years.] But, I trust, continued he, these opinions, schemes, and projects will forever be silenced and crushed by the vote which we are this evening about to pass. . . .

As to the enormity of price, I would ask that gentleman, would his mode of acquiring it through fifty thousand men have cost nothing? Is he so confident of this as to be able to pronounce positively that the price is enormous? Does he make no calculation on the hazard attending this conflict? Is he sure the God of battles was enlisted on his side? Were France and Spain, under the auspices of Bonaparte, contemptible adversaries? Good as the cause was, and great as my confidence is in the courage of my countrymen, sure I am that I shall never regret, as the gentleman seems to do, that the experiment was not made. I am not in the habit Mr. President, on this floor, of panegyriizing those who administer the government of this country. Their good works are their best panegyrists, and of these my fellow-citizens are as competent to judge as I am; but if my opinion were of any consequence, I should be free to declare that this transaction, from its commencement to its close, not only as to the mode in which it was pursued, but as to the object achieved, is one of the most splendid which the annals of any nation can produce. To acquire an empire of perhaps half the extent of the one we possessed from the most powerful and warlike nation on earth, without bloodshed, without the oppression of a single individual, without in the least embarrassing the ordinary operations of your finances, and all this through the peaceful forms of negotiation, and in despite too of the opposition of a considerable portion of the community, is an achievement of which the archives of the predecessors, at least, of those now in office, cannot furnish a parallel.

The same gentleman has told us that this acquisition will, from its extent, soon prove destructive to the Confederacy.

This, continued Mr. B., is an old and hackneyed doctrine; that a republic ought not to be too extensive. But the gentleman has assumed two facts, and then reasoned from them. First, that the extent is too great; and secondly, that the country will be soon populated. I would ask, sir, what is his standard extent for a Republic? How does he come at that standard? Our boundary is already extensive. Would his standard extent be violated by including the island of Orleans and the Floridas? I presume not, as all

parties seem to think their acquisition, in part or in whole, essential. Why not then acquire territory on the west as well as on the east side of the Mississippi? Is the Goddess of Liberty restrained by water courses? Is she governed by geographical limits? Is her dominion on this continent confined to the east side of the Mississippi? So far from believing in the doctrine that a republic ought to be confined within narrow limits, I believe, on the contrary, that the more extensive its dominion the more safe and more durable it will be. In proportion to the number of hands you entrust the precious blessings of a free government to, in the same proportion do you multiply the chances for their preservation. I entertain, therefore, no fears for the Confederacy on account of its extent. The American people too well know the art of governing and of being governed to become the victims of party factions or of domestic tyranny. . . .

But is the immediate population of that country, even admitting its extent were too great, a necessary consequence? Cannot the General Government restrain the population within such bounds as may be judged proper? Will gentlemen say that this is impracticable? Let us not then, sir, assume to ourselves so much wisdom and foresight in attempting to decide upon things which properly belong to those who are to succeed us. It is enough for us to make the acquisition: the time and manner of disposing of it must be left to posterity. If they do not improve the means of national prosperity and greatness which we have placed in their hands, the fault or the folly will lie with them. But nothing so remote is more clear to me than that this acquisition will tend to strengthen the Confederacy. It is evident, as this country had passed out of the hands of Spain, that whether it remained with France or should be acquired by England, its population would have been attempted. Such is the policy of all nations but Spain. From whence would that population come? Certainly not from Europe. It would come almost exclusively from the United States. The question, then, would simply be, "Is the

Confederacy more in danger from Louisiana when colonized by American people under American jurisdiction than when populated by Americans under the control of some foreign, powerful, and rival nation?" Or, in other words, whether it would be safer for the United States to populate this country when and how she pleased or permit some foreign nation to do it at her expense?

The gentlemen from Delaware and Massachusetts both contend that the third article of the treaty is unconstitutional and our consent to its ratification a nullity, because the United States cannot acquire foreign territory. I am really at a loss how to understand gentlemen. They admit, if I do understand them, that the acquisition of a part at least of this country is essential to the United States and must be made. That this acquisition must extend to the soil; and to use the words of their resolutions last session, "that it is not consistent with the dignity of the Union to hold a right so important by a tenure so uncertain." How, I ask, is this "certain tenure" to be acquired but by conquest or a purchase of the soil? Did not gentlemen intend, when they urged its seizure, that the United States, if successful, should hold it in absolute sovereignty? Were any constitutional difficulties then in the way? And will they now be so good as to point out that part of the Constitution which authorizes us to acquire territory by conquest, but forbids us to acquire it by treaty? But if gentlemen are not satisfied with any of the expositions which have been given of the third article of the treaty, is there not one way, at least, by which this territory can be held? Cannot the Constitution be so amended (if it should be necessary) as to embrace this territory? If the authority to acquire foreign territory be not included in the treaty-making power, it remains with the people; and in that way all the doubts and difficulties of gentlemen may be completely removed; and that, too, without affording France the smallest ground of exception to the literal execution on our part of that article of the treaty. . . .

The Embargo

Thomas Jefferson entered office shortly after the Peace of Amiens (1801–1803) inaugurated the only interval of peace in a quarter century of war between the great European powers. During his initial term, the Republican administration could concentrate on its domestic agenda. In 1805, however, Admiral Lord Nelson destroyed the French fleet at the battle of Trafalgar, and Napoleon's great victory at Austerlitz demolished the continental coalition of Great Britain's allies. France and Britain—the tiger and the shark—then turned to economic warfare, and the commercial problems of the 1790s returned with redoubled force. Both powers resumed seizures of neutral vessels trading with the West Indian possessions of the other; Britain attempted to enforce a general blockade of Napoleonic Europe; Napoleon responded with his Continental system, which sought to exclude British merchants from much of Europe; and in 1807, Britain replied to that with Orders in Council providing for the seizure of any neutral vessel trading with ports from which her own ships were excluded unless that vessel had paid a fee in a British port. Napoleon's Milan Decree, in turn, promised to seize any vessel that did submit to a British search or pay a duty in a British port. Finally, on 22 June, near the mouth of the Chesapeake Bay, the British frigate *Leopard* fired upon the American warship *Chesapeake*, forced her to submit to search, and pressed four sailors, alleged to be deserters, into British service. Against a background of considerable sentiment for war, Jefferson issued a proclamation ordering British warships to leave American waters and, when Congress met, recommended a complete embargo on the country's foreign trade. The Republicans had long maintained that the United States possessed a more effective weapon in her trade than in the ordinary instruments of force. The great embargo was to test this theory.

An Act Laying an Embargo on All Ships and Vessels in the Ports and Harbors of the United States

22 December 1807

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That an

embargo be and hereby is laid on all ships and vessels in the ports and places within the limits or jurisdiction of the United States, cleared or not cleared, bound to any foreign port or place; and that no clearance be furnished to any ship or vessel bound to such foreign port or place except vessels under the immediate direction of the President of the United States; and that the President be authorized to give such instructions to the officers of the revenue and of the navy and revenue cutters of the United States as shall appear best adapted for carrying the same into full effect. . . .

Sec. 2. *And be it further enacted, That during the continuance of this act, no registered or sea-letter vessel having on board goods, wares, and merchandise shall be allowed to depart from one port of the United States to another within the same unless the master, owner, consignee, or factor of such vessel shall first give bond with one or more sureties to the Collector of the district from which she is bound to depart in a sum of double the value of the vessel and cargo, that the said goods, wares and merchandise shall be relanded in some port of the United States, dangers of the seas excepted. . . .*

Editorials on the Embargo

Washington's *National Intelligencer*, which often spoke for the administration, offered a fuller explanation and defense of the embargo than the administration itself would ever do. Among the many condemnations, Timothy Pickering's stands out.

“Embargo”

National Intelligencer

23 December 1807

This is a strong measure proceeding from the energy of the public councils, appealing to the patriotism of their constituents, and is of all measures the one peculiarly adapted

to the crisis. The honest judgment of all parties has anticipated and called for it.

The measure could no longer, in fact, be delayed without sacrificing the vital interests of the nation.

Great Britain [violating neutral rights] furnished an occasion which was seized by the French government for the decree of November 1806, interdicting commerce with G. Britain, which was adopted by the allies of France, particularly by Spain, in her decree of February 1807.

The decree of November was followed by the retaliating British order of January 1807, making war on all neutral trade usually carried on from the ports of one enemy to those of another.

France, again seconded by Spain and other allies, is retaliating on this order by new constructions extending their decrees to all trade from British territories or in British articles.

And it is clear that, if not already done, G. Britain meditates further retaliations, most probably an interdict of all trade by this country (now the only neutral one) with the enemies of G. Britain, that is to say with the whole commercial world.

To these destructive operations against our commerce is to be added the late proclamation of G. Britain on the subject of seamen. . . . With respect to seamen on board merchant vessels, the proclamation has made it the *duty* of all her sea officers to search for and seize all such as they may call British natives, whether wanted or not for the service of their respective ships. From the proportion of American citizens heretofore taken under the name of British seamen may be calculated the number of victims to be added by this formal sanction to the claim of British officers and the conversion of that claim into a *duty*.

Thus the ocean presents a field . . . where no harvest is to be reaped but that of danger, of spoliation, and of disgrace.

Under such circumstances the best to be done is what has been done: a dignified retirement within ourselves; a watchful preservation of our resources; and a demonstration to the world that we possess a virtue and a patriotism which can take any shape that will best suit the occasion.

It is singularly fortunate that an embargo, whilst it guards our essential resources, will have the collateral effect of making it the interest of all nations to change the system which has driven our commerce from the ocean.

Great Britain will feel it in her manufactures, in the loss of naval stores, and above all in the supplies essential to her

colonies, to the number of which she is adding by new conquests.

France will feel it in the loss of all those colonial luxuries which she has hitherto received through our neutral commerce; and her colonies will at once be cut off from the sale of their productions and the source of their supplies.

Spain will feel it more, perhaps, than any, in the failure of imported food, not making enough within herself, and in her populous and important colonies which depend wholly on us for the supply of their daily wants.

It is a happy consideration also attending this measure that, although it will have these effects, salutary it may be hoped, on the policy of the great contending nations, it affords neither of them the slightest ground for complaint. The embargo violates the rights of none. Its object is to secure ourselves. It is a measure of precaution, not of aggression. It is resorted to by all nations when their great interests require it. . . .

But may not the embargo bring on war from some of the nations affected by it? Certainly not, if war be not predetermined on against us. Being a measure of peace and precaution; being universal and therefore impartial; extending in reality as well as ostensibly to all nations, there is not a shadow of pretext to make it a cause of war. . . .

All that remains, then, for a people confiding in their government is to rally round the measure which that government has adopted for their good, and to secure its just effect by patiently and proudly submitting to every inconvenience which such a measure necessarily carries with it.

Friday, 25 December

A rapid view was taken in our last paper of the nature and effects of the Embargo. . . . For a time it will materially reduce the price of our produce and enhance that of many foreign commodities. . . . There will [be] occasion for much fortitude, perhaps for great patience.

Is the state of our affairs such as requires this sacrifice? Might not a resort to milder measures do as well? We confidently answer no. . . .

A crisis has arrived that calls for some decided step. The national spirit is up. That spirit is invaluable. In case of a war it is to lead us to conquest. . . . In our solemn appeal to the world, it is to silence forever the idle hope that flatters itself with the phantom, either that we are a divided people or that our republican institutions have not energy enough to defend us, much less to inflict serious injury on our enemies. . . .

The people having shown their spirit, the season has arrived for the government to sustain, second, and direct it. To delay any longer to do this would be to jeopardize its existence. The crisis not requiring war, still hoping if not expecting peace, an embargo is the next best measure for maintaining the national tone. It will arm the nation. It will do more. It will arm the executive government. It is an unequivocal and efficient expression of confidence in the executive and gives the President a new weapon of negotiation—we say *weapon* of negotiation, for, in the present state of the world, even negotiation has ceased to be pacific. Without being backed by force it is an empty sound.

The embargo furnishes this weapon. The sword is not drawn from the scabbard, but it may be drawn at a moment's warning. By it, every member of the community will be sensibly impressed with the solemnity of the crisis and will be prepared for events. The public will be impatient for a decision of the great interests depending. All will be anxious for a restoration of their ordinary pursuits. Our negotiator will be armed with the public sensibility. . . .

We believe it will be a popular measure with all classes. We are certain that the farmer, the planter, and the mechanic will approve it from the security it offers to the public interests; and if the merchants be as honest and enlightened as we trust they are, they will perceive the indissoluble connection between their solid and permanent prosperity and the general welfare.

Alarming Information: A Letter from
the Hon. Timothy Pickering, a Senator
of the United States from the State
of Massachusetts, exhibiting to his
constituents, a view of the imminent
danger of an UNNECESSARY and RUINOUS
WAR, addressed to His Excellency JAMES
SULLIVAN, Governor of said State

Connecticut Courant

23 March 1808

The EMBARGO demands the first notice. For perhaps no act of the national government has ever produced so much solicitude or spread such universal alarm. Because all naturally conclude that a measure pregnant with

incalculable mischief to all classes of our fellow citizens would not have been proposed by the President and adopted by Congress but for causes deeply affecting the interests and safety of the nation. It must have been under the influence of this opinion that the legislative bodies of some states have expressed their approbation of the Embargo, whether explicitly or by implication. . . .

In the Senate, . . . papers were referred to a committee. The committee quickly reported a bill for laying an Embargo, agreeably to the President's proposal. This was read a first, a second, and a third time, and passed; and all in the short compass of about four hours! A little time was repeatedly asked to obtain further information, and to consider a measure of such moment, of such universal concern; but these requests were denied. We were hurried into the passage of the bill, as if there was danger of its being rejected if we were allowed time to obtain further information and deliberately consider the subject. . . . In truth, the measure appeared to me then, as it still does, and as it appears to the public, without a sufficient motive, without a legitimate object. Hence the general inquiry—"For what is the Embargo laid?" And I challenge any man not in the secrets of the Executive to tell. I know, Sir, that the President said that the papers aforementioned "showed that great and increasing dangers threatened our vessels, our seamen, and our merchandise;" but I also know that they exhibited *no new dangers; none* of which our merchants and seamen had not been well apprised. . . . The great numbers of vessels loading or loaded and prepared for sea; the exertions everywhere made, on the first rumor of the Embargo, to dispatch them, demonstrate the President's dangers to be *imaginary*—to have been *assumed*. . . .

It is true that considerable numbers of vessels were collected in our ports, and many held in suspense, not, however, from any new dangers which *appeared*; but from the mysterious conduct of our affairs after the attack on the Chesapeake; and from the painful apprehensions that the course the President was pursuing would terminate in war. The *National Intelligencer* (usually considered as the Executive newspaper) gave the alarm; and it was echoed through the United States. War, probable or inevitable war, was the constant theme of the newspapers and of the conversations, as was reported, of persons supposed to be best informed of Executive designs. Yet amid this din of war, no adequate preparations were seen making to meet it. . . . No well informed man doubted that the British

Government would make suitable reparation for the attack on the Chesapeake. . . . And it is now well known that such reparation might have been promptly obtained in London had the President's instructions to Mr. Monroe been compatible with such an adjustment. He was required not to negotiate on this single, transient act (which when once adjusted was forever settled) but in connection with another claim of long standing and, to say the least, of doubtful right, to wit, the exemption from impressment of *British* seamen found on board American *merchant* vessels. To remedy the evil arising from its exercise, by which our own citizens were sometimes impressed, the attention of our government, under every administration, had been earnestly engaged; but no predictable plan has yet been contrived, while no man who regards the truth will question the disposition of the British Government to adopt any arrangement that will secure to Great Britain the services of *her own subjects*. And now, when the unexampled situation of that country (left alone to maintain the conflict with France and her numerous dependent states—left alone to withstand the power which menaces the liberties of the world) rendered the aid of all her subjects more than ever needful, there was no reasonable ground to expect that she would yield the right to take them when found on board the merchant vessels of any nation. Thus to insist on her yielding this point and inseparably to connect it with the affair of the Chesapeake was tantamount to a determination not to negotiate at all.

I write, Sir, with freedom; for the times are too perilous to allow those who are placed in high and responsible situations to be silent or reserved. The peace and safety of our country are suspended on a thread. The course we have seen pursued leads on to a war—to a war with Great Britain—a war absolutely without necessity—a war which whether disastrous or successful, must bring misery and ruin to the United States: *misery* by the destruction of our navigation and commerce (perhaps also of our fairest seaport towns and cities), the loss of markets for our produce, the want of foreign goods and manufactures, and the other evils incident to a state of war; and *ruin*, by the loss of our liberty and independence. For if with the aid of our arms Great Britain were subdued—from that moment (though flattered perhaps with the name of *allies*) we should become the *Provinces of France*. This is a result so obvious, that I must crave your pardon for noticing

it. Some advocates of Executive measures admit it. They acknowledge that the navy of Britain is our shield against the overwhelming power of France—Why then do they persist in a course of conduct tending to a rupture with Great Britain?—Will it be believed that it is principally, or solely, to procure inviolability to the *merchant flag* of the United States? In other words, to protect all seamen, *British subjects*, as well as our own citizens, on board our merchant vessels? It is a fact that this has been *made* the greatest obstacle to an amicable settlement with Great Britain. Yet (I repeat it) it is perfectly well known that she desires to obtain *only her own subjects*; and that American citizens, impressed by mistake, are delivered up on duly authenticated proof. The evil we complain of arises from the impossibility of always distinguishing the persons of two nations who a few years since were one people, who exhibit the same manners, speak the same language, and possess similar features. But seeing that we seldom hear complaints in the great *navigating states*, how happens there to be such extreme sympathy for American seamen at *Washington*? . . .

Can gentlemen of known *hostility* to foreign commerce *in our own vessels*—who are even willing to *annihilate it* (and such there are)—can these gentlemen plead the cause of our *seamen* because they really wish to *protect* them? Can those desire to *protect* our seamen who, by laying an unnecessary embargo, expose them by thousands to *starve* or *beg*? . . . But for the Embargo, thousands depending on the ordinary operations of commerce would now be employed. Even under the restraints of the orders of the British Government, retaliating the French imperial decree, very large portions of the world remain open to the commerce of the United States. We may yet pursue our trade with the British dominions in every part of the globe; with Africa, with China, and with the colonies of France, Spain, and Holland. And let me ask, whether in the midst of a profound peace, when the powers of Europe possessing colonies would, as formerly, confine the trade with them to their own bottoms, or admit us, as foreigners, only under great limitations, we could enjoy a commerce much more extensive than is practicable at the moment, if the Embargo were not in the way? Why then should it be continued? Why rather was it ever laid? . . . Has the French Emperor declared that he will have no neutrals? Has he declared that *our ports*, like those of his vassal states in Europe, *be shut against British commerce*? Is the Embargo

a *substitute*, a *milder form* of compliance, with that harsh demand, which if exhibited in its naked and insulting aspect, the American spirit might yet resent! . . .

I am alarmed, Sir, at this perilous state of things; I cannot repress my suspicions, or forbear thus to exhibit to you the grounds on which they rest. . . . I declare to you that I have no confidence in the wisdom or correctness of our public measures; that our country is in imminent danger; that it is essential to the public safety that the blind confidence in our rulers should cease; that the state legislatures should know the facts and reasons on which important general laws are founded; *and especially that those states whose farms are on the ocean, and whose harvests are gathered in every sea, should immediately and seriously consider how to preserve them.*

Are our thousands of ships and vessels to rot in our harbors? Are our sixty thousand seamen and fishermen to be deprived of employment and, with their families, reduced to want and beggary? Are our hundreds of thousands of farmers to be compelled to suffer their millions in surplus produce to perish on their hands; that the President may make an experiment on *our* patience and fortitude and on the towering pride, the boundless ambition, and unyielding perseverance of the Conqueror of Europe? Sir, I have reason to believe that the President contemplates the continuance of the Embargo until the French Emperor repeals his decrees violating as well his treaty with the United States as every neutral right; and until Britain thereupon recalls her retaliating orders! By that time we may have neither ships nor seamen; and that is precisely the point to which some men wish to reduce us. . . .

Notwithstanding the well-founded complaints of some individuals and the murmurs of others; notwithstanding the frequent executive declarations of maritime aggressions committed by Great Britain; notwithstanding the outrageous decrees of France and Spain and the wanton spoliations practiced and executed by their cruisers and tribunals, of which we sometimes hear a faint whisper, the commerce of the United States has hitherto prospered beyond all example. Our citizens have accumulated wealth; and the public revenue, annually increasing, has been the President's annual boast.

These facts demonstrate that although Great Britain, with her thousand ships of war, could have destroyed our commerce, she has really done it no essential injury; and

that the other belligerents, heretofore restrained by some regard to national law and limited by the small number of their cruisers, have not inflicted upon it any deep wound. Yet in this full tide of success, our commerce is suddenly arrested; an alarm of war is raised; fearful apprehensions are excited; the merchants, in particular, thrown into a state of consternation, are advised, by a voluntary embargo, to keep their vessels at home. . . . For myself, Sir, I must declare the opinion that no *free* country was ever before so causelessly, and so blindly, thrown from the height of prosperity and plunged into a state of dreadful anxiety and suffering. . . .

Resistance, Enforcement, and Repeal

Embargoes were a tested and conventional method of protecting merchant shipping when it was under threat, especially as preliminaries to war. One of thirty days had been imposed in 1794 during the crisis preceding Jay's Treaty, another after the Leopard-Chesapeake confrontation. The act of 1807 passed the Senate (meeting in secret session) within four or five hours of the president's message recommending it by a vote of 22 to 6. The House also met in secret session, and we are told only that there was a warm debate before an amendment limiting the measure to a period of sixty days was defeated 82 to 46. Thus, the act contained no limitation of time; and it seems clear that Jefferson and Madison, although they never thoroughly explained it to the country, were planning to employ an indefinite embargo as a weapon of economic coercion and an alternative to war, proceeding from their long-standing assumption that all the advantages in a commercial confrontation would lie on the American side.

Despite real hardships, much of the country supported the embargo. But Albert Gallatin, the always-faithful secretary of the treasury, warned Jefferson from the beginning against a long-term experiment with economic warfare. And, indeed, especially in New England, resistance was fierce. Evasion, both on the seas and in the overland trade to Canada, was an increasing problem. The administration answered with ever more stringent enforcement measures, including the employment of the army and state militias. In the end, nevertheless, Congress rebelled; and in his last days in office, on 1 March 1809, Jefferson reluctantly signed legislation replacing the complete embargo with a measure con-

fining nonintercourse to trade with Britain and France and promising repeal of that if either country ceased its violations of neutral rights.

Albert Gallatin to Jefferson

18 December 1807

. . . I also think that an embargo for a limited time will be preferable in itself and less objectionable in Congress. In every point of view—privations, sufferings, revenue, effect on the enemy, politics at home, etc.—I prefer war to a permanent embargo. Governmental prohibitions do always more mischief than had been calculated; and it is not without much hesitation that a statesman should hazard to regulate the concerns of individuals, as if he could do it better than themselves. The measure being of a doubtful policy and hastily adopted on the first view of our foreign intelligence, I think that we had better recommend it with modifications and, at first, for such a limited time as will afford us all time for reconsideration and, if we think proper, for an alteration in our course without appearing to retract. As to the hope that it may have an effect on the negotiation with Mr. Rose or induce England to treat us better, I think it entirely groundless.

Jefferson to Jacob Crowninshield, Secretary of the Navy

16 July 1808

Complaints multiply upon us of evasions of the embargo laws, by fraud and force. These come from Newport, Portland, Machias, Nantucket, Martha's Vineyard, etc., etc. As I do consider the severe enforcement of the embargo to be of an importance not to be measured by money for our future government as well as present objects, I think it will be advisable that during this summer all the gunboats actually manned and in commission should be distributed through as many ports and bays as may be necessary to assist the embargo. On this subject I will pray you to confer with Mr. Gallatin, who will call on you on his passage through Baltimore, and to communicate with him hereafter, *directly*, without the delay of consulting me, and generally to aid this object with such means of your department as are consistent with its situation. . . .

Gallatin to Jefferson

29 July 1808

I sent yesterday to the Secretary of the Navy, and he will transmit to you, a letter from General Dearborn and another from General Lincoln showing the violations of the embargo. . . .

With those difficulties we must struggle as well as we can this summer; but I am perfectly satisfied that if the embargo must be persisted in any longer, two principles must necessarily be adopted in order to make it sufficient: 1st, that not a single vessel shall be permitted to move without the special permission of the executive; 2nd, that the collectors be invested with the general power of seizing property anywhere and taking the rudders or otherwise effectually preventing the departure of any vessel in harbor, though ostensibly intended to remain there, and that without being liable to personal suits. I am sensible that such arbitrary powers are equally dangerous and odious. But a restrictive measure of the nature of the embargo applied to a nation under such circumstances as the United States cannot be enforced without the assistance of means as strong as the measure itself. To that legal authority to prevent, seize, and detain must be added a sufficient physical force to carry it into effect; and although I believe that in our seaports little difficulty would be encountered, we must have a little army along the Lakes and British lines generally. . . . For the Federalists having at least prevented the embargo from becoming a measure generally popular, and the people being distracted by the complexity of the subject, orders of council, decrees, embargoes, and wanting a single object which might rouse their patriotism and unite their passions and affections, selfishness has assumed the reins in several quarters, and the people are now there altogether against the law. . . .

That in the present situation of the world every effort should be attempted to preserve the peace of this nation cannot be doubted. But if the criminal party-rage of Federalists and Tories shall have so far succeeded as to defeat our endeavors to obtain that object by the only measure that could possibly have effected it, we must submit and prepare for war. . . . I have not time to write correctly or even with sufficient perspicuity; but you will guess at my meaning where it is not sufficiently clear.

I mean generally to express an opinion founded on the experience of this summer that Congress must either invest the executive with the most arbitrary powers and sufficient force to carry the embargo into effect, or give it up altogether. And in this last case I must confess that unless a change takes place in the measures of the European powers, I see no alternative but war. But with whom? This is a tremendous question if tested only by policy; and so extraordinary is our situation that it is equally difficult to decide it on the ground of justice, the only one by which I wish the United States to be governed. At all events, I think it the duty of the Executive to contemplate that result as probable, and to be prepared accordingly. . . .

Jefferson to Henry Dearborn, Secretary of War

9 August 1808

Yours of July 27th is received. It confirms the accounts we receive from others that the infractions of the embargo in Maine and Massachusetts are open. I have removed Pope, of New Bedford, for worse than negligence. The collector of Sullivan is on the totter. The Tories of Boston openly threaten insurrection if their importation of flour is stopped. The next post will stop it. I fear your governor is not up to the tone of these parricides, and I hope, on the first symptom of an open opposition of the law by force, you will fly to the scene and aid in suppressing any commotion. . . .

Elisha Tracy (of Norwich, Conn.) to Jefferson

15 September 1808

. . . A few weeks since a Reverend D. D. from the state of Massachusetts, and then standing in the desk of the house where I usually attend divine worship, after describing the administration of the general government in colors suited to his imagination, declared that we ought no longer to *confederate in such a confederation*. This was the first time I had heard the sentiment avowed before a public assembly, tho I had for about four years perceived the leading Federalists cautiously beating the pulse of the people to the tune

of separation. The great body of the people, even Federalist, are still opposed to such a step, and did they but fully see its object, they would execrate its advocates; but they are impelled forward by the great phalanx of the *pulpit*, the *bar*, and the monied interest of New England. The headquarters of this spirit is to be found in the town of Boston, and there is not a doubt to my mind that the object of getting town meetings to express sentiments respecting the Embargo is not to effect its removal, but with a view of increasing discontents and wanton calumnies and . . . to work up such a state of irritation as will furnish them with a favorable opportunity to boldly avow their objects. . . .

Jefferson to Mr. Letue

8 November 1808

While the opposition to the late laws of embargo has in one quarter amounted almost to rebellion and treason, it is pleasing to know that all the rest of the nation has approved of the proceedings of the constituted authorities. The steady union which you mention of our fellow citizens of South Carolina is entirely in their character. They have never failed in fidelity to their country and the republican spirit of its constitution. Never before was that union more needed or more salutary than under our present crisis. I enclose you my message to both houses of Congress, this moment delivered. You will see that we have to choose between the alternatives of embargo and war; there is indeed one and only one other, that is submission and tribute. For all the Federal propositions for trading to the places permitted by the edicts of the belligerents, result in fact in submission. . . . I do not believe, however, that our fellow citizens . . . will concur with those to the east in this parricide purpose, any more than in the disorganizing conduct which has disgraced the latter. . . .

Resolutions of the Connecticut General Assembly

23 February 1809

Resolved, that to preserve the Union and support the Constitution of the United States, it becomes the duty of the legislatures of the states, in such a crisis of affairs,

vigilantly to watch over and vigorously to maintain the powers not delegated to the United States but reserved to the states respectively, or to the people, and that a due regard to this duty will not permit this Assembly to assist or concur in giving effect to the . . . unconstitutional act passed to enforce the embargo.

Resolved, that this Assembly highly approve of the conduct of his Excellency, the Governor, in declining to designate persons to carry into effect, by the aid of *military power*, the act of the United States enforcing the embargo. . . .

Resolved, that persons holding executive office under this state are restrained by the duties which they owe this state from affording any official aid or cooperation in the execution of the act aforesaid; and that his Excellency the Governor be requested, as commander in chief of the military force of this state, to cause those resolutions to be published in general orders; and that the secretary of this state be, and he is hereby, directed to transmit copies of the same to the several sheriffs and town clerks.

Resolved, that his Excellency the Governor be requested to communicate the foregoing resolution to the President of the United States with an assurance that this Assembly regret that they are thus obliged under a paramount sense of public duty to assert the unquestionable right of this state to abstain from any agency in the execution of measures which are unconstitutional and despotic.

Resolved, that this Assembly accord in sentiment with the Senate and House of Representatives of the Commonwealth of Massachusetts that it is expedient to effect certain alterations in the Constitution of the United States and will zealously cooperate with that Commonwealth and any other of the states in all legal and constitutional measures for procuring such amendments . . . as shall be judged necessary to obtain more effectual protection and defense for commerce, and to give to the commercial states their fair and just consideration in the union and for affording permanent security as well as present relief from the oppressive measures under which they now suffer.

Resolved, that his Excellency the Governor be requested to transmit copies of the foregoing resolution to the President of the Senate and Speaker of the House of Representatives in the Commonwealth of Massachusetts, and to the legislatures of such of our sister states as manifest a disposition to concur in restoring to commerce its former activity and preventing

the repetition of measures which have a tendency, not only to destroy it, but to dissolve the union, which ought to be inviolate.

John Adams to Benjamin Rush

27 September 1808

. . . I believe, with you, “a republican government,” while the people have the virtues, talents, and love of country necessary to support it, “the best possible government to promote the interest, dignity, and happiness of man.” But you know that commerce, luxury, and avarice have destroyed every republican government. England and France have tried the experiment, and neither of them could preserve it for twelve years. It might be said with truth that they could not preserve it for a moment, for the commonwealth of England, from 1640 to 1660, was in reality a succession of monarchies under Pym, Hampden, Fairfax, and Cromwell, and the republic of France was a similar monarchy under Mirabeau, Brissot, Danton, Robespierre, and a succession of others like them, down to Napoleon, the Emperor. The mercenary spirit of commerce has recently destroyed the republics of Holland, Switzerland, and Venice. Not one of these republics, however, dared at any time to trust the people with any elections whatever, much less with the election of first magistrates. In all those countries, the monster venality would instantly have appeared and swallowed at once all security of liberty, property, fame, and life. . . .

Americans, I fondly hope and candidly believe, are not yet arrived at the age of Demosthenes or Cicero. If we can preserve our union entire, we may preserve our republic; but if the union is broken, we become petty principalities, little better than the feudatories, one of France and the other of England.

If I could lay an embargo or pass a new importation law against corruption and foreign influence, I would not make it a temporary, but a perpetual law, and I would not repeal it, though it should raise a clamor as loud as my gag-law, or your grog-law, or Mr. Jefferson’s embargo. The majorities in the five states of New England, though small, are all on one side. New York has fortified the same party with half a dozen members, and anxious are the expectations from New Jersey, Pennsylvania, and Maryland. There is a body of the same party in every other state.

The Union, I fear, is in some danger. Nor is the danger of foreign war much diminished. An alliance between England and Spain is a new aspect of planets towards us. Surrounded by land on the east, north, west, and south by the territories of two such powers, and blockaded by sea by two such navies as the English and Spanish, without a friend or ally by sea or land, we may have all our republican virtues put to a trial.

I am weary of conjectures, but not in despair.

John Adams to J. B. Varnum

26 December 1808

. . . Ever since my return from Europe, where I had resided ten years and could not be fully informed of the state of affairs in my own country, I have been constantly anxious and alarmed at the intemperance of party spirit and the unbounded license of our presses. In the same view I could not but lament some things which have lately passed in public bodies. To instance, at Dedham and Topsfield, and last of all in the resolutions of our Massachusetts legislature. Upon principle, I see no right in our Senate and House to dictate, nor to advise, nor to request our representatives in Congress. The right of the people to instruct their representatives is very dear to them and will never be disputed by me. But this is a very different thing from an interference of a state legislature. Congress must be “the cloud by day and the pillar of fire by night” to conduct this nation, and if their eyes are to be diverted by wandering light, accidentally springing up in every direction, we shall never get through the wilderness.

I have not been inattentive to the course of our public affairs and agree with Congress in their resolutions to resist the decrees, edicts, and orders of France and England; but I think the king’s proclamation for the impressment of seamen on board our merchant ships has not been distinctly enough reprobated. It is the most groundless pretension of all. Retired as I am, conversing with very few of any party, out of the secret of affairs, collecting information only from public papers and pamphlets, many links in the great chain of deliberations, actions, and events may have escaped me. You will easily believe that an excessive diffidence in my own opinions has not been the sin that has most easily beset me. I must nevertheless confess to you that in all the intricate combinations of our affairs to which

I have ever been a witness, I never found myself so much at a loss to form a judgment of what the nation ought to do or what part I ought to act. No man, then, I hope, will have more confidence in the solidity of any thing I may suggest than I have myself.

I revere the upright and enlightened general sense of our American nation. It is nevertheless capable, like all other nations, of general prejudices and national errors. Among these, I know not whether there is any more remarkable than that opinion so universal that it is in our power to bring foreign nations to our terms by withholding our commerce. When the executive and legislative authority of any nation, especially in the old governments and great powers of Europe, have adopted measures upon deliberation and published them to the world, they cannot recede without a deep humiliation and disgrace, in the eyes of their own subjects as well as all Europe. They will therefore obstinately adhere to them at the expense even of great sacrifices and in defiance of great dangers. In 1774, Congress appeared almost unanimously sanguine that a non-importation and a non-consumption association would procure an immediate repeal of acts of parliament and royal orders. I went heartily along with the rest in all these measures, because I knew that the sense of the nation, the public opinion in all the colonies, required them, and I did not see that they could do harm. But I had no confidence in their success in anything but uniting the American people. I expressed this opinion freely to some of my friends, particularly to Mr. Henry of Virginia and to Major Hawley of Massachusetts. These two, and these only, agreed with me in opinion that we must fight, after all. We found by experience that a war of eight years, in addition to all our resolutions, was necessary, and the aid of France, Spain, and Holland, too, before our purposes could be accomplished. Do we presume that we can excite insurrection, rebellion, and a revolution in England? Even a revolution would be of no benefit to us. A republican government in England would be more hostile to us than the monarchy is. The resources of that country are so great, their merchants, capitalists, and principal manufacturers are so rich, that they can employ their manufacturers and store their productions for a long time, perhaps longer than we can or will bear to hoard ours. In 1794, upon these principles and for these reasons, I thought it my duty to decide, in Senate, against Mr. Madison’s resolutions, as they were called, and I have seen no reason to

alter my opinion since. I own I was sorry when the late non-importation law passed. When a war with England was seriously apprehended in 1794, I approved of an embargo as a temporary measure to preserve our seamen and property, but not with any expectation that it would influence England. I thought the embargo which was laid a year ago a wise and prudent measure for the same reason, namely to preserve our seamen and as much of our property as we could get in, but not with the faintest hope that it would influence the British Councils. At the same time I confidently expected that it would be raised in a few months. I have not censured any of these measures, because I knew the fond attachment of the nation to them; but I think the nation must soon be convinced that they will not answer their expectations. The embargo and the non-intercourse laws, I think, ought not to last long. They will lay such a foundation of disaffection to the national government as will give great uneasiness to Mr. Jefferson's successor and produce such distractions and confusions as I shudder to think of. The naval and military force to carry them into execution would maintain a war.

Are you then for war, you will ask. I will answer you candidly. I think a war would be a less evil than a rigorous enforcement of the embargo and non-intercourse. But we have no necessity to declare war against England or France, or both. We may raise the embargo, repeal the non-intercourse, authorize our merchants to arm their vessels, give them special letters of marque to defend themselves against all unlawful aggressors and take and burn or destroy all vessels, or make prize of them as enemies, that shall attack them. In the meantime apply all our resources to build frigates, some in every principal seaport. . . . I never was fond of the plan of building line of battle ships. Our policy is not to fight squadrons at sea, but to have

fast-sailing frigates to scour the seas and make impression on the enemy's commerce; and in this way we can do great things. Our great seaports and most exposed frontier places ought not to be neglected in their fortifications; but I cannot see for what purpose a hundred thousand militia are called out, nor why we should have so large an army at present. The revenues applied to these uses would be better appropriated to building frigates. We may depend upon it, we shall never be respected by foreign powers until they see that we are sensible of the great resources which the Almighty in his benevolent providence has put into our hands. No nation under the sun has better materials, architects, or mariners for a respectable maritime power. I have no doubt but our people, when they see a necessity, will cheerfully pay the taxes necessary for their defense and to support their union, independence, and national honor. When our merchants are armed, if they are taken, they cannot blame the government; if they fight well and captivate their enemies, they will acquire glory and encouragement at home, and England or France may determine for themselves whether they will declare war. I believe neither will do it, because each will be afraid of our joining the other. If either should, in my opinion, the other will rescind; but if we should have both to fight, it would not be long before one or the other would be willing to make peace, and I see not much difference between fighting both and fighting England alone. My heart is with the Spanish patriots, and I should be glad to assist them as far as our commerce can supply them.

I conclude with acknowledging that we have received greater injuries from England than from France, abominable as both have been. I conclude that whatever the government determines, I shall support as far as my small voice extends.

The War of 1812

Although he seems to have believed that war was the only honorable alternative to the embargo, Jefferson declined to provide any firm guidance to Congress during his last weeks in office. Madison, who was as much an architect of the policy of commercial coercion as Jefferson himself, but even more inclined toward diffidence in the executive's relationships with Congress, inherited the same set of troubles. Through the next several years, Congress and the administration struggled constantly to find a means by which the economic weapon could be used without damaging the United States more than it did the warring European powers. In 1809, the administration reached an agreement with British minister David Erskine and reopened trade with Britain, but Britain disavowed the arrangement; nonintercourse was once again imposed. In 1810, Macon's Bill Number 2 (named after congressman Nathaniel Macon of North Carolina) ended nonintercourse, but provided that it was to be reimposed against either of the European powers if the other ceased its violations of neutral rights without a comparable response. On 2 November 1810, believing that Napoleon had rescinded his decrees so far as they applied to American shipping, Madison proclaimed that nonintercourse would go into effect again unless Great Britain followed suit. On 11 March 1811, Congress sanctioned its reimposition. With Britain still refusing to rescind its orders and the governor of Canada providing aid and encouragement to Tecumseh and the Prophet, Shawnee brothers who were at the head of an Indian confederacy which was at war with the United States in the Northwest, several new and vigorous members of the Twelfth Congress, which met in November 1811, favored war. Madison had probably already made the same decision.

Madison's War Message

2 June 1812

I communicate to Congress certain documents, being a continuation of those heretofore laid before them on the subject of our affairs with Great Britain.

Without going back beyond the renewal in 1803 of the war in which Great Britain is engaged, and omitting unrepaired wrongs of inferior magnitude, the conduct of her government presents a series of acts hostile to the United States as an independent and neutral nation.

British cruisers have been in the continued practice of violating the American flag on the great highway of nations and of seizing and carrying off persons sailing under it, not in the exercise of a belligerent right founded on the law of nations against an enemy, but of a municipal prerogative over British subjects. . . . Could the seizure of British subjects in such cases be regarded as within the exercise of a belligerent right, the acknowledged laws of war, which forbid an article of captured property to be adjudged without a regular investigation before a competent tribunal, would imperiously demand the fairest trial where the sacred rights of persons were at issue. In place of such a trial these rights are subjected to the will of every petty commander.

The practice, hence, is so far from affecting British subjects alone that, under the pretext of searching for these, thousands of American citizens, under the safeguard of public law and of their national flag, have been torn from their country and from everything dear to them; have been dragged on board ships of war of a foreign nation and exposed, under the severities of their discipline, to be exiled to the most distant and deadly climes, to risk their lives in the battles of their oppressors, and to be the melancholy instruments of taking away those of their own brethren.

Against this crying enormity, which Great Britain would be so prompt to avenge if committed against herself, the United States have in vain exhausted remonstrances and expostulations, and that no proof might be wanting of their conciliatory dispositions, and no pretext left for a continuance of the practice, the British Government was formally assured of the readiness of the United States to enter into arrangements such as could not be rejected if the recovery of British subjects were the real and the sole object. The communication passed without effect.

British cruisers have been in the practice also of violating the rights and the peace of our coasts. They hover over and harass our entering and departing commerce. To the most insulting pretensions they have added the most lawless proceedings in our very harbors, and have wantonly spilt American blood within the sanctuary of our territorial jurisdiction. The principles and rules enforced by that nation, when a neutral nation, against armed vessels of belligerents hovering near her coasts and disturbing her commerce are well known. When called on, nevertheless, by the United States to punish the greater offenses committed by her own vessels, her government has bestowed on their commanders additional marks of honor and confidence.

Under pretended blockades, without the presence of an adequate force and sometimes without the practicability of applying one, our commerce has been plundered in every sea, the great staples of our country have been cut off from their legitimate markets, and a destructive blow aimed at our agricultural and maritime interests. In aggravation of these predatory measures they have been considered as in force from the dates of their notification, a retrospective effect being thus added, as has been done in other important cases, to the unlawfulness of the course pursued. And to render the outrage the more signal these mock blockades have been reiterated and enforced in the face of official communications from the British government declaring as the true definition of a legal blockade "that particular ports must be actually invested and previous warning given to vessels bound to them not to enter."

Not content with these occasional expedients for laying waste our neutral trade, the cabinet of Britain resorted at length to the sweeping system of blockades, under the name of Orders in Council, which has been molded and managed as might best suit its political views, its commercial jealousies, or the avidity of British cruisers.

To our remonstrances against the complicated and transcendent injustice of this innovation the first reply was that the orders were reluctantly adopted by Great Britain as a necessary retaliation on decrees of her enemy proclaiming a general blockage of the British Isles at a time when the naval force of that enemy dared not issue from his own ports. She was reminded without effect that her own prior blockades, unsupported by an adequate naval force actually applied and continued, were a bar to this plea; that executed edicts against millions of our property could not

be retaliation on edicts confessedly impossible to be executed; that retaliation, to be just, should fall on the party setting the guilty example, not on an innocent party which was not even chargeable with an acquiescence in it.

When deprived of this flimsy veil for a prohibition of our trade with her enemy by the repeal of his prohibition of our trade with Great Britain, her cabinet, instead of a corresponding repeal or a practical discontinuance of its orders, formally avowed a determination to persist in them against the United States until the markets of her enemy should be laid open to British products, thus asserting an obligation on a neutral power to require one belligerent to encourage by its internal regulations the trade of another belligerent, contradicting her own practice toward all nations, in peace as well as in war, and betraying the insincerity of those professions which inculcated a belief that, having resorted to her orders with regret, she was anxious to find an occasion for putting an end to them.

Abandoning still more all respect for the neutral rights of the United States and for its own consistency, the British government now demands as prerequisites to a repeal of its orders as they relate to the United States that a formality should be observed in the repeal of the French decrees nowise necessary to their termination nor exemplified by British usage, and that the French repeal, besides including that portion of the decrees which operates within a territorial jurisdiction, as well as that which operates on the high seas, against the commerce of the United States should not be a single and special repeal in relation to the United States, but should be extended to whatever other neutral nations unconnected with them may be affected by those decrees. And as an additional insult, they are called on for a formal disavowal of conditions and pretensions advanced by the French government for which the United States are so far from having made themselves responsible that, in official explanations which have been published to the world, and in a correspondence of the American minister at London with the British minister for foreign affairs such a responsibility was explicitly and emphatically disclaimed.

It has become, indeed, sufficiently certain that the commerce of the United States is to be sacrificed, not as interfering with the belligerent rights of Great Britain; not as supplying the wants of her enemies, which she herself supplies; but as interfering with the monopoly which she covets for her own commerce and navigation. She carries

on a war against the lawful commerce of a friend that she may the better carry on a commerce with an enemy—a commerce polluted by the forgeries and perjuries which are for the most part the only passports by which it can succeed.

Anxious to make every experiment short of the last resort of injured nations, the United States have withheld from Great Britain, under successive modifications, the benefits of a free intercourse with their market, the loss of which could not but outweigh the profits accruing from her restrictions of our commerce with other nations. And to entitle these experiments to the more favorable consideration they were so framed as to enable her to place her adversary under the exclusive operation of them. To these appeals her government has been equally inflexible, as if willing to make sacrifices of every sort rather than yield to the claims of justice or renounce the errors of a false pride. Nay, so far were the attempts carried to overcome the attachment of the British cabinet to its unjust edicts that it received every encouragement within the competency of the executive branch of our government to expect that a repeal of them would be followed by a war between the United States and France, unless the French edicts should also be repealed. Even this communication, although silencing forever the plea of a disposition in the United States to acquiesce in those edicts, originally the sole plea for them, received no attention.

If no other proof existed of a predetermination of the British Government against a repeal of its orders, it might be found in the correspondence of the minister plenipotentiary of the United States at London and the British secretary for foreign affairs in 1810, on the question whether the blockade of May, 1806, was considered as in force or as not in force. It had been ascertained that the French Government, which urged this blockade as the ground of its Berlin decree, was willing in the event of its removal to repeal that decree, which, being followed by alternate repeals of the other offensive edicts, might abolish the whole system on both sides. This inviting opportunity for accomplishing an object so important to the United States, and professed so often to be the desire of both the belligerents, was made known to the British government. As that government admits that an actual application of an adequate force is necessary to the existence of a legal blockade, and it was notorious that if such a force had ever been applied its long discontinuance had

annulled the blockade in question, there could be no sufficient objection on the part of Great Britain to a formal revocation of it, and no imaginable objection to a declaration of the fact that the blockade did not exist. The declaration would have been consistent with her avowed principles of blockade, and would have enabled the United States to demand from France the pledged repeal of her decrees, either with success, in which case the way would have been opened for a general repeal of the belligerent edicts, or without success, in which case the United States would have been justified in turning their measures exclusively against France. The British Government would, however, neither rescind the blockade nor declare its non-existence, nor permit its nonexistence to be inferred and affirmed by the American plenipotentiary. On the contrary, by representing the blockade to be comprehended in the orders in council, the United States were compelled so to regard it in their subsequent proceedings.

There was a period when a favorable change in the policy of the British cabinet was justly considered as established. The minister plenipotentiary of His Britannic Majesty here proposed an adjustment of the differences more immediately endangering the harmony of the two countries. The proposition was accepted with the promptitude and cordiality corresponding with the invariable professions of this government. A foundation appeared to be laid for a sincere and lasting reconciliation. The prospect, however, quickly vanished. The whole proceeding was disavowed by the British government without any explanations which could at that time repress the belief that the disavowal proceeded from a spirit of hostility to the commercial rights and prosperity of the United States; and it has since come into proof that at the very moment when the public minister was holding the language of friendship and inspiring confidence in the sincerity of the negotiation with which he was charged, a secret agent of his government was employed in intrigues having for their object a subversion of our government and a dismemberment of our happy union.

In reviewing the conduct of Great Britain toward the United States our attention is necessarily drawn to the warfare just renewed by the savages on one of our extensive frontiers—a warfare which is known to spare neither age nor sex and to be distinguished by features peculiarly shocking to humanity. It is difficult to account for the activity and combinations which have for some time been

developing themselves among tribes in constant intercourse with British traders and garrisons without connecting their hostility with that influence and without recollecting the authenticated examples of such interpositions heretofore furnished by the officers and agents of that government.

Such is the spectacle of injuries and indignities which have been heaped on our country, and such the crisis which its unexampled forbearance and conciliatory efforts have not been able to avert. It might at least have been expected that an enlightened nation, if less urged by moral obligations or invited by friendly dispositions on the part of the United States, would have found in its true interest alone a sufficient motive to respect their rights and their tranquillity on the high seas; that an enlarged policy would have favored that free and general circulation of commerce in which the British nation is at all times interested, and which in times of war is the best alleviation of its calamities to herself as well as to other belligerents; and more especially that the British cabinet would not, for the sake of a precarious and surreptitious intercourse with hostile markets, have persevered in a course of measures which necessarily put at hazard the invaluable market of a great and growing country, disposed to cultivate the mutual advantages of an active commerce.

Other counsels have prevailed. Our moderation and conciliation have had no other effect than to encourage perseverance and to enlarge pretensions. We behold our seafaring citizens still the daily victims of lawless violence, committed on the great common and highway of nations, even within sight of the country which owes them protection. We behold our vessels, freighted with the products of our soil and industry, or returning with the honest proceeds of them, wrested from their lawful destinations, confiscated by prize courts no longer the organs of public law but the instruments of arbitrary edicts, and their unfortunate crews dispersed and lost, or forced or inveigled in British ports into British fleets, whilst arguments are employed in support of these aggressions which have no foundation but in a principle equally supporting a claim to regulate our external commerce in all cases whatsoever.

We behold, in fine, on the side of Great Britain a state of war against the United States, and on the side of the United States a state of peace toward Great Britain.

Whether the United States shall continue passive under these progressive usurpations and these accumulating wrongs, or, opposing force to force in defense of their national rights, shall commit a just cause into the hands of the Almighty Disposer of Events, avoiding all connections which might entangle it in the contest or views of other powers, and preserving a constant readiness to concur in an honorable reestablishment of peace and friendship, is a solemn question which the Constitution wisely confides to the legislative department of the Government. In recommending it to their early deliberations I am happy in the assurance that the decision will be worthy the enlightened and patriotic councils of a virtuous, a free, and a powerful nation.

Having presented this view of the relations of the United States with Great Britain and of the solemn alternative growing out of them, I proceed to remark that the communications last made to Congress on the subject of our relations with France will have shown that since the revocation of her decrees, as they violated the neutral rights of the United States, her government has authorized illegal captures by its privateers and public ships, and that other outrages have been practiced on our vessels and our citizens. It will have been seen also that no indemnity had been provided or satisfactorily pledged for the extensive spoliations committed under the violent and retrospective orders of the French government against the property of our citizens seized within the jurisdiction of France. I abstain at this time from recommending to the consideration of Congress definitive measures with respect to that nation, in the expectation that the result of unclosed discussions between our minister plenipotentiary at Paris and the French government will speedily enable Congress to decide with greater advantage on the course due to the rights, the interests, and the honor of our country.

Samuel Taggart, Speech Opposing the War

24 June 1812

Most of the Federalists in Congress, including twenty of the thirty delegates from New England, voted against the war. Among them was congressman Samuel Taggart of Massachusetts. Congress made the decision for war in closed session, and Taggart

decided not to deliver the speech he had prepared, but it was published in the *Alexandria Gazette* on 24 June and then in the *Annals of Congress*.

I consider the question now before the House as the most important of any on which I have been called upon to decide since I have been honored with a seat in this House, whether it can be considered in relation to its principles or consequences. It is no less than whether I will give my vote to change the peaceful habits of the people of the United States for the attitude of war and the din of arms, and familiarize our citizens with blood and slaughter. . . . I cannot contemplate my country as on the verge of a war, especially of a war which to me appears both unnecessary and impolitic in the outset, and which will probably prove disastrous in the issue, a war, which, in my view, goes to put not only the lives and property of our most valuable citizens, but also our liberty and independence itself, at hazard, without experiencing the most painful sensations. Believing, as I most conscientiously do, that a war, at this time, would jeopardize the best, the most vital interests, of the country which gave me birth and in which is contained all that I hold near and dear in life, I have, so far as depended upon my vote, uniformly opposed every measure which I believed had a direct tendency to lead to war. . . .

. . . I wish it to be kept in view, that I have no intention, neither do I entertain a wish, to vindicate the Orders in Council. Every neutral, and especially every American, must view the principles contained in these orders as injurious to his rights. . . . I shall barely consider the Orders in Council on the footing in which we have placed the subject in dispute by the law of the first of May, 1810, in which the Congress of the United States declares, that in case either Great Britain or France shall, before the first day of March next, so revoke or modify her edicts that they shall cease to violate the neutral commerce of the United States, and the other does not, in three months thereafter, revoke and modify in like manner, certain enumerated sections of the former non-intercourse law of 1809 shall be revived. . . . I have always doubted whether a repeal in the proper and literal sense of the term, or whether anything like a substantial or even a virtual repeal has taken place.

Sir, if there had been ever anything like a formal explicit act of the French Government, officially communicated, declaring these decrees repealed; if this supposed repeal

had been communicated to the ordinary tribunals of justice in France, and they had received directions to act accordingly; if these ordinary tribunals had declined to take cognizance of cases of capture and condemnation under these decrees, for the express reason that they no longer existed; if similar orders had been given to the commanders of French cruisers on the high seas; but more especially if the effects of these decrees had ceased, and American commerce was now no longer subject to vexation or to capture and condemnation under their operation, this would have afforded such evidence of their repeal as would have been satisfactory to my mind, and it is such evidence as the nature of the case required and was reasonably to be expected. We would then have to complain of no other infringement of our rights on the ocean only what arose from the Orders in Council, and we might with propriety insist upon their repeal, on the grounds which we have set up. . . .

I do not urge these observations with a view either to justify or palliate the Orders in Council, but merely to show that, on the foundation on which we have chosen to place the controversy by our law of May 1st, 1810, they are no cause either of war or of non-importation. France has never in good faith complied with the proposal held out by the United States in that law. . . . I shall not at present attempt to take a comparative view of the degree of injury and vexation which we receive in our lawful commerce from the decrees and orders. I will admit that the orders have been more vexatious, and more rigorously carried into effect, during the last twelve or eighteen months, and that captures under them have been both more numerous and more valuable than for the same space of time previous to that period. One cause of this may be found in the attitude which we have assumed. So long as we placed both the belligerents upon an equal footing, the Orders in Council were not very rigorously carried into effect. By our non-importation law we have departed from our neutral ground and have no longer considered the different belligerents as on an equal footing. The consequence has been that the Orders in Council have been more rigorously carried into effect on the part of Great Britain. And since the additional hostile attitude assumed during the present session of Congress has been known in Great Britain, I understand, from the public prints, that orders have been given for their still more rigid execution. Unless she saw fit to rescind them, this was naturally to be expected.

In proportion as we assume a more hostile attitude towards her and show a disposition to embrace her enemy in the arms of friendship and affection, it was to be expected that she would either relax and accede to our demands or adhere more rigorously to her own system. She has chosen the latter.

As it respects the impressment of seamen, this is a delicate and a difficult subject, and if it is ever adjusted to mutual satisfaction it must be by war; and whenever there is mutually a disposition to accommodate, it will be found necessary to concede something on both sides. With respect to the practice of impressments generally, as it respects the citizens or subjects of the country adopting that method of manning her ships, it may be, and doubtless is, in many instances, attended with circumstances of real hardship. The practice may be oppressive, but it is founded upon a principle which is adopted and more or less practiced upon by every nation, i.e. that the nation has a right, either in one shape or another, to compel the services of its citizens or subjects in time of war. The practice of drafting militiamen into actual service, which is authorized by our laws, the conscription of France for the purpose of recruiting her armies, and the impressment of seamen to man a navy, are all greater or less extensions of the same principle. It is vain to contend against the principle itself, since we have sanctioned it by our laws and daily practice upon it, however hardly we may think of some of the particular modes in which it is applied. I feel satisfaction, however, in the reflection that it has never had the sanction of my vote. The principle then being admitted, the only ground of complaint is the irregular application of it to Americans. Great Britain does not claim, she never has claimed the right of impressing American citizens. She claims the right of reclaiming her own subjects, even although they should be found on board of American vessels. And in the assertion of that claim, many irregularities have without doubt been committed by her officers, on account of the similarity of language, manners, and habits. American citizens have been frequently mistaken for British subjects; but I do not know of any instance in which a real American has been reclaimed, where sufficient testimony of his being an American has been adduced, in which his liberation has been refused. No person would, I presume, wish to involve this country in a war for the sake of protecting deserters, either from British vessels or the British service, who may choose to shelter

themselves on board of our ships, allured by the prospects of gain. No, sir, we do not want their services. They are a real injury to the America seamen, both by taking their bread from them and exposing them to additional perils of impressment on the high seas. But it is a fact which can easily be substantiated, and will not be disputed by any one having a competent knowledge of the subject, that thousands of men of that description have been and still are employed on board our ships, and have been by some means furnished with all the usual documents of American seamen. Could an efficient plan be devised to prevent men of this description from assuming the garb, personating the character, and claiming the privileges of Americans, I presume the difficulties which occur in settling the question about impressments might be easily surmounted. But so long as such a large number of foreign seamen are employed on board our vessels, and so long as American protections for these foreigners can be obtained with such facility, and are mere matters of bargain and sale, and English, Scotch, and Irish sailors are furnished with them, I pretend not to say by what means, indiscriminately with American citizens, it will be difficult to adjust that subject by treaty, it will be impossible to settle it by war. Only let us adopt a plan whereby a discrimination can be made, and the controversy may be amicably settled. But to say that the flag of every merchant ship shall protect every foreigner who may choose to take refuge on board of it, is the same as to say that we will have no accommodation on the subject, because it is a point which, it is well known, never can be conceded. There is another description of citizens about which there may be some difficulty, I mean naturalized foreigners. These, however, are few in number, it being rarely found that seamen take the benefit of our naturalization laws. There are still some. It is I believe a truth that neither Great Britain nor any other European nation admits of expatriation, and that the United States both admit the expatriation of their own citizens and, on terms sufficiently liberal, naturalizes foreigners. But we cannot expect, with any color of reason, that our naturalization laws will make any alteration in the policy of foreign nations, any more than the European doctrine of perpetual allegiance will influence us. Both are municipal regulations, which can be executed only in the respective territories of the parties and make no part of the law of nations, which is alone binding on the high seas. And every nation claims a right to the services of all its citizens

or subjects in time of war. If the United States protect these naturalized foreigners in all the rights and privileges of American citizens, so long as they choose to continue among us, it is a protection sufficiently ample and as much as they can reasonably claim from the government. As long as they continue in the quiet pursuits of civil life on shore, they are in no danger of being remanded back into the service of the country they have abandoned. But when they chose to abandon the land for the ocean, and place themselves in a situation in which it is entirely optional with them whether they return or not, or whether they continue or renounce their allegiance, to attempt to afford protection to them in this situation, at the risk of a war, is to extend to them the privileges of citizenship much farther than they have a right either to expect or claim. If our protections were thus limited to the proper subjects, it would be easy to render them sufficient. This would narrow down the difficulty in adjusting the affairs of impressments and would greatly diminish the numbers of supposed impressed Americans, which are said to be contained in these floating hells, as they have been called. They would be found to be comparatively few, probably not so many hundreds as they have been estimated at thousands, the obstacles in the way of their release would be removed, and impressments probably prevented in future. None of these objects will be obtained by war, but rather by grasping at too much, we will fail of obtaining what we have a right to demand. I do not make these observations with a view to excuse the practice of impressments as generally conducted. But when we are insisting on this as one cause of war, it is proper to view the subject as it is and not through a magnifying mirror which represents every object as being tenfold larger than the life.

I shall say no more of the causes of war as they respect the aggressions of foreign nations. I must now beg the attention of the House for a few minutes to an inquiry, what there is in the present situation of the United States which so imperiously calls for this war. It is said to be necessary to go to war for the purpose of securing our commercial rights, of opening a way for obtaining the best market for our produce, and in order to avenge the insults which have been offered to our flag. But what is there in the present situation of the United States which we could reasonably expect would be ameliorated by war? In a situation of the world which is perhaps without a parallel in the annals of history, it would be strange, indeed, if the

United States did not suffer some inconveniences, especially in their mercantile connections and speculations. In a war which has been unequalled for the changes which it has effected in ancient existing establishments and for innovations in the ancient laws and usages of nations, it would be equally wonderful if, in every particular, the rights of neutrals were scrupulously respected. But, upon the whole, we have reaped greater advantages and suffered fewer inconveniences from the existing state of things than it was natural to expect. During a considerable part of the time in which so large and fair a portion of Europe has been desolated by the calamities of war, our commerce has flourished to a degree surpassing the most sanguine calculations. Our merchants have been enriched beyond any former example. Our agriculture has been greatly extended, the wilderness has blossomed like a rose, and cities and villages have sprung up, almost, as it were, by the force of magic. It is true that this tide of prosperity has received a check. The aggression and encroachments of foreign nations have set bounds to our mercantile speculations; heavy losses have been sustained by the merchant; and the cotton planter of the South and West can no longer reap those enormous profits, those immense golden harvests, from that species of agriculture which he did a few years ago. But if the shackles which we have placed upon commerce by our own restrictive system were completely done away and the enterprise of the merchant was left free to explore new channels, it is probable that it would at this moment be more extensive and more gainful than in times of profound peace in Europe. During the operation of the war a much greater proportion of the commerce of the world was thrown into the hands of the Americans than in times less turbulent would have fallen to their share. . . .

. . . What is the particular achievement to be accomplished by this armament. . . . Canada must be ours; and this is to be the sovereign balm, the universal panacea, which is to heal all the wounds we have received either in our honor, interest, or reputation. This is to be the boon which is to indemnify us for all past losses on the ocean, secure the liberty of the seas hereafter, protect our seamen from impressments, and remunerate us for all the blood and treasure which is to be expended in the present war. Our rights on the ocean have been assailed, and, however inconsistent it may seem to go as far as possible from the ocean to seek redress, yet this would appear to be the

policy. We are to seek it, it seems, by fighting the Indians on the Wabash or at Tippecanoe, or the Canadians at Fort Malden, at Little York, at Kingston, at Montreal, and at Quebec. . . . I shall say nothing of either the morality or the humanity, or of the reverse of both, which will be displayed in attacking an inoffensive neighbor and endeavoring to overwhelm a country which has done us no wrong with a superior military force alone. The conquest of Canada has been represented to be so easy as to be little more than a party of pleasure. We have, it has been said, nothing to do but to march an army into the country and display the standard of the United States, and the Canadians will immediately flock to it and place themselves under our protection. They have been represented as ripe for revolt, panting for emancipation from a tyrannical government, and longing to enjoy the sweets of liberty under the fostering hand of the United States. On taking a different view of their situation, it has been suggested that, if they should not be disposed to hail us on our arrival as brothers, come to emancipate and not to subdue them, that they are a debased race of poltroons, incapable of making anything like a stand in their own defense, that the mere sight of an army of the United States would immediately put an end to all thoughts of resistance; that we had little else to do only to march, and that in the course of a few weeks one of our valiant commanders, when writing a dispatch to the President of the United States, might adopt the phraseology of Julius Caesar: *Veni, Vidi, Vici*. This subject deserves a moment's consideration. To presume on the disaffection or treasonable practices of the inhabitants for facilitating the conquest will probably be to reckon without our host. The Canadians have no cause of disaffection with the British government. They have ever been treated with indulgence. They enjoy all that security and happiness, in their connection with Great Britain, that they could reasonably expect in any situation. Lands can be acquired by the industrious settlers at an easy rate, I believe for little more than the office fees for issuing patents, which may amount to three to four cents per acre. They have few or no taxes to pay. I believe none, only a trifle for the repairs of highways. They have a good market for their surplus produce, unhampered with embargoes or commercial restrictions of any kind, and are equally secure both in person and property, both in their civil and religious rights, with the citizens of the United States. What have they, therefore, to gain by a connection with

the United States? Would it be any advantage to them to have the price of vacant lands raised from a sum barely sufficient to pay office fees, say three or four dollars one hundred acres, to two dollars per acre? Have we any other boon to hold out to them which can ameliorate their condition? It cannot be pretended. Why, then, should they desire a revolution? They want nothing of us, only not to molest them, and to buy and sell on terms of mutual reciprocity. We, therefore, ought to calculate on every man in Canada as an enemy, or if he is not hostile at the moment of the commencement of the expedition, an invasion of the country will soon make him so, and when an enemy is in the heart of a country, ready to attack our homes and houses, it will inspire even a poltroon with courage. . . .

But, let us admit, for the sake of argument, that Canada is at length conquered, and everything settled in that quarter—*Cui bono?* For whose benefit is the capture of Canada? What advantages are we likely to reap from the conquest? Will it secure the liberty of the seas or compel Great Britain to rescind her Orders in Council? Did we ever know an instance in which Great Britain gave up a favorite measure for the sake of saving a foreign possession, perhaps of very little value to her? Will the advantages to be derived from the conquest of Canada be an equivalent for the loss and damage we may sustain in other quarters? What is Great Britain to be about all the time that we are wresting Canada out of her possession? Is it consistent with the vigor with which she usually acts to stand by and tamely look on? Either she will attempt a vigorous defense of Canada or she will not. If she does, some of the difficulties of the enterprise have been stated. If she does not, it will be that she may be the better able to inflict a severe blow in some other quarter. Admitting war to be sincerely intended, no course could be devised more inconsistent with the maxims of sound policy than that which appears to be pursuing by the United States. . . .

Henry Clay, Speech Supporting the War

9 January 1813

Among the newly elected members of the Twelfth Congress, none was more conspicuous than the representative from Kentucky, whose prompt election as Speaker of the House proved the

beginning of a long and distinguished career. One of the most vigorous "War Hawks," Clay delivered this defense of the war during a debate on a bill to enlist additional troops.

. . . The war was declared because Great Britain arrogated to herself the pretension of regulating our foreign trade under the delusive name of retaliatory orders in council, a pretension by which she undertook to proclaim to American enterprise—"Thus far shalt thou go, and no farther"—Orders which she refused to revoke after the alleged cause of their enactment had ceased; because she persisted in the practice of impressing American seamen; because she had instigated the Indians to commit hostilities against us; and because she refused indemnity for her past injuries upon our commerce. I throw out of the question other wrongs. The war in fact was announced, on our part, to meet the war which she was waging on her part. So undeniable were the causes of the war—so powerfully did they address themselves to the feelings of the whole American people—that when the bill was pending before this House, gentlemen in the opposition, although provoked to debate, would not, or could not, utter one syllable against it. It is true they wrapped themselves up in sullen silence, pretending that they did not choose to debate such a question in secret session. Whilst speaking of the proceedings on that occasion, I beg to be permitted to advert to another fact that transpired, an important fact, material for the nation to know, and which I have often regretted had not been spread upon our journals. My honorable colleague (Mr. M'Kee) moved, in committee of the whole, to comprehend France in the war; and when the question was taken upon the proposition, there appeared but ten votes in support of it, of whom seven belonged to this side of the House and three only to the other!

It is said that we were inveigled into the war by the perfidy of France; and that had she furnished the document in time, which was first published in England in May last, it would have been prevented. I will concede to gentlemen every thing they ask about the injustice of France towards this country. I wish to God that our ability was equal to our disposition to make her feel the sense we entertain of that injustice. The manner of the publication of the paper in question was undoubtedly extremely exceptionable. But I maintain that, had it made its appearance earlier, it would not have had the effect supposed; and the proof lies

in the unequivocal declarations of the British government. I will trouble you, sir, with going no further back than to the letters of the British minister addressed to the Secretary of State, just before the expiration of his diplomatic functions. It will be recollected by the committee that he exhibited to this government a dispatch from Lord Castlereagh in which the principle was distinctly avowed that to produce the effect of the repeal of the Orders in Council, the French decrees must be absolutely and entirely revoked as to all the world, and not as to America alone. . . . Thus, sir, you see that the British government would not be content with a repeal of the French decrees as to us only. . . . All the world knows that the repeal of the Orders in Council resulted from the inquiry, reluctantly acceded to by the ministry, into the effect upon their manufacturing establishments of our non-importation law, or to the warlike attitude assumed by this government, or to both. But it is said that the Orders in Council are done away, no matter from what cause; and that having been the sole motive for declaring the war, the relations of peace ought to be restored. This brings me into an examination of the grounds for continuing the war.

I am far from acknowledging that, had the Orders in Council been repealed, as they have been, before the war was declared, the declaration would have been prevented. In a body so numerous as this is, from which the declaration emanated, it is impossible to say with any degree of certainty what would have been the effect of such a repeal. Each member must answer for himself. I have no hesitation, then, in saying that I have always considered the impressment of American seamen as much the most serious aggression. But, sir, how have those orders at last been repealed? Great Britain, it is true, has intimated a willingness to suspend their practical operation, but she still arrogates to herself the right to revive them upon certain contingencies, of which she constitutes herself the sole judge. She waives the temporary use of the rod, but she suspends it in *terrorem* over our heads. Supposing it was conceded to gentlemen that such a repeal of the Orders in Council as took place on the 23rd of June last, exceptionable as it is being known before the war, would have prevented the war, does it follow that it ought to induce us to lay down our arms without the redress of any other injury? Does it follow, in all cases, that that which would have prevented the war in the first instance should terminate the war? By no means. It requires a great struggle for

a nation, prone to peace as this is, to burst through its habits and encounter the difficulties of war. Such a nation ought but seldom to go to war. When it does, it should be for clear and essential rights alone, and it should firmly resolve to extort, at all hazards, their recognition. The war of the revolution is an example of a war began for one object and prosecuted for another. It was waged, in its commencement, against the right asserted by the parent country to tax the colonies. Then no one thought of absolute independence. The idea of independence was repelled. But the British government would have relinquished the principle of taxation. The founders of our liberties saw, however, that there was no security short of independence, and they achieved our independence. When nations are engaged in war, those rights in controversy which are not acknowledged by the Treaty of Peace are abandoned. And who is prepared to say that American seamen shall be surrendered, the victims to the British principle of impressment? And, sir, what is this principle? She contends that she has a right to the services of her own subjects; that, in the exercise of this right, she may lawfully impress them, even although she finds them in our vessels, upon the high seas, without her jurisdiction. Now, I deny that she has any right, without her jurisdiction, to come on board our vessels upon the high seas for any other purpose but in pursuit of enemies, or their goods, or goods contraband of war. But she further contends that her subjects cannot renounce their allegiance to her and contract a new obligation to other sovereigns. I do not mean to go into the general question of the right [of] expatriation. If, as is contended, all nations deny it, all nations at the same time admit and practice the right of naturalization. Great Britain herself does. Great Britain, in the very case of foreign seamen, imposes, perhaps, fewer restraints upon naturalization than any other nation. Then, if subjects cannot break their original allegiance, they may, according to universal usage, contract a new allegiance. What is the effect of this double obligation? Undoubtedly, that the sovereign having the possession of the subject would have the right to the services of the subject. If he return within the jurisdiction of his primitive sovereign, he may resume his right to his services, of which the subject by his own act could not divest himself. But his primitive sovereign can have no right to go in quest of him out of his own jurisdiction into the jurisdiction of another sovereign, or upon the high seas, where there exists either no jurisdiction or it

belongs to the nation owning the ship navigating them. But, sir, this discussion is altogether useless. It is not to the British principle, objectionable as it is, that we are alone to look;—it is to her practice—no matter what guise she puts on. It is in vain to assert the inviolability of the obligation of allegiance. It is in vain to set up the plea of necessity and to allege that she cannot exist without the impression of HER seamen. The naked truth is, she comes, by her press-gangs, on board of our vessels, seizes OUR native seamen as well as naturalized, and drags them into her service. . . .

. . . If there be a description of rights which, more than any other, should unite all parties in all quarters of the Union, it is unquestionably the rights of the person. No matter what his vocation, whether he seeks subsistence amidst the dangers of the deep, or draws it from the bowels of the earth, or from the humblest occupations of mechanic life, whenever the sacred rights of an American freeman are assailed, all hearts ought to unite and every arm should be braced to vindicate his cause.

The gentleman from Delaware sees in Canada no object worthy of conquest. According to him, it is a cold, sterile, and inhospitable region. And yet, such are the allurements which it offers, that the same gentleman apprehends that, if it be annexed to the United States, already too much weakened by an extension of territory, the people of New England will rush over the line and depopulate that section of the Union! That gentleman considers it honest to hold Canada as a kind of hostage, to regard it as a sort of bond, for the good behavior of the enemy. But he will not enforce the bond. The actual conquest of that country would, according to him, make no impression upon the enemy, and yet the very apprehension only of such a conquest would at all times have a powerful operation upon him! Other gentlemen consider the invasion of that country as wicked and unjustifiable. Its inhabitants are represented as unoffending, connected with those of the bordering states by a thousand tender ties, interchanging acts of kindness and all the offices of good neighborhood; Canada, said Mr. C., innocent! Canada unoffending! It is not in Canada that the tomahawk of the savage has been molded into its death-like form? From Canadian magazines, Malden and others, that those supplies have been issued which nourish and sustain the Indian hostilities? Supplies which have enabled the savage hordes to butcher the garrison of Chicago and to commit other horrible murders? Was it

not by the joint cooperation of Canadians and Indians that a remote American fort, Michilimackinac, was fallen upon and reduced, in ignorance of a state of war? But, sir, how soon have the opposition changed. When administration was striving, by the operation of peaceful measures, to bring Great Britain back to a sense of justice, they were for old-fashioned war. And now that they have got old-fashioned war, their sensibilities are cruelly shocked, and all their sympathies are lavished upon the harmless inhabitants of the adjoining provinces. What does a state of war present? The united energies of one people arrayed against the combined energies of another—a conflict in which each party aims to inflict all the injury it can, by sea and land, upon the territories, property, and citizens of the other, subject only to the rules of mitigated war practiced by civilized nations. The gentlemen would not touch the continental provinces of the enemy, nor, I presume, for the same reason, her possessions in the West Indies. The same humane spirit would spare the seamen and soldiers of the enemy. The sacred person of his majesty must not be attacked, for the learned gentlemen, on the other side, are quite familiar with the maxim that the king can do no wrong. Indeed, sir, I know of no person on whom we may make war, upon the principles of the honorable gentlemen, but Mr. Stephen, the celebrated author of the Orders in Council, or the Board of Admiralty, who authorize and regulate the practice of impressment!

The disasters of the war admonish us, we are told, of the necessity of terminating the contest. If our achievements upon the land have been less splendid than those of our intrepid seamen, it is not because the American soldier is less brave. On the one element organization, discipline, and a thorough knowledge of their duties exist on the part of the officers and their men. On the other, almost every thing is yet to be acquired. We have however the consolation that our country abounds with the richest materials and that in no instance when engaged in an action have our arms been tarnished. At Brownstown and at Queenstown the valor of veterans was displayed and acts of the noblest heroism were performed. It is true, that the disgrace of Detroit remains to be wiped off. That is a subject on which I cannot trust my feelings, it is not fitting I should speak. But this much I will say, it was an event which no human foresight could have anticipated, and for which administration cannot be justly censured. It was the parent of all the misfortunes we have experienced on land.

But for it the Indian war would have been in a great measure prevented or terminated; the ascendancy on Lake Erie acquired, and the war pushed perhaps to Montreal. With the exception of that event, the war, even upon the land, has been attended by a series of the most brilliant exploits, which, whatever interest they may inspire on this side of the mountains, have given the greatest pleasure on the other. . . .

It is alleged that the elections in England are in favor of the ministry and that those in this country are against the war. If in such a cause (saying nothing of the impurity of their elections) the people of that country have rallied around their government, it affords a salutary lesson to the people here, who at all hazards ought to support theirs, struggling as it is to maintain our just rights. But the people here have not been false to themselves; a great majority approve the war, as is evinced by the recent re-election of the chief magistrate. Suppose it were even true that an entire section of the Union were opposed to the war, that section being a minority, is the will of the majority to be relinquished? In that section the real strength of the opposition had been greatly exaggerated. Vermont has, by two successive expressions of her opinion, approved the declaration of war. In New Hampshire, parties are so nearly equipoised that out of 30 or 35 thousand votes, those who approved and are for supporting it lost the election by only 1,000 or 1,500 votes. In Massachusetts alone have they obtained any considerable accession. If we come to New York, we shall find that other and local causes have influenced her elections.

What cause, Mr. Chairman, which existed for declaring the war has been removed? We sought indemnity for the past and security for the future. The Orders in Council are suspended, not revoked; no compensation for spoliations; Indian hostilities, which were before secretly instigated, now openly encouraged; and the practice of impressment unremittingly persevered in and insisted upon. Yet administration has given the strongest demonstrations of its love of peace. On the 29th June, less than ten days after the declaration of war, the Secretary of State writes to Mr. Russell, authorizing him to agree to an armistice upon two conditions only, and what are they? That the Orders in Council should be repealed and the practice of impressing American seamen cease, those already impressed being released. . . . In return, the enemy is offered a prohibition of the employment of his seamen in our service, thus

removing entirely all pretext for the practice of impressment. The very proposition which the gentleman from Connecticut (Mr. Pitkin) contends ought to be made has been made. How are these pacific advances met by the other party? Rejected as absolutely inadmissible, . . . An honorable peace is attainable only by an efficient war. My plan would be to call out the ample resources of the country, give them a judicious direction, prosecute the war with the utmost vigor, strike wherever we can reach the enemy, at sea or on land, and negotiate the terms of a peace at Quebec or Halifax. We are told that England is a proud and lofty nation, that disdain to wait for danger, meets it half way. Haughty as she is, we *once* triumphed over her, and if we do not listen to the councils of timidity and despair we shall again prevail. In such a cause, with the aid of Providence, we must come out crowned with success; but if we fail, let us fail like men, lash ourselves to our gallant tars, and expire together in one common struggle, fighting for "*seamen's rights and free trade.*"

Report and Resolutions of the Hartford Convention

4 January 1815

Alienated by years of Republican experiments with commercial coercion, much of New England resented and resisted the war. Disaffection included legislative addresses condemning the war and discouraging volunteering, refusal by the governors of Massachusetts and Connecticut to permit their militias to be used outside their states, trading with the enemy, and, in December 1814, the convocation at Hartford, Connecticut, of a convention to consider the section's grievances against the course of federal affairs. Listing these, the meeting's resolutions proceeded to demand a lengthy set of constitutional amendments.

First.—A deliberate and extensive system for effecting a combination among certain states, by exciting local jealousies and ambition, so as to secure to popular leaders in one section of the Union the control of public affairs in perpetual succession. To which primary object most other characteristics of the system may be reconciled.

Secondly.—The political intolerance displayed and avowed in excluding from office men of unexceptionable merit for want of adherence to the executive creed.

Thirdly.—The infraction of the judiciary authority and rights, by depriving judges of their offices in violation of the constitution.

Fourthly.—The abolition of existing taxes requisite to prepare the country for those changes to which nations are always exposed, with a view to the acquisition of popular favor.

Fifthly.—The influence of patronage in the distribution of offices, which in these states has been almost invariably made among men the least entitled to such distinction, and who have sold themselves as ready instruments for distracting public opinion and encouraging administration to hold in contempt the wishes and remonstrances of a people thus apparently divided.

Sixthly.—The admission of new states into the Union, formed at pleasure in the western region, has destroyed the balance of power which existed among the original states and deeply affected their interest.

Seventhly.—The easy admission of naturalized foreigners to places of trust, honor, or profit, operating as an inducement to the malcontent subjects of the old world to come to these states in quest of executive patronage and to repay it by an abject devotion to executive measures.

Eighthly.—Hostility to Great Britain and partiality to the late government of France, adopted as coincident with popular prejudice and subservient to the main object, party power. Connected with these must be ranked erroneous and distorted estimates of the power and resources of those nations, of the probable results of their controversies, and of our political relations to them respectively.

Lastly and principally.—A visionary and superficial theory in regard to commerce, accompanied by a real hatred but a feigned regard to its interests, and a ruinous perseverance in efforts to render it an instrument of coercion and war.

But it is not conceivable that the obliquity of any administration could, in so short a period, have so nearly consummated the work of national ruin, unless favored by defects in the Constitution.

To enumerate all the improvements of which that instrument is susceptible and to propose such amendments as might render it in all respects perfect, would be a task which this convention has not thought proper to assume. They have confined their attention to such as experience has demonstrated to be essential, and even among these,

some are considered entitled to a more serious attention than others. They are suggested without any intentional disrespect to other states and are meant to be such as all shall find an interest in promoting. Their object is to strengthen, and if possible to perpetuate, the union of the states, by removing the grounds of existing jealousies and providing for a fair and equal representation and a limitation of powers, which have been misused. . . .

THEREFORE RESOLVED,

That it be and hereby is recommended to the legislatures of the several states represented in this Convention to adopt all such measures as may be necessary effectually to protect the citizens of said states from the operation and effects of all acts which have been or may be passed by the Congress of the United States which shall contain provisions subjecting the militia or other citizens to forcible drafts, conscriptions, or impressments, not authorized by the Constitution of the United States.

Resolved, That it be and hereby is recommended to the said legislatures to authorize an immediate and earnest application to be made to the government of the United States, requesting their consent to some arrangement whereby the said states may, separately or in concert, be empowered to assume upon themselves the defense of their territory against the enemy; and a reasonable portion of the taxes collected within said states may be paid into the respective treasuries thereof, and appropriated to the payment of the balance due said states and to the future defense of the same. The amount so paid into the said treasuries to be credited and the disbursements made as aforesaid to be charged to the United States.

Resolved, That it be, and hereby is, recommended to the legislatures of the aforesaid states to pass laws (where it has not already been done) authorizing the governors or commanders-in-chief of their militia to make detachments from the same or to form voluntary corps, as shall be most convenient and conformable to their constitutions, and to cause the same to be well armed, equipped, and disciplined, and held in readiness for service; and upon the request of the governor of either of the other states to employ the whole of such detachment or corps, as well as the regular forces of the state, or such part thereof as may be required and can be spared consistently with the safety of the state, in assisting the state, making such request to repel any invasion thereof which shall be made or attempted by the public enemy.

Resolved, That the following amendments of the Constitution of the United States be recommended to the states represented as aforesaid, to be proposed by them for adoption by the state legislatures and in such cases as may be deemed expedient by a convention chosen by the people of each state.

And it is further recommended that the said states shall persevere in their efforts to obtain such amendments until the same shall be effected.

First. Representatives and direct taxes shall be apportioned among the several states which may be included within this Union according to their respective numbers of free persons, including those bound to serve for a term of years, and excluding Indians not taxed, and all other persons.

Second. No new state shall be admitted into the Union by Congress in virtue of the power granted by the Constitution without the concurrence of two thirds of both houses.

Third. Congress shall not have power to lay any embargo on the ships or vessels of the citizens of the United States, in the ports or harbors thereof, for more than sixty days.

Fourth. Congress shall not have power, without the concurrence of two thirds of both houses, to interdict the commercial intercourse between the United States and any foreign nation or the dependencies thereof.

Fifth. Congress shall not make or declare war or authorize acts of hostility against any foreign nation without the concurrence of two thirds of both houses, except such acts of hostility be in defense of the territories of the United States when actually invaded.

Sixth. No person who shall hereafter be naturalized shall be eligible as a member of the Senate or House of Representatives of the United States, nor capable of holding any civil office under the authority of the United States.

Seventh. The same person shall not be elected president of the United States a second time; nor shall the president be elected from the same state two terms in succession.

Resolved, That if the application of these states to the government of the United States, recommended in a foregoing resolution, should be unsuccessful and peace should not be concluded, and the defense of these states should be neglected, as it has since the commencement of the war, it will, in the opinion of this convention, be expedient for the legislatures of the several states to appoint delegates to another convention, to meet at Boston . . . with such powers and instructions as the exigency of a crisis so momentous may require.