International Political Science Review (1988), Vol. 9, No. 1, 43–54

Alexander Hamilton: The Aristocrat as Visionary

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ABSTRACT. Alexander Hamilton described, and attempted to be, an aristocratic yet visionary statesman. Hamilton's statesman would resist and rise above popular prejudices and passions; occupying a commanding eminence, he would plan grand projects for the nation's future. His architectonic vision detailed instruments for efficient action: the energetic executive and the administrative state. Having shaped these powerful tools, he turned them to economic use, fashioning a carefully integrated set of policies that fostered the rise of manufacturing in the United States. While the aristocratic statesman did not expect the public to understand his vision, he did expect it to respond to the prosperity and power that his efforts produced. As the nation rose to greatness, so, ultimately, would his fame.

The founders of the American republic, Douglass Adair (1974) observed, were driven by a desire for fame. For most of them, this desire for fame was couched in classical terms. George Washington, graciously spurning the mantle of power, won renown as an American Cincinnatus. John Adams also had a Roman conception of fame; greatness lay in the preservation of the republic and its central values from the forces that threatened to corrupt or destroy it.

Alexander Hamilton's desire for fame took a more modern form. For Hamilton, political glory was to be won by constructing a modern state. In his vision, the statesman took upon himself the responsibility of creating the foundations of that state: an energetic executive, an efficient administrative apparatus, an industrial economy, a professional military. Overcoming popular prejudices and narrow suspicions, he made the nation powerful and prosperous; as it rose to greatness, so would his reputation.

The Hamiltonian statesman was an aristocratic figure. Scorning an appeal to popular sentiments as demagoguery, he set himself resolutely against the rising tide of democracy. Yet Hamilton's aristocratic leadership was of a uniquely American kind. The order he set out to defend was not steeped in tradition and obsessed with stability; it was a fluid order which needed to be protected from democratic frenzies so that it could be yoked to a dynamic economy. Where traditional aristocratic virtues pitted themselves against the disruptive vices of avarice and ambition, Hamilton's aristocratic leadership, while holding itself superior to these vices, sought to use them as its raw materials. Hamilton's hope was not to produce citizens who would feel a

0191-5121/88/01 0043-12 $03.00

commitment to a free republic, but capitalists whose enterprise and energy would help the republic to thrive. Taming a people whose rage for liberty jeopardized "true liberty" (Syrett, 1961–1979: vol. xviii, 329) as well as order, property, and religion, Hamilton would show Americans how power and prosperity could make them happy.

Aristocratic Statesmanship

Alexander Hamilton often pictured political leadership as a matter of stark alternatives. The American people could be tricked by "the cunning of a demagogue" or they could reap benefits from "the talents of a statesman" (Syrett, 1961–1979: vol. xxv, 597). Unable to conceive of any responsible forms of popular leadership, Hamilton envisioned an aristocratic form of leadership that would serve the people's true interests while mastering their misguided passions. His images of the statesman were scattered throughout his writings and actions. While he sketched detailed likenesses of demagogues, he depicted the statesman in only fragmentary analyses—an indication, perhaps, that his notion of the statesman was more a self-portrait than a well-developed concept in his mind.

The only similarity between the demagogue and the statesman was that both possessed unusual energy. While the demagogue's cunning masked the absence of solid talents, the statesman was a man of superb abilities. Self-controlled and prudent, he grasped the nub of public business and carried out his duties with a fine sense of order and system. Yet he was not the captive of inflexible institutions and rules; an expansive reading of the creative possibilities of governance led him to innovate as well as to preserve. Such abilities were, Hamilton believed, most often to be found among the economic and social elite. As early as 1780, he was advocating that Congress fill the chief offices of state with "men of the first abilities, property, and character in the continent . . ." (Syrett, 1961–1979: vol. ii, 408). He did, however, acknowledge that the talents of a statesman might be found elsewhere. In a clearly autobiographical passage, he wrote: "There are strong minds in every walk of life that will rise superior to the disadvantages of situation and will command the tribute due to their merit . . ." (Rossiter, 1961: 217).

Ability was closely tied up with images of strength in Hamilton's discussions of statesmanship. Words such as "energy" and "vigor" appear frequently in Hamilton's prose. The personal vitality of the statesman was an indispensable source of energy in a government whose capacity for action had been hindered by an excessive fragmentation of power. Strength also meant a tough-minded, unsentimental view of the realities of politics. Hamilton equated his own statesmanship with masculinity, while portraying his opponents not only as misguided but as emasculated. Describing the foreign policy views of Jefferson and Madison in 1792, he wrote: "*They have a womanish attachment to France and a womanish resentment against Great Britain*" (Syrett, 1961–1979: vol. xi, 439).

Talents and strength were prerequisites for genuine statesmanship, but they had to be placed in the service of a guiding vision. For Hamilton, statesmanlike vision looked to the maximum possible development of the nation's potential, without ever losing sight of limits and constraints; the statesman had to be visionary without being a dreamer who would mistake his own speculative fancies for reality. Hamilton scoffed at several of his rivals for their excessive attachments to abstract political theories. Complaining to Rufus King about John Adams's conduct as President, Hamilton observed: "You know . . . how widely different the business of government is from the

speculation of it . . ." (Syrett, 1961–1979: vol. xxii, 192). Mocking Thomas Jefferson's presidential proposals on public finance, Hamilton characterized his long-time rival as one of those people "who, enveloped all their lives in the mists of theory, are constantly seeking for an ideal perfection which never was and never will be attainable in reality" (Syrett, 1961–1979: vol. xxv, 515).

The Hamiltonian statesman was too prudent and realistic to fall prey to the illusions of theory. Yet he could not do without theory either. Responding to the claims of some of his Federalist colleagues that Aaron Burr was preferable to Jefferson because of his utter disinterest in questions of political theory, Hamilton retorted: "But is it a recommendation to have *no theory*? Can that man be a systematic or able statesman who has none? I believe not" (Syrett, 1961–1979: vol. xxv, 321).

Between Burr's unprincipled quest for self-aggrandizement and the airy speculations of Adams and Jefferson lay the realm of the statesman's vision. Hamilton was not, ultimately, concerned about the possibilities of human nature or the best form of political institutions. These issues were too hypothetical and remote from the stage of political action to capture his interest. The statesman's vision was architectonic rather than philosophical. He looked to design and build institutions that could effectively wield political power and that could effectively foster economic development. He drew up "liberal or enlarged plans of public good . . ." (Rossiter, 1961: 191), rather than recipes for an ideal society. Grasping the limits posed by the faulty human materials with which he must work, he nonetheless followed theoretical principles sufficiently far to construct something that would partake of greatness.

The statesman's pursuit of an architectonic vision served both his country and his own desires. Scorning popularity as a lure for the opportunistic and the short-sighted, seeking power as an instrument rather than an end, the statesman's real object was fame. The most revealing of Hamilton's references to the desire for fame came in *The Federalist Papers*. In No. 72, Hamilton argued vigorously that restrictions upon the president's eligibility for reelection would diminish his incentives for "good behavior." They would, he warned, discourage the most visionary executive, depriving the people of the benefits of his genius.

> Even the love of fame, the ruling passion of the noblest minds, which would prompt a man to plan and undertake extensive and arduous enterprises for the public benefit, requiring considerable time to mature and perfect them, if he could flatter himself with the prospect of being allowed to finish what he had begun, would, on the contrary, deter him from the undertaking, when he foresaw that he must quit the scene before he could accomplish the work, and must commit that, together with his own reputation, to hands which might be unequal or unfriendly to the task (Rossiter, 1961: 437).

With his ability, vision, and noble passion, Hamilton's statesman stood on a commanding eminence, far above both the common people and the economic elite. His lofty perspective encouraged him to guide their conduct, to channel their behavior into those courses that were most congruent with his plans. He felt little kinship with them, for he was plainly their superior. Nevertheless, he could not afford to ignore their interests or even their prejudices. Once, Hamilton abandoned himself to the full force of his vision. In a remarkable speech before the Constitutional Convention, he claimed that because the United States faced a crisis of extraordinary proportions, "[i]t leaves us room to dream as we think proper" (Syrett, 1961–1979: vol. iv, 203). He then proceeded to sketch a high-toned government with such features as a senate and an executive serving during good behavior. For this articulation of his

dream, Hamilton would be put repeatedly on the defensive. Throughout the remainder of his career, he would have to answer charges that his convention speech proved his aristocratic and monarchical leanings.

Burned by dreaming too openly, Hamilton came to recognize that the statesman had to be practical in the pursuit of his vision. In a retrospective defense of his funding system, he cogently laid out the case for practical statesmanship.

> It was proper for him [the Secretary of the Treasury] to endeavor to unite two ingredients in his plan, intrinsic goodness [and] a reasonable probability of success. It may be thought that the first was his only concern—that he ought to have devised such a plan as appeared to him absolutely the best, leaving its adoption or rejection to the chance of events and to the responsibility of those whose province it was to decide. But would not this have been to refine too much? If a plan had been offered too remote from the prevailing opinions—incapable of conciliating a sufficient number to constitute a majority—what would have been the consequences? The Minister would have been defeated in his first experiment . . . Placed in the back ground, he would have lost confidence and influence . . . The public interest might have been still more injured (Syrett, 1961–1979: vol. xix, 3–4).

The statesman thus had to be what Hamilton called the "true politician." Whereas "political-empyric" leaders (presumably his phrase for his Jeffersonian opponents) either restricted themselves to attacking and harassing the administration in power or else attempted "to travel out of human nature and introduce institutions and projects for which man is not fitted . . . ," the "true politician" understood and worked with the often recalcitrant materials at hand. Taking human nature

> . . . as he finds it, a compound of good and ill qualities . . . he will not attempt to warp or to distort it from its natural direction . . . [H]e will favor all those institutions and plans which tend to make men happy according to their natural bent, which multiply the sources of individual enjoyment and increase those of national resources and strength . . . (Syrett, 1961–1979: vol. xix, 59–60).

The aristocratic visionary was quite clear about which institutions and plans would make Americans "happy according to their natural bent." The most important of these institutions would be the chief executive and the administrative apparatus under his direction. The most important of these plans would foster the development of manufacturing and the flowering of capitalism in the United States.

The Chief Executive and the Administrative State

Hamiltonian statesmanship could be pursued from a number of vantage-points, including a cabinet department and a New York law practice. But the key to statesmanship in the new national government was the presidency. Hamilton's architectonic vision required an "energetic executive" as its driving force. In developing and carrying out his conception of this executive, he made a lasting contribution to American political thought, and exerted enormous influence on subsequent American understanding of the possibilities of political leadership.

At the Constitutional Convention, Hamilton had proposed "an executive for life," whose features were copied from "the English model" (Syrett, 1961–1979: vol. iv, 193–194). That the American presidency, as the Convention fashioned it, fell short of Hamilton's ideal executive did not, however, dishearten him; he would bend his subsequent efforts to lifting the presidency toward his "high-toned" vision. These

efforts would begin almost immediately, in Hamilton's extended commentary on the presidency in *The Federalist Papers*. But Hamilton would have to be careful about what Publius could say about the executive. He would have to pay obeisance to American fears. His papers on the executive thus revolved around an elaborate balancing act. On the one hand, he would emphasize as much as possible the energy, strength, and dignity of the new American executive. On the other hand, he would go to great lengths to deny to the public what he had advocated in the Convention: the resemblance of the president to the British monarch. And he would stress the strict accountability of the president to the American people.

Publius assured his readers that the president of the United States would be a special kind of individual. Thanks to the mechanism of the electoral college, the most reputable men in the nation could weed out not only the unqualified, but the dangerous and the demagogic. The man who could survive this screening process would be exempt from the lower passions and depravities that typified most of humankind.

> Talents for low intrigue, and the little arts of popularity, may alone suffice to elevate a man to the first honors in a single state; but it will require other talents and a different kind of merit to establish him in the esteem and confidence of the whole union . . . It will not be too strong to say that there will be a constant probability of seeing the station filled by characters preeminent for ability and virtue (Rossiter, 1961: 414).

"Preeminent" leaders would occupy an office whose characteristics were independence, power, and above all, energy. In *Federalist* No. 70, Hamilton presented his famous discourse on executive energy. His sweeping phrases underscored the centrality of executive energy to the success of the new constitutional order: "Energy in the executive is a leading character in the definition of good government." They contrasted the unified and vigorous actions of the single executive to the circumspect and often divided deliberations of the legislature. As Hamilton sketched the unitary executive, he attributed to it inherent qualities of statesmanlike action: "[d]ecision, activity, secrecy, and dispatch . . ." (Rossiter, 1961: 423–424).

Executive energy was, for Hamilton, a critical counterbalance to the force of popular and legislative passions. While the president would be subject to popular appraisal every four years, rather than enjoying the protection of a lifetime tenure, the term was nonetheless long enough to permit a man "with a tolerable portion of fortitude" to act on behalf of his conception of the public good even in the face of contrary pressures from the public or the legislature. In Hamilton's account, a president would not take his cues from popular desires or views. Instead, he would attempt to bring the people around to his views, to enlighten them so that they could perceive how his course of action was in their true interest. Four years would be "time enough . . . to make the community sensible of the propriety of the measures he might incline to pursue" (Rossiter, 1961: 434).

In making such a strong case for executive energy and independence, Hamilton had to reassure the public that the president would not escape their control and threaten their liberties. To do this, he had to counter "that maxim of republican jealousy which considers power as safer in the hands of a number of men than of a single man." His retort was to invert the maxim, to argue that power is safer in the hands of one man. The president, as a unitary executive, would have a keener and more clear-cut sense of responsibility than any collective body. The people would have an easier time holding him accountable. A president, on his unique eminence,

was a highly visible figure "who, from the very circumstance of his being alone, will be more narrowly watched and more readily suspected, and who cannot unite so great a mass of influence as when he is associated with others" (Rossiter, 1961: 429–430). Hamilton's arguments were brilliant—but also somewhat disingenuous, for this visible executive would possess the capacity for secrecy, and a potential for symbolic aloofness and majesty. No matter how prominent the president might be, much about him would remain obscure even to a watchful public.

Hamilton's conception of the presidency should not be read only from *The Federalist Papers*. As Secretary of the Treasury under George Washington, he seized upon opportunities to infuse further power, energy, and stature into the office. His chance to make the case for a president who was empowered by the Constitution far more than he was restrained came in the defense of Washington's Neutrality Proclamation of 1793. Writing under the pseudonym of Pacificus, Hamilton explained the language of Article II of the Constitution in an audacious argument that outraged his former collaborator as Publius, James Madison, as much as it did Thomas Jefferson. According to Pacificus, the opening words of Article II bestowed upon a president a "comprehensive grant" of executive powers. The "enumeration of particular authorities" that followed spelled out the principal, but not the full, powers that an executive could exercise. "The general doctrine then of our Constitution is that the EXECUTIVE POWER of the nation is vested in the President, subject only to the *exceptions* and *qualifications* which are expressed in the instrument" (Syrett, 1961–1979: vol. xv, 39). Executive energy was, to Hamilton, the key to the powerful national government he desired, and he was successful in convincing Washington of his view that the Constitution did not intend to impede an energetic executive.

An independent executive, armed with extensive and ill-defined constitutional powers, could use his energies to promote innovations as well as to protect the status quo. Hamilton wanted the executive to take the initiative and to shape events. In the contemporary language of presidency scholarship, he viewed the executive as an "agenda-setter." The irony, of course, was that the agenda came not from the chief executive, but from his Secretary of the Treasury and all-purpose adviser. Hamilton's economic program formed the principal part of the new republic's domestic agenda. Considerable energies were to be poured into the enactment and implementation of this agenda. As John C. Miller (1959: 323) observes, Hamilton "supervised the whole process of legislation from the inception of bills to their passage, securing the appointment of committees friendly to his plans, determining questions of strategy with prominent members of Congress, and marshaling his followers in Congress when heads were being counted."

It was equally imperative, in Hamilton's judgment, that the executive be the dominant figure in determining the United States' international relations. He urged Washington to be a forceful actor on the international stage. Facing a crisis with Great Britain in 1794 that threatened war, Hamilton proposed to Washington a detailed set of measures. "It may be interesting for the President to consider whether some such plan is not demanded by the conjuncture of affairs, and if so, whether there ought not to be some executive impulse. Many persons look to the President for the suggestion of measures corresponding with the exigency of affairs" (Syrett, 1961–1979: vol. xvi, 136).

When Hamilton spoke of executive energy, he had in mind more than the vitality of the chief executive. If the drive and efficiency of the presidency were to have a significant impact upon society, they needed to be magnified through institutions that

carried out the presidential will. If the statesman's vision were to be put into place, it required that he shape and staff an administrative apparatus. Hamilton was thus an institutionalist, viewing administrative system and order as essential means to power. Indeed, he was, as Leonard White (1948: 125–126) has stated, "the greatest administrative genius of his generation in America, and one of the great administrators of all time."

Without expert public administration, an innovative executive's "liberal or enlarged plans of public good" would come to naught. "It is in vain to have good plans if there are not proper organs of execution" (Syrett, 1961–1979: vol. xxiii, 327). Where Hamilton could place his own imprint on those organs, as with the Treasury Department, the administrative apparatus that he created was extensive and effective. But where his reach did not extend, the results often left him frustrated. When his frustration was highest, he came to suspect that it was not inadequate measures or men that undermined administrative efficiency, but the republican spirit itself. "[T]here is in a government like ours a natural *antipathy to system of every kind*" (Syrett, 1961–1979: vol. xxiv, 238).

System and order in administration were not to be confused with rigidity. Hamilton was a champion of administrative discretion, especially for higher officials. He believed that "if the terms of a law will bear several meanings, that is to be preferred which will best accord with convenience . . . The business of administration requires accommodation to so great a variety of circumstances that a rigid construction would in countless instances arrest the wheels of government" (Syrett, 1961–1979: vol. xix, 405). Energy, whether on the higher or the lower levels of executive business, was not to be defeated by "an over-scrupulous adherence to general rules" (Syrett, 1961–1979: vol. xxiv, 31).

An extensive, well-ordered, yet flexible corps of administrators would, Hamilton believed, win both elite and popular support for the national government in general and the chief executive in particular. He suggested that the public's "confidence in and obedience to a government will commonly be proportioned to the goodness or badness of its administration" (Rossiter, 1961: 174). Associating a participatory, democratic politics with turbulence and disorder, Hamilton thought that good administration could pacify the people—and diminish their propensity to engage in political action. In Hamilton's conception of the administrative state, the people were recipients of services rather than active citizens.

Through his writings and his precedent-setting actions, Hamilton established potent images of the American executive: independence, will, decisiveness, energy, vision, even a willingness to stretch the constitutional fabric. Some of the heirs of these images, such as Theodore Roosevelt, would offer him homage. Others, leery of Hamilton's aristocratic reputation, would have to admire him in secret. All, at least after Andrew Jackson, would depart from Hamilton's conception in giving the presidency a democratic tone and asserting their championship of the people's cause. But the relationship between president and people would usually remain more symbolic than actual. The essentials of presidential activism would remain the ones laid down by Alexander Hamilton.

The Statesman and the Capitalist

"Money is, with propriety, considered as the vital principle of the body politic; as that which sustains its life and motion and enables it to perform its most essential

functions" (Rossiter, 1961: 188). Alexander Hamilton is the only one of the American founders who could have written this statement; one cannot imagine Jefferson, Adams, or even Madison making it. The national republic that Hamilton envisioned would not depend upon citizen commitments or elaborate arrangements of political power, but upon the possession of ample fiscal powers. The state would need money, not to fill its own coffers, but to foster a new economic system. The statesman would also be a financial founder. His measures would provide, in effect, a constitution for an emerging American capitalism.

As Secretary of the Treasury, Hamilton introduced all of the major provisions of his economic constitution between January 1790 and December 1791. He proposed that Congress fund the unpaid national debt, assume the debts of the states, create a national bank, and provide incentives for the development of manufactures. Through these measures, Hamilton sought to stabilize the American economy by placing government credit on a firm footing, and to stimulate it by establishing new sources of money that would facilitate enhanced economic activity. He justified his program as a life-giving source. A national bank, for example, would be a vital means for the

> . . . augmentation of the active or productive capital of a country. Gold and silver, when they are employed merely as the instruments of exchange and alienation, have not been improperly denominated dead stock; but when deposited in banks, to become the basis of a paper circulation . . . they then acquire life, or, in other words, an active and productive quality (Syrett, 1961–1979: vol. vii, 306–307).

Hamilton insisted that while his measures were immediately directed at public creditors, financial investors, and manufacturers, they were not designed to benefit any particular groups or sections at the expense of others. Invoking a harmony of interests, he promised a general prosperity in which the agrarian majority would abundantly share. His opponents assailed these claims, arguing correctly that Hamilton was establishing a specially privileged position for men of business in the new political economy he was constructing. Yet they misread Hamilton when they searched for evidence that he was out to enrich himself and his friends. As a visionary statesman, Hamilton had political rather than economic motives—but the fulfillment of his vision required that he use the economic motives of others as his instruments.

As a young officer in the revolutionary army, Hamilton had criticized the rise of American avarice, and had hoped to counter it with public virtue. The Secretary of the Treasury no longer expected political virtue from anyone save a "few choice spirits," but he perceived an alternative in economic virtue. Hamilton believed that the hunger for wealth, which was widespread in America, had spurred entrepreneurial energies. If Americans lacked public spirit, at least some of them possessed a spirit of enterprise. In *Federalist* No. 11, Hamilton described the "unequaled spirit of enterprise, which signalizes the genius of the American merchants and navigators and which is in itself an inexhaustible mine of national wealth . . ." (Rossiter, 1961: 88). In *The Defence* No. 11, one of a series of papers justifying the Jay Treaty, he proclaimed: "As to whatever may depend on enterprise, we need not fear to be outdone by any people on earth. It may almost be said that enterprise is our element" (Syrett, 1961–1979: vol. xix, 196).

Economic virtue, in Hamilton's view, was largely a matter of energy and risk-taking. But it also meant a certain prudence of intellect and breadth of vision. The agrarian was bound to the traditional practices of the soil and the narrow horizons of the locality. The entrepreneur, in contrast, could be taught to grasp the possibilities in new modes of business and an enlarged framework for economic

activity. The agrarian was the prospective target for provincial democratic politicians and petty demagogues. The entrepreneur could be induced to look to the national government, and to take his guidance from the statesman (see McDonald, 1979: 117–123).

While Hamilton could find economic virtue in men of business, he did not place such men on a par with statesmen. Men of business employed their energies to pursue self-interest; statesmen used their energies on behalf of the public good. Men of business saw expanded personal opportunities in a growing capitalist economy; statesmen had a broader comprehension of possibilities, encompassing the economy as a whole. Men of business were satisfied with the acquisition of wealth; statesmen yearned for the higher rewards of political glory.

Hamiltonian political economy envisioned a partnership between political men whose motives and objectives were essentially classical and businessmen whose motives and objectives were distinctively modern. Statesmen would handle public matters, while men of business devoted themselves to private affairs. But the division of labor between political and economic elites could not be sharply defined. For in the underdeveloped state of the American economy, statesmen could not be satisfied with existing levels of either capital formation or capitalist consciousness. Their task was to take an immature capitalist system and rapidly bring it into full-grown life.

Hamilton was impressed by the American spirit of enterprise, but he deplored the tendency of most businessmen to follow well-trodden paths of economic endeavor. Commercial and financial efforts were abundant, but too few Americans were essaying ventures in the manufacturing sector, which Hamilton saw as the key to the future of the economy. As Tench Coxe informed Hamilton in preparing materials for the *Report on the Subject of Manufactures*, the "want of capitalists in manufactures is yet a very great difficulty" (Syrett, 1961–1979: vol. xxvi, 521–522). Hamilton proposed to supply this want. If confidence in the potential of manufacturing was lacking among men of business in America, the Secretary of the Treasury would establish that confidence.

> Experience teaches, that men are often so much governed by what they are accustomed to see and practice, that the simplest and most obvious improvements, in the most ordinary occupations, are adopted with hesitation, reluctance, and by slow gradations. The spontaneous transition to new pursuits, in a community long habituated to different ones, may be expected to be attended with proportionably greater difficulty . . . To produce the desirable changes, as early as may be expedient, may therefore require the incitement and patronage of government (Syrett, 1961–1979: vol x, 266–267).

The numerous forms of government aid proposed by Hamilton to encourage manufacturing—protective tariffs, bounties, premiums, and others—were designed to change the habits of American businessmen. The statesman was concerned not so much with benefitting existing capitalists as with creating new ones and instilling them with his own confidence. By altering the structure of incentives in the American economy, he could reshape the character, understanding, and behavior of economic actors, and bring them in line with his vision. If Hamiltonian statesmanship was pessimistic about the potential for political virtue, it was audacious and visionary in its claims to produce economic virtue. It would not try to educate and shape good citizens; it would seek to entice and mold good capitalists.

The statesman would not only create capitalists for the manufacturing sector; he would also create the capital with which they would work. In his report on

manufacturing, Hamilton demonstrated that the United States already possessed the sources of capital needed to finance industrial development. He cited the growth of banks, the availability of foreign capital, and "the effect of a funded debt as a species of capital . . ." (Syrett, 1961–1979: vol. x, 274–277). These three pools of capital had largely flowed out of Hamilton's own prior efforts. He was the architect of the funded debt and the Bank of the United States. He had established the secure credit and promoted the dynamic economic growth that were attracting large amounts of foreign investment. Hamilton first provided the economic means, and then went to work on the motives of the business class in America.

A capitalist economy which added manufacturing to commerce and finance as a field for entrepreneurial energy and risk-taking would be dynamic and unpredictable. But it needed a stable governmental infrastructure of credit, subsidy, tax collection, and regulation. This need, too, would be supplied by the statesman. Hamilton's organizational efforts, particularly in the Treasury Department, promoted regular and systematic procedures that were a boon to capitalist calculation. His corps of administrators was designed to be efficient in ways that facilitated economic vitality as well as satisfying the public's desire for order.

As if it were not enough to provide incentives, sources of capital, and a predictable infrastructure for the development of manufacturing, Hamilton also set out to show men of business the possibility of manufacturing on a grand scale. The statesman would, for a moment at least, become an exemplary capitalist. Hamilton's brainchild was the Society for the Encouragement of Useful Manufactures (commonly abbreviated as SUM). He organized and even wrote the prospectus for this corporation, which was to be capitalized at one million dollars (making it by far the largest manufacturing enterprise in the United States), and which was to establish pioneering industrial facilities in what became Paterson, New Jersey.

Hamilton's efforts to bring into existence his vision of a growing capitalist economy won him applause from the business class. Basking in an economic boom to which Hamilton's economic program had contributed greatly, men of business found the Secretary of the Treasury to be their ideal statesman. Yet admiration was not readily translated into a willingness to follow the statesman's lead onto unfamiliar economic terrain or to eschew questionable modes of money-making. The statesman would have more success at creating profits for the emerging capitalist class than at guiding their behavior along his chosen course.

That most American capitalists of the day preferred quick profits through speculative activities rather than prudent enterprises that would foster economic growth was evident in the financial frenzies of 1791 and 1792. In the first instance, sales of stock in the Bank of the United States produced a speculative orgy that threatened to unhinge Hamilton's economic plans. In the second, rival schemes to manipulate the market for government bonds led to a financial panic and a brief depression. While Hamilton could take effective measures to protect the price of government securities, there was little he could do to counter the spirit of speculation. His frustration was plain in a letter to Philip Livingston:

> I observe that certain characters continue to sport with the market and with the distresses of their fellow citizens. 'Tis time there should be a line of separation between honest men and knaves; between respectable stockholders and dealers in the funds, and mere unprincipled gamblers. Public infamy must restrain what the laws cannot (Syrett, 1961–1979: vol. xi, 218–219).

These words evinced Hamilton's desire for a responsible capitalism. Yet his economic program had stimulated the spirit of speculation, and he had no effective means to check it. When Hamilton contemplated unruly behavior by citizens, he turned to law, authority, and even repression to bring it under control; faced with unruly behavior by capitalists, he could summon up only "public infamy." The statesman who tied his hopes to capitalist acquisitiveness was bound to be frustrated by capitalist avarice and shortsightedness. The statesman who infused power into the national government found that he had scant power over the abuses of those whom he had identified as the agents of American prosperity and progress.

Just as speculative orgies and financial manipulations demonstrated the difficulty of transmuting avarice into economic virtue, the Society for the Encouragement of Useful Manufactures became a symbol of America's inability, in the 1790s, to support the kind of manufacturing of which Hamilton dreamed. SUM turned out to be a money-losing venture, and its manufacturing operations at Paterson were shut down in 1795. One of Hamilton's most egregious miscalculations was the selection of William Duer, his former Assistant Secretary of the Treasury, as its governor; Duer borrowed from SUM's stock of capital to finance his own speculative schemes (McDonald, 1979: 244–249). Apart from mismanagement, SUM also suffered from the lack of manufacturing expertise and skilled labor (Miller, 1959: 308–310). The most striking source of its failure, however, was the reluctance of American investors to put their funds into manufacturing when more lucrative prospects beckoned in stock or land speculation. The refusal of Congress to adopt most of the Hamiltonian incentives for manufacturing no doubt influenced their calculations. But even if Hamilton had fully succeeded in enacting all of the proposals contained in his report on manufacturing, it is questionable whether American business was yet ready to live up to his premature—though prophetic—economic vision.

Conclusion

In the ideas and actions of Alexander Hamilton, we can view the aristocrat as visionary. Hamilton envisioned a mode of statesmanship that would resist and rise above popular passions, that would stand on a commanding eminence and plan grand projects for the nation's future. He elaborated, in both theory and practice, the instruments of action for this visionary statesmanship: the energetic executive and the administrative state. Having shaped the tools of political power and efficiency, he turned them to economic use, fashioning a carefully integrated set of programs for the creation of a manufacturing economy.

Hamilton's successes produced mounting opposition. His excesses, especially during the presidency of John Adams, helped that opposition to gain control of the instruments he had fashioned. In the bitter years between Jefferson's election to the presidency and his own violent death, he bemoaned the resistance of Americans to his aristocratic leadership. Recounting to Gouverneur Morris his "odd destiny," he wrote: "Every day proves to me more and more that this American world was not made for me" (Syrett, 1961–1979: vol. xxv, 544). Hamilton's destiny would indeed be odd—in ways that he could never have envisioned.

His mode of leadership would be resisted by most Americans as long as it remained overtly aristocratic, the property of a professed elite with a condescending view of the people. But once this kind of leadership was given a democratic tone and wrapped in democratic symbols, it would find a more appreciative audience. Few leaders in

American history would pursue an architectonic vision as bold and far-reaching as Hamilton's. But many would follow him in the search for executive power and administrative reach, and in the promotion of capitalist energy and enterprise. The aristocrat's vision would become the common property of much of American political leadership.

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Biographical Note

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