

Alexander Hamilton: To Stimulate ‘the Best Minds and the Best Spirits’

The following excerpt is taken from the December 1 LaRouchePAC Fireside Chat, featuring EIR Economics Editor Paul Gallagher.

Question: Hello, this is N. in Oakland. I’ve got a question going back to Hamilton, and I’m not certain whether he speaks of it in the *Report on the National Bank* or [the] manufacturers report, but in one of those documents he writes this explicitly in opposition to the Secretary of State Thomas Jefferson and the Attorney General [Edmund] Randolph. And what I’m curious, is there a statement specifically from Jefferson relative to his insistence that the United States stay an agricultural land-mass, an agricultural country as opposed to manufacturing, as Hamilton has prescribed and was arguing for? So that’s a specific question; is it clear?

Gallagher: It’s clear, but there wasn’t that opposition in the case—it wasn’t really that kind of opposition. Hamilton was not saying “we must be a manufacturing country,” while Jefferson was saying, “we must be an agricultural country.” Jefferson’s understanding of agriculture was slave-cotton agriculture. He idealized—I don’t want to get deeply into Jefferson, but essentially his opposition, you can see it in the famous Virginia Resolutions that he wrote; his opposition was to the disruption of the free trade arrangements which then existed between British manufacture, and American both tobacco and increasing cotton, slave agriculture.

Obviously, Hamilton’s plan inclusively was a direct campaign against slavery. He himself, along with Ben Franklin, they were the founders of the Manumission Society and the chief organizers for the abolition of slavery before and after the Constitution was adopted. And inclusively that’s part of his drive for productivity: Hamilton, while he was an aide to Washington, in the middle of the Revolutionary War, was already corresponding with the Morrisses and others saying: What we need is a bank, and we need a bank in order to bring together the capital, the savings of the country and place in the hands of those who could make the most productive use of it; and such a bank which constitutes a cooperation between the productive efforts of the govern-

ment and those of the individual farmers, entrepreneurs, artisans, that’s what we need a bank for, is to bring those together, as he kept saying, “so as to direct the capital into the hands of those who could put it to the most productive use.” And in particular to the most inventive use, so there were breakthroughs and the use of the mind, the stimulation of the mind in doing that. Obviously, that encompassed both agriculture, progress in agriculture, and also in manufacturing, which Hamilton was in the middle of, bringing skilled artisans over from Scotland in order to develop new industries, new manufacturing in the United States; he did that personally.

So that’s, I think, the way to understand it, not as in any way an opposition between a bank for manufactures and a bank for agriculture; or a desire for an agricultural country as opposed to a desire for a manufacturing country. It was a desire for an inventive and productive country above all others, which Hamilton thought the new country could become.

So, it’s a surprise, when we organize, it’s a surprise to people that there was such an idea for a national credit institution with that purpose. And they’ve never heard anything like that, they’ve never heard anything about such a design for a bank, and yet, they hear now about Alexander Hamilton, they hear all kinds of nonsense about him, but they’ve never heard anything like that. We have to make that common knowledge. And let Jefferson take care of himself. Let his ghost take care of itself. . . .

Hamilton was one of the very few founders of the Society for the Promotion of Useful Manufactures in the United States; but don’t forget he was also, with Franklin, the founder of the Manumission Society and they waged a real fight and came fairly close to a Constitutional abolition of slavery before they didn’t prevail. So, it was the question of the primacy of invention, of innovation, “the stimulation of the best minds and the best spirits,” was the way Hamilton talked about it. And the use of a bank, with cooperation both to be a liaison between the government and private banks, of which there were very few and he wanted to see many more created; and also as he kept saying in his correspondence, to place savings, capital, “in the hands of those who can put it to the most productive use.”