AMERICAN CONSTITUTIONALISM

VOLUME I: STRUCTURES OF GOVERNMENT

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Supplementary Material

Chapter 4: The Early National Era – Introduction

*Alexander Hamilton*, **Report on Manufacturers** (1791)[[1]](#footnote-1)

Alexander Hamilton was the political leader who best articulated the Federalist constitutional vision during the 1790s. As Washington’s first Secretary of the Treasury, he produced several reports, all urging Congress to promote various commercial enterprises in the United States. Hamilton’s “Report on Manufacturers,” presented to Congress on December 5, 1791, is one of his most famous state papers. That Report had two objectives. The first was to explain why encouraging commercial enterprise was important to the new nation. The second was to lay out a broad federal program that encouraged commercial enterprises.

The expediency of encouraging manufactures in the United States, which was not long since deemed very questionable, appears at this time to be pretty generally admitted. The embarrassments, which have obstructed the progress of our external trade, have led to serious reflections on the necessity of enlarging the sphere of our domestic commerce: the restrictive regulations, which in foreign markets abridge the vent of the increasing surplus of our Agricultural produce, serve to beget an earnest desire, that a more extensive demand for that surplus may be created at home. . . .

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[T]he greatest obstacle of all to the successful prosecution of a new branch of industry in a country, in which it was before unknown, consists, as far as the instances apply, in the bounties premiums and other aids which are granted, in a variety of cases, by the nations, in which the establishments to be imitated are previously introduced. It is well known (and particular examples in the course of this report will be cited) that certain nations grant bounties on the exportation of particular commodities, to enable their own workmen to undersell and supplant all competitors, in the countries to which those commodities are sent. Hence the undertakers of a new manufacture have to contend not only with the natural disadvantages of a new undertaking, but with the gratuities and remunerations which other governments bestow. To be enabled to contend with success, it is evident, that the interference and aid of their own government are indispensable.

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The introduction of Banks, as has been shown on another occasion has a powerful tendency to extend the active Capital of a Country. . . .

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The want of a Navy to protect our external commerce, as long as it shall continue, must render it a peculiarly precarious reliance, for the supply of essential articles, and must serve to strengthen prodigiously the arguments in favor of manufactures.

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Ideas of a contrariety of interests between the northern and southern regions of the Union, are in the Main as unfounded as they are mischievous. The diversity of Circumstances on which such contrariety is usually predicated, authorizes a directly contrary conclusion. Mutual wants constitute one of the strongest links of political connection, and the extent of these bears a natural proportion to the diversity in the means of mutual supply.

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. . . If the northern and middle states should be the principal scenes of such establishments, they would immediately benefit the more southern, by creating a demand for productions; some of which they have in common with the other states, and others of which are either peculiar to them, or more abundant, or of better quality, than elsewhere. . . .

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Good roads, canals, and navigable rivers, by diminishing the expense of carriage, put the remote parts of a country more nearly upon a level with those in the neighborhood of the town. They are, upon that account, the greatest of all improvements. . . .

1. Excerpt taken from American State Papers: Finance, vol. 1 (Washington, DC: Seaton and Gales, 1832), 123. [↑](#footnote-ref-1)