

Review Essays

The U.S. Founding: Washington's Allies and Opponents: Review Essay of John Ferling's *Jefferson and Hamilton*, Stephen Knott and Tony Williams's *Washington and Hamilton*, Thomas Fleming's *The Great Divide*, and Carson Holloway's *Hamilton versus Jefferson in the Washington Administration*

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The evidence is abundant that George Washington, of all the American Founders, was the truly *indispensable* one.¹ Yet the books under review here² amply explain how another great man, Alexander Hamilton, was the Founder who was truly indispensable to Washington. John Ferling writes in *Jefferson and Hamilton* that a young Hamilton (age twenty) “quickly discovered that Washington was a demanding boss,” when he first served as the General’s key aide in 1777 (p. 69). “Hamilton was good—very good,” though, and “so good, in fact, that Washington soon thought him indispensable”; even “years later Washington [writing to John Adams, in 1798]

¹ See James Thomas Flexner, *Washington: The Indispensable Man* (Boston, MA: Little, Brown & Company, 1974); and Ron Chernow, *Washington: A Life* (New York: Penguin Books, 2011).

² John Ferling, *Jefferson and Hamilton: The Rivalry that Forged a Nation* (New York: Bloomsbury Press, 2013); Stephen F. Knott and Tony Williams, *Washington and Hamilton: The Alliance that Forged America* (Naperville, IL: Sourcebooks, 2015); Thomas Fleming, *The Great Divide: The Conflict Between Washington and Jefferson that Defined America, Then and Now* (Boston, MA: Da Capo Press, 2015); Carson Holloway, *Hamilton versus Jefferson in the Washington Administration: Completing the Founding or Betraying the Founding?* (New York: Cambridge University Press, 2015).

characterized Hamilton as his ‘principal and most confidential aide’” (p. 69). Ferling, who openly sympathizes far more with Hamilton’s chief political critics, Thomas Jefferson and John Adams, nevertheless concludes that “next to Washington, Hamilton was the most important figure in the establishment of the American Republic” (p. 359).

These four books are well worth studying together by non-specialists in the Founding era who seek careful, in-depth, and reinforcing examinations of the handful of crucial men, ideas, and policies (in law, public finance, and foreign affairs) that most influenced Washington, primarily during the crucial first decade (1790s) of the U.S. founding. The Washingtonian-Hamiltonian Federalists erected a foundation sturdy enough to allow the new nation to withstand threats from both home and abroad. After the war, the main threat was not Britain but Revolutionary France and, later, despot and imperialist Napoleon. At home, Jefferson’s anti-Federalists didn’t even *want* the states to become united politically and thus were the main impediment to an actual founding of the United States of America. Even after the founding in 1788, the anti-Federalists tried to prevent its success and return to the equivalent of the woeful Articles of Confederation.

Washington eschewed partisanship and welcomed sharp but principled debate: on the one side stood clearly Hamilton and the Federalists, while on the other stood (opaquely) Jefferson and the anti-Federalists. In addition to demonstrating the many ways that Hamilton and his principles made the founding possible and its success enduring, these books reveal how Washington’s most capable political opponents—Jefferson, Madison, and Monroe—actively countermanded his (largely) Hamiltonian policies, even when serving officially in his administration. Indeed, Fleming argues, based on primary sources, that some of this opposition, especially from Jefferson (as Washington’s Secretary of State) was borderline treasonous, exposing the U.S. to real (war-like) harm. In foreign affairs, quite unlike Washington and Hamilton, the troika sided with revolutionary France, even amid its terrorism and (subsequent) Napoleonic imperialism, while actively opposing the attainment of peaceful relations and free trade with a constitutionally limited (albeit monarchical) Britain. All three men (with whom Washington eventually broke, upon learning of their subterfuges and perfidies) tried to reverse Federalist policies when they ruled the U.S. executive branch (1809-1825). They thereby reversed much of the peace and prosperity that was achieved in the 1790s. In early 1809, after eight

years of President Jefferson, America's economy was in tatters and another war loomed (the War of 1812), due mainly to Jefferson's and Madison's anti-British hostility, the 1807 Embargo Act, and support for Napoleon. Jefferson's Treasury secretary, Albert Gallatin, excused the sorry results by declaring that "we have been too happy and too prosperous" (Fleming, p. 365).

For nearly every policy in which Washington and Hamilton concurred and fought to implement, active opposition came from Jefferson, Madison, and Monroe, even though Federalist policies made the U.S. founding possible, made the launch of the U.S. federal government successful, and made for a peaceful and prosperous nation during its first decade. Whether the issue in dispute was the U.S. Constitution (and the powers it permitted or implied), public finance (and the crucial need to fix money, banking, and the national debt), or foreign policy (and the value of achieving a rapprochement with Britain while avoiding any tight alliance with a combative France), Washington and Hamilton were on the right side and the troika on the wrong side of the debate. One of the few controversies about which Hamilton and Jefferson agreed was the Louisiana Purchase (1803), which nearly doubled (and cheaply, at \$15 million) the nation's geographic footprint. Hamilton preferred that President Jefferson obtain legislative approval (if not a constitutional sanction). Some Federalists suspected that Jefferson's main aim was not so much to strengthen the united nation, but to keep the nation agricultural for as long as possible in order to divert population from its cities, to extend slavery westward, and to provide a near-bankrupt Napoleon with much-needed cash to extend his unjust war against Britain (which lasted another dozen years). Jefferson, Madison, and Monroe successively occupied the U.S. presidency from 1801 to 1825, benefiting from a rising tide of democratic sentiment. To the extent the troika succeeded in undoing Federalist policies, the nation weakened and tottered, but to the extent it failed to do so, the nation strengthened and endured.

Jefferson, Madison, and Monroe hid from public view their disdain for Washington and his policies (knowing well his sustained popularity), but their animus is obvious from their private correspondence, as these books reveal. Often, the three men couldn't admit even to themselves that Washington might rationally have endorsed Hamilton's advice, ranging from policies on federalism, constitutionalism, finance, and trade to the need for a standing army, an independent judiciary, a pro-capitalist economy, and a neutral

foreign policy. They chose instead to malign Washington as some untutored dupe of a supposedly manipulative Hamilton. Jefferson was the “unWashington,” in Fleming’s account, who frequently and falsely arraigned Washington and Hamilton as would-be monarchs, protectionists, and imperialists. Yet as president, Jefferson ruled in numerous ways that ignored the Constitution (Louisiana Purchase), elided Congress’s war powers (his venture in North Africa), and hurt the economy with discriminatory, punitive tariffs and harsh strictures to suppress smuggling (a consequence of his Embargo of 1807). All the while, he favored or excused France’s atrociously illiberal regicide (Robespierre) and multi-year imperialistic invasions (Napoleon).

These books are commendable as well because they de-emphasize the personality clashes that often occupy other accounts of the Founders. Instead, they focus on documenting and elucidating the important, principled differences to be found in the protagonists’ philosophies and policies. We get a clear portrait of Hamilton as the most erudite and brilliant of Washington’s supporters and detractors, but also the one who’s more consistent and principled in defending individual rights, as evidenced by his detestation of and opposition to slavery, his rigorous case for federal constitutionalism (entailing opposition to unlimited majority rule), his foreign policy of national self-interest (realism) in place of altruistic adventurism, and his strenuous defense of the virtue and productiveness of non-agricultural economic sectors like trade, manufacturing, and finance.

Ferling describes his effort as an exploration of “what shaped the thinking and behavior” of Jefferson and Hamilton (p. xv). Although his book is more biographical than the others, it’s also informative about the origins and evolution of Founding ideas and policies, avoiding the facile premise that ancestry inevitably determines ideology. America’s Founders differed politically, but they also actively studied, wrote, and ruled in accord with their own best judgments. For example, whereas Hamilton was an abandoned and poor immigrant and Jefferson was a home-grown product of a gentry life, each nonetheless was raised in a racist, slave-dominated culture. Yet Hamilton grew to believe that such a culture was morally and practically inexcusable and should be replaced by a virtuous, commercial republic, while Jefferson believed that the same culture was morally passable and generally unavoidable, such that its agrarian-feudalistic elements should be preserved against encroachments by interlopers (manufacturers, capitalists, and financiers). Hamilton, being more enlightened and less conservative than Jefferson, saw a free,

commercial society as both moral and practical; in this he was more prescient than Jefferson about what the American system eventually might achieve, including the institutional (and martial) eradication of its feudalistic slavery.

Jefferson and Hamilton “inquires into [Jefferson’s and Hamilton’s] activities during the American Revolution and the war that accompanied it, their hopes for the new American nation, and the political warfare that each waged against the ideas of the other,” yet “the book is about more than ideology and political confrontations” (p. xv). Ferling “aims to discover what shaped these men’s temperament, to understand the character of each, and to explain the role of character in the choices that each made. It also seeks to answer not only what made each a leader but also how each met the hard tests of leadership.” He also reveals that when he began the book, he “held Jefferson in higher esteem than [he] did Hamilton,” but found it “a bit startling” that he “grew far more appreciative of Hamilton.” This is an honest scholar. One drawback of Ferling’s account, however, which seems common to many Jefferson sympathizers, is his repetitive and tiresome claim that Jefferson “feared” one or another of Washington’s and Hamilton’s policies or actions, claiming they’d bring corruption, monarchy, tyranny, and war. In truth, we find that Jefferson in private correspondence only occasionally claimed to feel such fear, typically hoping to activate some public opposition. Madison and Monroe especially were susceptible to this ruse.

Stephen Knott and Tony Williams’s *Washington and Hamilton* is distinctive because it provides substantial, long-ignored evidence of Washington’s own intellectual development and long-standing hope for a unity of the states, a trustworthy system of money and credit, and a professional, standing army that could defend the United States from foreign foes (and hostile Indians on the western domestic frontier). These authors make it obvious that Washington developed his insights prior to and independently of Hamilton’s ultimate influence. This is a rarely revealed aspect of Washington and his greatness. Like Hamilton, he was an autodidact. As early as 1774 he wrote, in the face of unjust British acts, that “we must assert our rights or submit to every imposition that can be heaped on us, until custom and use will make us as tame and abject as the black slaves we rule over with such arbitrary sway” (p. 49). That same year, writing to Robert McKenzie, Washington extolled rights to “life, liberty and property” and hoped to find resolute defenders of “peace and tranquility, on constitutional grounds” so that “the horrors of civil discord are prevented” (p. 55).

By the time Washington and Hamilton became trusted political allies they had made up their minds already about many important things. After the war, in June 1783, Washington wrote an influential “Circular Letter to the States” urging a political union as a remedy for inter-state chaos and exposure to European domination (p. 124). As allies, Washington and Hamilton pursued what they saw both *separately* and *mutually* as necessary for their policy preferences and worthwhile for the nation’s well-being. Knott and Williams show that Washington was no empty vessel being filled by some upstart intriguer; this was a transparent and rational partnership fueled by mutual respect. The only important issue about which these two great men disagreed was slavery. For example, during the Revolutionary War Hamilton proposed to Washington a plan to recruit American slaves and offer them their post-war liberty in return for field service, a policy Britain had adopted and against which Jefferson and the Virginians had railed as an unjust violation of their “property rights.” The General rejected the plan as too radical and divisive at a time when war morale was low (and not because, like Jefferson, he saw blacks as non-human).

That Washington and Jefferson, “the two Virginians” who were raised in wealth and owned slaves, nevertheless “were unable to see eye to eye on the great issue of the day is revealing,” write Knott and Williams (p. 251). That “great issue” was not slavery but the question of whether the American states should be united or remain a loose confederation. Here’s how they explain the contrast:

Washington, shedding his Virginia parochialism, envisioned a nation, the United States of America, and thus more often than not sided with the cabinet member [Hamilton] with whom he had the least in common [personally]. Jefferson remained committed to an agrarian confederation that was slowly but surely fading away. All this could be seen in Jefferson’s fierce opposition to the administration’s proposals for a national bank, a manufacturing sector of the economy, and acceptance of the idea that a publicly financed debt had its benefits. Jefferson, to give him his due, was primarily devoted to liberty. Washington and Hamilton were devoted to liberty, but believed that this could be best achieved if America thought continentally, moving beyond the parochial and

developing more of an attachment to a traditional nation-state. (p. 251)

Washington is to be credited for breaking free (at least partially) of comprehensive belief in the more feudalistic aspects of the American South. Hamilton surely helped in this regard and was more consistently “Northern” (pro-capitalist) in thinking and policymaking, but at least Washington relied more on his counsel than on Jefferson’s. Contrary to the historical reputation of the two men, one might say Washington proved far more able and willing than Jefferson to embrace newer, more modern, and enlightened ways of living and governing.

After planning and fighting together intimately during the long war, and seeing America suffer from the impotency and indignities of the Continental Congress, Washington and Hamilton “understood that there was a thin veneer separating order from chaos,” per Knott and Williams, and this “led them to embrace the virtue of moderation and to revere stability. They were the sober revolutionaries, and thankfully so, for due to them, the American Revolution did not consume itself, unlike most modern revolutions. It was a close call, but because of Washington and Hamilton, the United States escaped this fate” (p. 256). Whereas conventional accounts see the main confrontation in the founding era between Hamilton and Jefferson, in fact it occurred mostly “between Washington and Hamilton on one side and Jefferson and Madison on the other. Jefferson helps to foster this myth” (p. 256). It was easier and less controversial, then as now, for critics of Federalists to vilify Hamilton than the well-known, popular Washington, but as the latter told Jefferson, Hamilton’s policies, in fiscal and foreign affairs alike, were the administration’s policies. “Remarkably,” write Knott and Williams, “these facts continue to be ignored; understandably so, for attacking Hamilton was and is a far more palatable approach than attacking the towering figure of George Washington” (p. 257).

Thomas Fleming’s *The Great Divide* presents Hamilton not as a caricature (which has been commonplace), but as he really was—both heroic in taking unpopular positions and implementing principled and propitious policies. Fleming also reveals the extent to which Jefferson and his allies opposed what Hamilton and Washington fought, stood, and governed for. Madison is portrayed as an intelligent, well-meaning, yet chameleon-like character who, lacking full confidence or fixed principles, performed better when influenced by Hamilton (at the Constitutional Convention and in the *Federalist*

Papers) but worse when influenced by Jefferson (as Congressman, cabinet official, and President).

Carson Holloway's *Hamilton versus Jefferson in the Washington Administration* is the most ambitious, scholarly, and edifying of the four books. This is especially so for readers least interested in biography and most interested in the finer aspects and subtle controversies associated with constitutional design and interpretation, political economy, money and banking, and foreign policy. Each of Holloway's chapters focuses on the influential official reports and memoranda crafted separately by Hamilton and Jefferson, at the request of the U.S. Congress or President Washington, when one or both were cabinet members (Hamilton at Treasury, Jefferson at State) in the brief but foundational years of 1789-1795. Washington, we learn, didn't always agree with the one or the other man, but in all of the key areas Holloway incisively and eloquently demonstrates that during these crucial, formative years Hamilton's more capitalistic, republican principles and policies contributed to "completing the Founding," whereas Jefferson's more feudalistic, democratic principles and policies contributed to "betraying the Founding." Like Knott and Williams, Holloway believes we should be thankful that Washington, Hamilton, and the Federalists won the day against the Jeffersonian anti-Federalists, however brief their day may have been. That Washington continued to rely heavily on Hamilton's erudite but practical judgment and memoranda in the years after Hamilton left the government (in 1795) and before Washington's death (in 1799), testifies to how indispensable each of these indispensable men were to each other. This couldn't be said of Jefferson, who Washington politically and personally disowned in 1794.

For Hamilton, writes Holloway, "government must be energetic, but not unlimited" (p. 69). He had "an expectation that rational self-interest will generally direct people's economic behavior in directions that are fruitful for themselves and the community, at least under laws that protect private property" (p. 65). Hamilton was thus no "statist," as most of today's anarchical libertarians falsely claim.³ Holloway recognizes that Hamilton's *Report on Manufactures* (1791) was not some blueprint for industrial planning or for a

³ See, for example, Thomas DiLorenzo, *Hamilton's Curse: How Jefferson's Arch Enemy Betrayed the American Revolution* (New York: Crown Forum, 2009), and Thomas DiLorenzo, "The Founding Father of Crony Capitalism," Mises Institute, October 21, 2008, accessed online at: <https://mises.org/library/founding-father-crony-capitalism>.

protectionist system to turn the tables on mercantilist Britain, but rather,

the final step in Hamilton's effort to complete the founding by bringing energetic government fully into being. Like the previous steps, it illustrated his understanding of the mutual dependence of energetic government and a flourishing private sector. His *Report on Public Credit* sought to secure the government's ability to borrow at reasonable rates by making a sufficient provision for the public debt, thus fostering the development of a creditor class that could view the government as a worthy borrower. (pp. 136-37)

Hamilton's *Report on a National Bank* argued that a national bank would "promote a flourishing national economy" (p. 137). Jefferson, in contrast, didn't object to government renegeing on its debts or issuing inflation-stoking fiat paper money (as long as such powers were reserved to the states). Certainly there was rich irony in warnings about Federalist "monocrats" emanating so frequently from the Monarch of Monticello.

Holloway's deft illumination of the seriousness and import of the Hamilton-Jefferson policy debates, as cabinet members, provides a welcome respite from the trivialities and inanities that pass for political debate today. "To follow their arguments," he writes,

is to get a lesson in the importance of the earnestness about principles to constitutional—as opposed to merely pragmatic—statesmanship. Fundamental constitutional and political principles were never far from their minds, or absent from their arguments. . . . If our own approach to politics is often oriented around more partial, shorter-term or lower considerations, we find Hamilton and Jefferson united in calling us to a more principled and far-sighted statecraft. (pp. 327-28)

Principled, far-sighted arguments and perspectives are rare in politics today. Much of the current political system is simply taken for granted. If any genuine reforms are pushed, they're usually in the direction of

extending government's scope and reach into heretofore free and private matters. Careful examination of the Founder's erudite arguments about the proper size, scope, and power of government helps combat the myopia and illiberalism of contemporary perspectives. "No question divided Hamilton and Jefferson more emphatically than the scope of powers of the national government," Holloway writes: "Jefferson thought that Hamilton's approach to these powers betrayed the Constitution by abolishing all limits on the national government. Hamilton thought that Jefferson's approach would cripple the government and throw the nation's affairs into chaos" (p. 329). Holloway finds more evidence for Hamilton's fears than for Jefferson's:

Hamilton, after all, evidently believed that there was a good chance that—in America at least—republicanism could be made compatible with the rights of society, and he dedicated his considerable talents to establishing the kind of energetic republican government that could secure those rights. For Hamilton, the rights of society were primary, and republican government was secondary, but this did not prevent him from viewing republican government as a genuine good that should be pursued and defended where possible, even if it did not lead him to insist on republican government in the way that Jefferson seemed to. (p. 331)

Of course, we know that Jefferson's version of republicanism perversely rationalized slavery and condemned commercialization, financialization, and urbanization as inherently corrupt, which is counter to Holloway's odd claim that he opposed Washington and Hamilton's principles and policies because he was "too committed to the individual rights doctrine informing the founding" (pp. 331-32). In truth Jefferson was *too little* (or inconsistently) committed to rights, especially compared to Hamilton, who, as Holloway rightly acknowledges, viewed such rights as "primary."

Many classical liberals and libertarians today reserve their highest accolades for Jefferson and his anti-Federalist allies (especially Madison),⁴ while misrepresenting Hamilton (and thus to a related, but

⁴ According to Murray Rothbard, Jefferson was "a brilliant libertarian-republican theoretician before achieving power and after leaving it," and his first term as president (1801-1805) "was one of the finest libertarian moments

lesser extent, Washington) as a mercantilist, a statist, and an imperialist. They interpret today's U.S. federal government as out-of-control, fiscally reckless, and globally hegemonic, and then illogically blame this on the Founders who fought to create the entity in the first place. But misuse of an instrument is no argument *per se* against the need for it. In truth Washington, Hamilton, and other top Federalists wanted the thirteen states united so that the U.S. could be *both* energetic and efficacious in carrying out proper but limited government functions. The constitutionally restrained U.S. government would also restrict the states' rights-violating powers, create a free trade zone, and protect against foreign aggressors, thus ensuring liberty and security alike. Jefferson and the anti-Federalists opposed uniting the states, sought to entangle the U.S. in foreign wars on behalf of "democracy" and a perpetually combative France, and preferred to preserve America's agrarian-feudalistic serfdom. These books are a treasure-trove not just for non-specialists seeking solid documentation and interpretation of America's Founding decade and traces of their relevance today, but for Jeffersonian libertarians, particularly, who are willing to delve more deeply into rather illuminating details, to expand their historical-interpretive horizons, and to check their Founding premises.

in the history of the United States"; accessed online at: <https://mises.org/library/bureaucracy-and-civil-service-united-states#6>.

