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Alexander Hamilton and the Bank of the United States

Alexander Hamilton was one of the founders of the United States of America. He served as George Washington’s aid during the Revolutionary War, and then as the first Secretary of the Treasury. He was the force behind the establishment of a national bank. He also founded the United States Coast Guard, created the nation’s first system of tariffs, established trade relations with Britain after the Revolutionary War, founded the *New York Post* newspaper, and wrote most of *The Federalist Papers*, which still stand as one of the most important sources of interpretation of the U.S. Constitution. Later in life, he worked to end the international slave trade.

All told, Alexander Hamilton had a profound effect on the United States. In this paper, I will provide a more detailed summary of his life, and then focuses on his work establishing the Bank of the United States.

Early Life

Hamilton was born in the town of Charleston, in the British West Indies, in the mid-1750s. His mother was unmarried, and when she died of yellow fever in 1768, the young boy took a job as a clerk at an import-export firm. He quickly proved himself to be an intelligent, reliable, and capable employee, as evidenced by the fact that he was left in charge of the firm for five full months. During this time, he read widely and became in interested in writing.

He soon began to desire a life in the world beyond the shores of his small island. After his vivid letter describing a hurricane was published, community leaders took up a collection to send Hamilton to New York to be educated.[[1]](#footnote-1) He began his studies at Kings College in 1773, and was immediately swept up in revolutionary fervor, publishing anonymous political pamphlets arguing against British rule. His college education ended abruptly when British forces occupied New York City in 1776.

Revolutionary War

Compelled by a fervent belief that he could make a name for himself by excelling on the battlefield, Hamilton applied himself to the study of artillery and military tactics. In 1776, he joined the New York Artillery. His intelligence and conscientiousness immediately set him apart as a potential leader, and he was he was named Captain of the Provincial Company of Artillery. His company fought and lost several battles in the city of New York, but Hamilton distinguished himself by decisive action. Then, at the Battle of Trenton, he skillfully attacked a troop of Hessian soldiers causing them to retreat, with many surrendering to the Continental Army.

His heroics at the Battle of Trenton caught the attention of General George Washington, who appointed Hamilton as his aide de camp. In his work for Washington, his excellent writing skills made him invaluable.[[2]](#footnote-2) The general deployed him on numerous missions, including an attack on British supplies in which Hamilton was chased by British soldiers, and forced to dive into a river and swim for his life, arriving back at camp to find that his fellow soldiers were mourning his death, assuming he was killed in the attack.

Hamilton spent the winter of 1777 at Valley Forge with General Washington, as the Continental solders struggled against cold, starvation, and disease. He continued to serve as Washington’s aid until he resigned in 1781 because Washington refused to offer him his own company to command. The official reason was Hamilton’s lack of seniority. However, as at least one historian has observed, his extraordinary abilities as an aid also made Washington reluctant to part with him (Kruse 37). Hamilton eventually gained command of his own company and distinguished himself at the siege of Yorktown.

The Federalist Papers

After the war ended, Hamilton was appointed to the Continental Congress. He served from 1781 to 1782, and then resigned to return to New York City, where he began a course of self-study, passed the bar exam, and began practicing law. In 1784, he founded the bank of New York, which is still in operation today. In 1787, he served as a New York delegate to the Constitutional Convention. Afterwards, he published 51 of the 85 essays known as *The Federalist Papers*, which urged ratification of the new U.S. Constitution. According to historian Jeffrey Olen, Hamilton explained the Constitution to the new nation in clear, concise language, discussing concepts such as checks and balances and the separation of powers (142).

Building a New Economy

After the Constitution was ratified, George Washington was elected president and took office in February 1789. He immediately appointed Hamilton as the first Secretary of the Treasury. Hamilton threw himself into the question of dealing with debt accumulated during the war. He also authored a seemingly endless array of important economic policies, including the Coinage Act, which established the U.S. Mint and authorized the construction of the U.S. Mint building in Philadelphia.

In 1791, the Bank of the United States, another Hamilton brainchild, opened for business. The well-managed, profitable bank served as the federal government’s financial agent, and remained in operation until 1811 (Olen).

Works Cited

Kruse, Natalia. *Alexander Hamilton: Immigrant and Patriot*. New York: Brookstone and Colescott Academy Press, 2014. Print.

Olen, Jeffrey. "Alexander Hamilton: Inventing American Banking." *Journal of American History and Cultural Studies* 30.5 (2015): 122-145. Web.

1. The letter impressed a local newspaper owner, who decided to publish it. [↑](#footnote-ref-1)
2. A digital archive of his letters maintained by the New York Public Library testifies to his excellent handwriting. [↑](#footnote-ref-2)