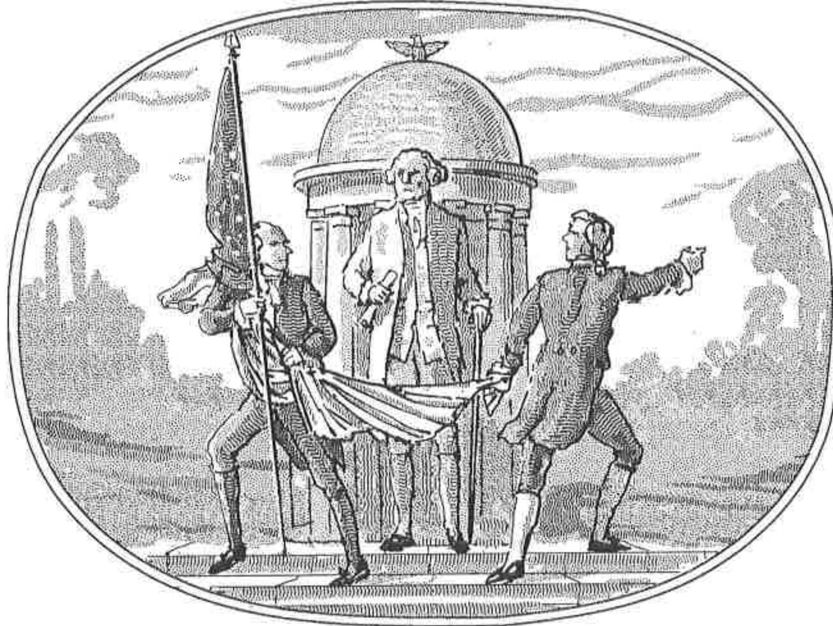
Book Review by Peter McNamara

# Team of Rivals

*Hamilton versus Jefferson in the Washington Administration: Completing the Founding or Betraying the Founding?*, by Carson Holloway.
Cambridge University Press, 354 pages, $99.99 (cloth), $34.99 (paper)



"All our histories recognize...the existence from the very beginning of our national career of two different and, in some respects, antagonistic groups of political ideas,—the ideas which were represented by Jefferson, and the ideas which were represented by Hamilton." So wrote Herbert Croly in his sweeping and influential Progressive interpretation of American political thought, *The Promise of American Life* (1909). Croly's ambition was to combine the two doctrines into a synthesis that could respond to dramatic changes in American society and transcend Alexander Hamilton's and Thomas Jefferson's narrow individualism.

Carson Holloway's *Hamilton versus Jefferson in the Washington Administration: Completing the Founding or Betraying the Founding?* has no such grand design. Holloway, who teaches politics at the University of Nebraska, focuses on the conflict between Hamilton and Jefferson during their time together in President George Washington's cabinet (1790-93). He does not see the men as representing broad historical forces, nor does he attempt "a comprehensive evaluation of the merits of each man's arguments." Instead, he limits himself to a careful explication and critique of their arguments while cabinet members. This tight focus sheds new light on the clash between these towering figures. Holloway is especially good at showing how each man balanced considerations of expediency, morality, and constitutional fidelity. He also notes striking similarities between the problems and arguments of the 1790s and those of today. Debates about public debt, financial speculation, crony capitalism, banks "too big to fail," the health of manufacturing, bailouts, and the size and scope of government were very much part of the 1790s, even if different terms were used.

Washington appointed Hamilton secretary of the Treasury in September 1789, and Jefferson secretary of State in March 1790. The president left the precise responsibilities of the different cabinet posts unclear, and frequently consulted multiple cabinet members about the same subject. This was a recipe for a bureaucratic turf war; what ensued was something much more bitter—and illuminating. Holloway relates Jefferson's intensifying opposition to Hamilton, culminating in a series of extraordinary personal attacks. Writing to Washington in September 1792, Jefferson attacked Hamilton as "a man whose history, from the moment at which history can stoop to notice him, is a tissue of machinations against the liberty of the country which has not only received him and given him bread, but heaped its honors on his head."

Holloway divides the clash into domestic and foreign affairs, with domestic affairs taking up roughly two thirds of his account. Responding to congressional requests, Hamilton delivered a series of far-reaching economic reports in 1790-91 on the public debt and the state of manufacturing. His recommendations for assuming the states' revolutionary war debts, refinancing the national debt, creating a national bank, and encouraging manufacturing constituted a detailed plan for the American economy. Though Jefferson initially

helped secure debt assumption in return for placing the capital on the Potomac, he came to object to almost every detail of Hamilton's plan. In a letter to Washington in May 1792 he accused Hamilton of needlessly increasing the debt, failing to provide for its speedy extinguishment, introducing an oppressive excise tax, creating a parasitic financial class, diverting labor away from productive agricultural pursuits, corrupting the legislature, and favoring the North over the South. Taken together, these policies would prove a "stepping stone to monarchy" in the United States—the true goal of Hamilton and his "corrupt squadron of...Monarchical federalists."

Washington made Jefferson's letter known to Hamilton and invited a response. In a point-by-point refutation, Hamilton argued that Jefferson, whose debt solution was simply disguised default, either had no grasp of the economic foundations of the modern nation-state or was in the grip of a starry-eyed political theory—or both. He also ridiculed the idea that his goal was a monarchy. The "republican genius" of the American people meant that monarchy could only be introduced on the republican experiment's ruins—an experiment Hamilton was dutifully working to secure. The hypocritical Jefferson feigned republican modesty but was secretly a relentless schemer and climber. His criticisms, wrote Hamilton, were meant to weaken the government and, by so doing, advance his own ambitions. Hamilton accused Jefferson of "torturing" the Constitution with rules of construction that would enervate the government and reduce it to "the same state of imbecility which rendered the old confederation contemptible."

Neither Jefferson nor Hamilton had accepted the Constitution unreservedly. Writing to John Adams in November 1787, Jefferson exclaimed:

> I confess there are things in it that stagger all my dispositions to subscribe to what such an assembly has proposed.... I think all of the good of this new constitution might have been couched in three or four new articles to be added to the good old venerable fabric [the Articles of Confederation], which should have been preserved even as a religious relic.

And though Hamilton labored heroically to get the Constitution ratified he feared "the most likely result" of its adoption was that the power of the states—especially the largest ones—would cause the Union's disintegration. He hoped "[a] good administration will conciliate the confidence and affection of the people and perhaps enable the government to acquire more consistency than the proposed constitution seems to promise for so great a Country." These very different starting points put Hamilton and Jefferson on a collision course.

Hamilton's advocacy for an energetic national government went hand-in-hand with his liberal construction of the Constitution. His interpretations of the "necessary and proper" and "general welfare" clauses provoked severe criticisms from Jefferson (and James Madison). Jefferson believed Hamilton egregiously stretched the text of the Constitution and departed from its popular understanding at the time it was drafted and ratified, undermining its fundamental purpose of establishing a government of few and enumerated powers. Hamilton responded that he was following the text of the Constitution—the only reasonable guide to determining its meaning—and that effective government required a liberal interpretation. The Constitution clearly permitted some things to the national government and forbid others, but, argued Hamilton, there remained a "good deal of middle ground, about which honest and well-disposed men may differ." In keeping with this view, Holloway notes the numerous times Hamilton acknowledged that some disagreements—notwithstanding his preferred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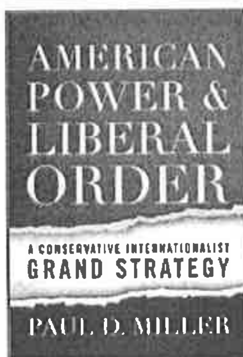


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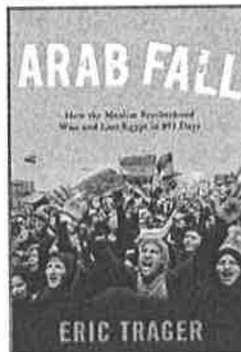


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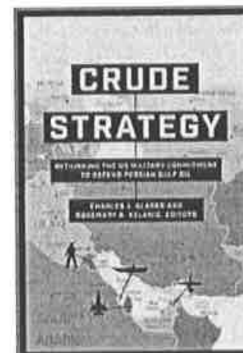


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position—might need to be clarified by constitutional amendments.

Holloway's foreign affairs section focuses on the rivals' competing policies towards France. One of Jefferson's last acts as secretary of State was a foreign commerce report in December 1793 advocating using trade as a weapon to improve the international system. His target was Great Britain; he believed France might be an ally in reform. This was an important but often submerged issue in the economic conflicts of 1791-92. Trade-wars, Jefferson thought, were a viable alternative to shooting wars. Madison had agitated for this approach since his time in the first Congress, and he resumed in earnest after the appearance of Jefferson's report and renewed British provocations. Hamilton thought it was madness. It underestimated British power, misread British intentions, and evinced a mistaken theory about the relationship between commerce and progress. Though Hamilton did not rule out punitive economic measures, his major recommendations to Washington were to negotiate and vigorously prepare for war. Their disagreement would play itself out disastrously in Jefferson's embargo and in the War of 1812.

Holloway finds Jefferson and Hamilton largely agreeing on the immediate policy questions called forth by the French Revolution and its aftermath—critically, on the need to stay neutral in European wars—but disagreeing on how that policy should be effected. He masterfully compares their contrasting attitudes concerning the French Revolution. Hamilton was an early skeptic; Jefferson an enthusiast, in almost the religious sense of that term. One thing Holloway does not emphasize enough is Jefferson's revolutionary fervor on his return from France, and his immediate feeling of opposition in America. Jefferson reports that he was filled with "wonder and mortification" at the views prevailing in the new (American) government and among its friends. "An apostate I could not be," he wrote, "nor yet a hypocrite: and I found myself...the *only* advocate on the republican side" [emphasis added].

In light of the French regime change it was debatable whether America was still bound by its 1778 treaty with France. In contrast with the debates about public credit, Holloway here finds Jefferson a stickler for nations strictly keeping their word, and Hamilton more flexible in dealing with the changed circumstances. Holloway also provides an extended and highly illuminating account of the "Pacificus" (Hamilton) versus "Helvidius" (Madison) newspaper debate over the Neutrality Proclamation. The common assumption that Madison spoke for Jefferson on this issue is somewhat at odds with Hamilton's claim that, in the cabinet, he and Jefferson saw eye-to-eye on executive power questions, even where they differed sharply on policy. Jefferson did oppose a neutrality proclamation, and thought it especially inappropriate for the executive branch to issue one. But even if he agreed with Madison that the executive had usurped legislative powers in making the proclamation, it is doubtful that Jefferson would have insisted as emphatically as Madison on the constitutional difficulties, rather than on the policy and moral issues. Jefferson saw the fate of the French Revolution as intimately tied to the fate of the American Revolution and the cause of liberty worldwide. Its defeat, he feared, would embolden Europe's monarchs and America's "monocrats" to make an attempt on American liberty.

Holloway offers two main conclusions. The first is negative: appeals to "the founders" entail an obvious and grave difficulty, since the leading founders disagreed sharply on questions of policy and principle. His second conclusion is positive. Holloway believes that Hamilton and Jefferson show the depth and seriousness characteristic of genuinely great statesmanship. They were partisans but not mere partisans. They rigorously thought through questions of policy with a view to the regime's fundamental needs. They also carefully weighed moral questions when they seemed to conflict with real necessities.

In the background of Holloway's story is Washington's prudential statesmanship. It was Washington who first combined the doctrines of Hamilton and Jefferson. He shared with both an understanding of the importance of individual rights and the binding force of the Constitution. It was precisely these deep, foundational points of agreement that Croly's Progressive synthesis set out to destroy. Carson Holloway's careful presentation of each man's arguments makes them available to us today with unprecedented clarity. This accomplishment—important in itself—should prove highly valuable at a time when both the progressive synthesis and the conservative reaction to it suffer from intellectual exhaustion.

*Peter McNamara teaches political theory at Utah State University, and is the editor of* The Noblest Minds: Fame, Honor, and the American Founding *(Rowman & Littlefield).*

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