

BIOGRAPHICAL SUMMARY: Alexander Hamilton

Alexander Hamilton was born in the British West Indies to a destitute household. His mother died when he was very young, and his father abandoned him. Financed by his aunts, Hamilton was sent to America in 1772 to study at King's College. Hamilton joined the growing anti-British movement by writing eloquent pamphlets supporting the colonists' resistance to tyranny. During the revolution he served under George Washington and quickly moved up the ranks, becoming Washington's aide-de-camp. At the end of the war, Hamilton married into one of the wealthiest and most influential families in New York. He served a term in the Continental Congress, and then practiced law in New York City.

1. What effects might Hamilton's meager beginnings have had on the way he felt about the government's powers, taxation, or the economy?

2. How might serving under Washington have helped Hamilton's political career?

As a man of position, he was chosen as a delegate to the Constitutional Convention in 1787. He signed the new Constitution even though he thought that it did not focus enough on a strong central government. Hamilton would have preferred a permanent, hereditary president because he feared a president who had to be elected would be corrupted by trying to please the majority of the voters. However, some believed the Constitution gave the national government too much power. Hamilton joined James Madison and John Jay in writing the "Federalist Papers" that helped gain support for the new Constitution. Washington chose him as the first Secretary of the Treasury.

Hamilton believed that people worked only for their own self-interest. He wished to set up a government that would serve the larger public good by appealing to individual self-interests. He was convinced that the greater good would be served best by giving the wealthy and influential the greatest say in government. Hamilton argued that only the upper class had the leisure, education, and experience to study and understand the complex problems of governmental decision-making. He worried that the uneducated classes could be easily misled and abused by ambitious people who would use their votes to bring about a tyrannical government.

1. Why did Hamilton think the wealthy and influential could make the best decisions for the government?

As head of the Treasury, he attempted to lay the foundation for a stable nation with a strong central government. His financial plan sought to gain the loyalty of businessmen by appealing to their interests. He argued that by serving the interests of men of property, a government serves the interests of all citizens because prosperity by the wealthy means the creation of jobs and opportunities for the masses of the people. He reasoned that the U.S. could not remain independent without an independent manufacturing base. Therefore, it was only common sense to assist American business. New industries could not compete on even terms with powerful, established British manufacturing.

His plan had the national government pay back all domestic, state, and foreign war debts. It created a national bank that tied the wealthy to the interest of the new government by allowing them to invest in the bank. Finally, it created excise taxes to create revenue to pay off debts and serve as income. These taxes reminded some citizens of the taxes enforced under British rule. In fact, some saw the same sort of unequal treatment in all aspects of his plan. Hamilton acknowledged that the common man might lose money as he implemented his financial plan. However, he argued that they would stand to lose much more if the nation collapsed. In the name of national survival, the government could not alienate the rich and powerful. They would not support a government that ignored their interests, and they had the power to bring down a government.

1. Why did Hamilton focus his financial plan on the interests of large property owners and businesses?

2. Why would Hamilton enforce taxes after fighting against British taxation?

3. How did Hamilton's excise tax compare to the taxes imposed by the British?

A group of Western Pennsylvanian farmers opposed Hamilton's excise tax on whiskey. They refused to pay it and terrorized tax collectors. This was the first test of this new nation and how the challenge was handled would shape the powers of the new government and its relationship with citizens of the United States. Hamilton was determined to respond forcefully. He convinced Washington to send 13,000 troops to Pennsylvania. Hamilton accompanied them. Resistance evaporated against such a show of force and many of the rebels were arrested. Hamilton arranged for a circuit court to be established in order to try these men. Many were found guilty, but Washington later pardoned them. Hamilton was furious that those who had resisted the government were allowed to go free. He believed that an example needed to be set for others who might consider defying the government in the future.

Virtually all of Hamilton's ideas clashed with those of Secretary of State, Thomas Jefferson. The struggles between these two persuasive, influential men led to the establishment of the first political parties.

Hamilton's party called themselves the Federalists because of their desire for a strong, central government with little power left in the states. Jefferson and his Republicans thought that there should be severe restraints placed on the federal government's powers and that most power should be left close to the people in local and state governments.

1. Do you agree with the actions taken by Hamilton against the rebels? How might he have acted differently?

2. Jefferson and Hamilton both opposed political parties, yet their actions led to the founding of the first two U. S. parties. Was this inevitable or could parties have been avoided?