

Hamilton's Vision

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The role and limits of government have long been debated in the history of republicanism. In no time was this more evident than in the Founding period of the United States. During this period, a weak and inept government under the Articles of Confederation was replaced with a Constitution that both increased the powers of the federal government and limited it with a Bill of Rights and other enumerations. After the ratification of the Constitution, a bitter divide ensued between Democrat-Republicans and Federalists, the former supporting a strict interpretation and the latter advocating a loose interpretation. One of the most fervent proponents of a loose interpretation was Alexander Hamilton, who saw the need for a strong federal government in America's infancy, one with all of the necessary "energy" to execute the Constitution's expressed powers. Thus, Hamilton believed the best way to cultivate and preserve a republican form of government was to operate on a loose interpretation of the Constitution, predicated on the Necessary and Proper Clause (often referred to as the Elastic Clause), which would better fortify political freedoms for posterity.

Hamilton, justifying his position with the Necessary and Proper clause, saw a desperate need for a national bank to help stabilize the debt-ridden nation's credit and ensure the survival of its Republican values. Having witnessed the dearth of government revenue and mounting debt during his service in the Revolution, Hamilton saw the importance of a uniform national currency. He saw how soldiers went without pay and supplies often ran short. In the midst of America's postwar debt crisis, Hamilton looked to the British, who prospered economically while spending exorbitant amounts on military escapades, pointing to the Bank of England as the answer. Strict constructionists such as Thomas Jefferson and the Democrat-Republicans had one point of contention with this proposed solution: there was nothing concerning a national bank in the enumerated powers of the Constitution. In response to Secretary of State Jefferson's and Attorney General Edmund Randolph's criticisms, Secretary of the Treasury Hamilton contended that "a power of erecting corporations is either implied in or would result from . . . some or all of the powers vested in the national government." He saw the power of incorporation, a necessity for establishing a viable economy, as implied because it falls under the government's "right to

employ all the means requisite and fairly applicable to the attainment of the ends of such power . . . which are not precluded by restrictions and exceptions specified in the Constitution, or not immoral, or not contrary to the essential ends of political society.”¹ Hamilton reasoned that since creating a national bank did not violate any enumerated powers, it fell within the bounds of the Necessary and Proper Clause of Article 1, Section 8. He stated that as a result of said clause, “there must of necessity be great latitude of discretion in the selection and application of those means.”² This raises the question of why Hamilton, himself a staunch supporter of the Constitution, would advocate for such a “great latitude of discretion” on the part of the federal government in its execution of its enumerated powers. The answer lies in his general philosophy that both individuals and governments should take great initiative in addressing problems. He strongly believed in striking the first blow instead of waiting to respond to the actions of an opponent. “In Politics as in war the first blow is half the battle.”³

Hamilton, observing the inadequacies of the Constitution, viewed a loose interpretation as essential, not only to the execution of the government’s enumerated powers, but to the very survival of the American republic. He criticized Jefferson’s position as impractical, stating that “an adherence to the letter of its powers would at once arrest the motions of government.”⁴ Hamilton saw strict construction as futile and, realistically, he believed that since implied powers are “illimitable in their nature, it is impossible to safely limit that capacity.”⁵ As long as the government acted on “a calculation of existing exigencies . . . with the probable exigencies of ages, according to the natural and tried course of human affairs,”⁶ tyranny would be avoided and liberty preserved. If America was to hold itself to a strict interpretation of the Constitution’s enumerated powers, it would, in Hamilton’s view, fail. In the debate over ratification, long before discussions about the national bank, he advised Americans that “we must bear in mind, that we are not to confine our view to the present period, but to look forward to remote

1. Alexander Hamilton, “Constitutionality of a National Bank (1791),” In American History, ABC-CLIO, 2020. Accessed February 29, 2020. <http://americanhistory.abc-clio.com/Search/Display/2177369>.

2. Ibid.

3. Hamilton to Isaac Ledyard, Jamaica, N.Y., February 18, 1789, in John P. Kaminski, ed., *Alexander Hamilton: From Obscurity to Greatness* (Madison, Wis., 2016), 184.

4. Alexander Hamilton, “Constitutionality of a National Bank (1791),” In American History, ABC-CLIO, 2020. Accessed February 29, 2020. <http://americanhistory.abc-clio.com/Search/Display/2177369>.

5. Ibid.

6. Ibid.

futurity.”⁷ This axiom would dictate Hamilton’s political philosophy and reverberate in America’s political landscape long after his own demise.

Ultimately, Hamilton, looking at America’s debt crisis and foreseeing future financial calamities, would call for the creation of a national bank, justifying it with a loose interpretation born out of the Elastic Clause of the Constitution. He maintained that the Republic would scarcely survive let alone thrive without some flexibility in its interpretation of the Constitution, and criticized the Jeffersonian Democrat-Republicans as being starry-eyed idealists. Having seen firsthand the failings of the Articles of Confederation and the plight of soldiers in the Continental Army, Hamilton would call for “energy in the executive”⁸ and would desire to avoid a weak and impoverished nation at all costs. Since “a government ill executed must be in practice a bad government,”⁹ it should be allowed to do everything that is “Necessary and Proper” to effectively execute its enumerated Powers. That could include solutions that are unthinkable in 2020 let alone in 1790. Hamilton’s vision perceived that crucial fact, a reality overlooked by many of his contemporaries. The “Ten Dollar” Founding Father recognized that “the sacred rights of mankind are not to be rummaged for among old parchments and musty records, . . . but are written . . . in the whole volume of human nature . . . by the hand of the divinity itself . . . [and] can never be erased or obscured by mortal power.”¹⁰ While not enumerated in the Constitution, those rights would, in Hamilton’s perspective, transcend documentation, serving as an ideal for the American government to fight continuously for and aspire to.

7. Alexander Hamilton, “Federalist 34.” [avalon.law.yale.edu](https://avalon.law.yale.edu/18th_century/fed01.asp). Yale Law School. Accessed March 1, 2020. https://avalon.law.yale.edu/18th_century/fed01.asp.

8. Alexander Hamilton, “Federalist 70.” [avalon.law.yale.edu](https://avalon.law.yale.edu/18th_century/fed01.asp). Yale Law School. Accessed March 1, 2020. https://avalon.law.yale.edu/18th_century/fed01.asp.

9. Ibid.

10. Alexander Hamilton, *The Farmer Refuted* (New York, 1775) in *Founders Online*, National Archives. <https://founders.archives.gov/documents/Hamilton/01-01-02-0057>.