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The Society for Establishing Useful Manufactures: Class and Political Economy in the Early Republic

By

Daniel R. Pace

Submitted in partial satisfaction of the requirements for the degree of

Master of Arts in History

Department of History

Seton Hall University

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The Society for Establishing Useful Manufactures: Class and Political Economy in the Early Republic

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Dan Pace

Submitted in partial satisfaction of the requirements for the degree of

MASTER OF ARTS in HISTORY

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The Society for Establishing Useful Manufactures was one of the first corporations in American history. The company was an attempt by Secretary of the Treasury Alexander Hamilton, with the help of his Assistant Secretary of the Treasury Tench Coxe, to turn Hamilton's "Report on Manufactures" into a physical reality. Although the SUM would dissolve only five years after openings its doors, there is plenty to extract from the company's practices. Through the SUM, Alexander Hamilton and his Federalist contemporaries attempted to recreate, and unite, a weak and fledgling United States by strengthening the nation politically and economically. The Society was Hamilton's first true attempt to bind the nation together through interdependence of economic affairs, therefore attempting to give the nation its first true common interest that would help all people regardless of region or class. Through studying the SUM, ideas such as politics, economics, social hierarchy, and even immigration took on a whole new meaning.



INTRODUCTION

When one thinks about a corporate blueprint in America, one does not usually think of a company that would only last five years and did not ever produce anything substantial to actually help the nation's economy. However, the Society for Establishing Useful Manufactures was the first American manufacturing corporation chartered by the state of New Jersey, providing a model for creating corporations that has continued to the present day. The SUM was also symptomatic of the class struggle and competing visions of an America that would become economically independent with the wealthy in charge of a large number of people in a densely populated area. This argument will become apparent through an examination of the actions of the Secretary of Treasury, Alexander Hamilton, and the elected Directors that were chosen "by plurality of suffrages of the Stockholders." This meant that shareholders in this corporation decided who was to serve on the Board of the Society. These men were all affluent at the founding of the SUM, but their financial interests outside of the SUM had a direct effect on the manufacturing company. The effects of the Panic of 1792 undermined Hamilton's vision that those men would lead the young republic economically, socially, and politically. As the SUM declined, workers gained leverage over their employers. Although the SUM would continue to operate after its initial closing in 1796 (indeed it would reopen its doors and continue into the twentieth century), this examination focuses on the initial five years and Hamilton's involvement in large scale, international aspirations for American manufacturing.

¹ "Prospectus of the Society for Establishing Useful Manufactures," August 1791, in *The Papers of Alexander Hamilton*, ed. Harold C. Syrett, 27 volumes (New York: Columbia



The historiography of the SUM is fascinating, especially because historians have invoked the corporation in arguments for the period, spanning the late 1780s and the 1820s. Cathy Matson and Peter Onuf end their book, A Union of Interests, discussing the SUM to help reveal how early formations of the Federalists and Antifederalists were formed after the Constitutional Convention. Matson and Onuf also reveal how the Antifederalists would utilize opposition of the Constitution to later form the Democratic-Republican Party, using Hamilton's failed manufacturing company as one of its major platforms.² Neil Longley York believes that the United States was not ready for the SUM shortly after Independence from Great Britain. While manufacturing was necessary during the war, when supplies ran short after the war, the American populace mostly wanted to focus on acquiring capital, and therefore reverted back to their agrarian ways in a world where land was so abundant. The failure of the SUM, for York, illustrates that the agricultural new nation would not allow for such an enormous manufacturing endeavor. Yet, Paul Johnson, in his book Sam Patch, the Famous Jumper, shows how although the SUM would close its door in 1796, Hamilton's vision was proven to be correct, as industry eventually usurped agriculture in the northern economy and Paterson, the town the SUM formed, would become a booming industrial center.⁴

John Larson, on the other hand, uses the SUM to argue that "most of the so-called Founding Fathers shared [Hamilton's] desire to see property rights protected, credit

² Cathy D. Matson and Peter S. Onuf, *A Union of Interests: Political and Economic Thought in Revolutionary America* (Lawrence, KS: University Press of Kansas, 1990), 166-168.

⁴ Paul E. Johnson, *Sam Patch, the Famous Jumper* (New York: Hill and Wang, 2003),



³ Neil Longley York, *Mechanical Metamorphosis: Technological Change in Revolutionary America* (Westport, CT: Greenwood Press, 1985), 25, 166-168.

restored, and government institutions safely controlled by well-qualified gentlemen" in the young republic. This expressed desire of the founders is why "Hamilton asked for a system of bounties for large manufactories that quickly could establish competitive output – and would be headed by wealthy gentlemen whose politics he trusted." Praising the industrial revolution occurring in America, Thomas Cochran harkens back to the SUM to claim that the manufacturing society was an example that helped to "illustrate the cooperative spirit and the strength of the desire for industrialization in the young nation."

Historians are polarized on the SUM and Alexander Hamilton. Andrew Shankman writes that although manufacturers had a difficult time, the SUM stood out because "those manufacturers with a substantial source of income" took part in Hamilton's program. However, for Shankman, the SUM also represented fears held by men such as Thomas Jefferson, as the SUM and Hamilton's financial policies as a whole "were the culmination of the Federalist effort to preserve republican liberty by ensuring that those who owned the country also governed it." The SUM also attempted to balance the economy into a three-part system of mercantilism, agriculture and manufacturing that Lawrence Peskin believed was going to become the true direction of the greater American economy. Peskin agreeably inflated the importance of the SUM's

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⁵ John Lauritz Larson, *The Market Revolution in America: Liberty, Ambition, and the Eclipse of the Common Good* (New York: Cambridge University Press 2010), 20.

⁶ Thomas C. Cochran, *Frontiers of Change: Early Industrialism in America*, (New York: Oxford University Press 1981), 76.

⁷ Andrew Shankman, *Crucible of American Democracy: The Struggle to Fuse Egalitarianism & Capitalism in Jeffersonian Pennsylvania*, (Lawrence, KS: University Press of Kansas, 2004), 36, 40.

⁸ Lawrence Peskin, *Manufacturing Revolution: The Intellectual Origins of Early American Industry* (Baltimore: The Johns Hopkins University Press, 2003), 88.

undertaking when he claimed that the SUM "was a far larger and more ambitious project than its predecessors...it was national in scope...it involved the new federal government," and finally "it came at a time when the aims of the manufacturing societies [of America] had become more obvious to the public." Instead of hard lines being drawn between different forms of economic activity, the SUM attempted to bind them all together on the national stage.

The sources illuminate this synthesis between the agricultural and manufacturing worlds that Americans of the time assumed to be incompatible in the new nation. The SUM would represent the culmination of American agriculture and technological advancement. Matson and Onuf point to the writings of Tench Coxe, Hamilton's Assistant Secretary of Treasury. According to Matson and Onuf, Coxe argued, "The best prospects for manufactures... were in the countryside where farmers produced 'a considerable surplus for the use of other parts of the union." York contributes to the latter part on machinery, noting how "The importation of British technology into the United States showed the profitability and utility of some inventions" for manufacturers and agriculturalists alike. Although the first section will reveal Coxe's contributions to the "Report on Manufactures" and the SUM, his actions seem to end there. In this regard Jacob Cooke's assertion that Coxe "played a major role in the creation of the" SUM is an overstatement. Coxe never became a shareholder nor did he participate in the SUM

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⁹ Ibid, 114.

¹⁰ Tench Coxe, "Statements...in Reply to the Assertions and Predictions of Lord Sheffield," in Coxe, *View of the United States* (1791), 260, in Matson and Onuf's *A Union of Interests*, 159.

¹¹ York, Mechanical Metamorphosis, 186.

¹² Jacob E. Cooke, *Tench Coxe and the Early Republic* (Chapel Hill, NC: The University of North Carolina Press, 1978), 189.

after the Panic of 1792 bankrupted many prominent SUM members. Coxe subsequently faded into obscurity in terms of the SUM due to what one historian has called his "blatant careerism." Coxe understood that his reputation may be tarnished if he continued supporting the SUM and therefore abandoned the project early. Therefore, Hamilton was the true champion of the SUM and its attempt to nationalize manufacturing.

This argument in favor of the interdependency of agriculture and manufacturing through Hamilton's vision of the SUM is a direct challenge to John Nelson's *Liberty and Property*. Nelson argues that Hamilton's feelings towards domestic manufacturing in his "Report on Manufactures" and his visions of the direction of the SUM ran contrary to his beliefs on international affairs. According to Nelson, "In the report and in the SEUM, [Hamilton] evinced an ambivalence toward manufacturers that was transformed...into active support for manufacturing in one form at least. In foreign policy, Hamilton acted in a manner unquestionably hostile to domestic manufacturers in that he surrendered by treaty America's ability to protect its manufactures from English imports."¹⁴

Nelson instead argues that "In the end it was not [Hamilton] but [Madison and Jefferson] who affirmed manufacturing because it came to be an essential condition of independence. It served no similar function in Hamilton's fiscal system; indeed, if anything, domestic manufacturing was a threat to importers and tariff revenues."¹⁵ Remarkably, Nelson portrays Hamilton catering to foreign, particularly British, affairs

¹⁴ John R. Nelson, Jr., *Liberty and Property: Political Economy and Policymaking in the New Nation*, *1789-1812* (Baltimore, MD: The Johns Hopkins University Press, 1987), 37. ¹⁵ Ibid. 73.



¹³ Martin Öhman, "Perfecting Independence: Tench Coxe and the Political Economy of Western Development," *Journal of the Early Republic* 31, No. 3 (Fall 2011): 413.

while also claiming that the Jeffersonians were the true champions of the manufacturing culture in America.

Nelson's *Liberty and Property* should be explored within the context of Hamilton's SUM. Nelson may concede that Hamilton was possibly myopic to the needs of domestic manufacturing, but this does not seem to be the case when one looks at the aspects of the SUM. Even Hamilton's report on manufactures attempts to create a state of equilibrium between farming and manufacturing. Hamilton wrote emphatically that the outlooks and projects he was about to present to Congress were "not designed to inculcate an opinion that manufacturing industry is more productive than that of Agriculture. They are intended rather to [show] that the reverse of this proposition is not ascertained." Hamilton continues by reiterating the point that agriculture was not more than, but equal to, the importance of manufacturing and that "Tillage ought to be no obstacle to listening to any substantial inducements to the encouragement of manufactures." ¹⁶ Indeed, while Nelson argues that Jefferson was the true believer in domestic manufactures, an argument can also be made that Hamilton and the SUM members were not only supporters of American manufactures, but one of their main goals was to intertwine manufacturing with Jefferson's beloved agriculture.

The challenge to Nelson's *Liberty and Property* is indeed one of the goals of this examination. Hamilton may not have been a manufacturing expert nor did he ever claim to have this expertise. However, his vision of the SUM was to be the manufacturing company the United States desperately needed in their fledgling state. Through the hiring

¹⁶ "Alexander Hamilton's Final Version of the Report on the Subject of Manufactures," December 5th, 1791, *The Papers of Alexander Hamilton*, vol. 10: 245-246, italics included are within Syrett's version of Hamilton's final report.

of certain individuals, Hamilton provided proof that high-ranking members could depend on their subordinates for expertise. Hamilton's vision, then, was not dependent on tariff revenue. Rather, Hamilton believed the SUM would help America reach a greater economic independence through combining manufacturing with agriculture that would both rely less on European powers and more on the efforts of farmers and artisans working together to create a stronger, more versatile domestic economy.

Narratives of the SUM will also be necessary to help illuminate the short life of the corporation. Joseph S. Davis wrote the fullest and most revealing narrative of the SUM, stating that the purpose of his essay was "to relate in some detail the history of [Hamilton's] company, in particular concerning its origin, its launching, and its troublous early years." Hamilton biographers also wrote about the SUM in their narratives of the Secretary of Treasury. Forrest McDonald noted, "The encouragement of manufacturing in the United States had long been regarded as vital to the public interest, as Hamilton wrote in a prospectus for the corporation, but so far the dearness of labor and the want of capital had prevented it." The SUM, with its wealthy investors, was an attempt to alleviate this issue. Ron Chernow has arguably written the greatest and most complete biography of Hamilton and noted the enormity of the SUM: "The society intended to create more than a single mill. It projected an entire manufacturing town, with investors profiting from the factory's products and the appreciation of the underlying real estate. The prospectus listed a cornucopia of sales...that the society might manufacture." Indeed, the SUM was the most ambitious American manufacturing project to date, with

¹⁸ Forrest McDonald, *Alexander Hamilton: A Biography* (New York, NY: W.W. Norton & Company, 1979), 231.



¹⁷ Joseph Stancliffe Davis, *Essays in the Earlier History of American Corporations*, 2 volumes (Cambridge, MA: Harvard University Press, 1917), Vol. 1: 349.

smiliar projects such as the Pennsylvania Society for the Encouragement of Manufactures and the Useful Arts paling in comparison.¹⁹

Although an immigrant, Hamilton felt himself a New Yorker. He was a student at King's College (now Columbia University) shortly after arriving in the British colonies. Ron Chernow has explained how after the British captured Fort Ticonderoga in 1777, Hamilton claimed "that he was disturbed by a threat to 'a state which I consider, in a great measure, as my political parent." Although Chernow would later claim "he still had not committed himself irrevocably to any allegiance" towards New York, he would discover this allegiance a few years later. He married Elizabeth Schuyler, whose father, Philip Schuyler, "was counted among those Hudson River squires who presided over huge tracts of land and ruled state politics." Shortly after his first son was born, Hamilton and his wife "had begun to rent a house at 57...Wall Street" in New York City, making this the first permanent address of Hamilton's life. He "formally became a citizen of New York State in May 1782" when he took residence at Schuyler's mansion during Britain's occupation of New York City. Of all the states in America, New York held the greatest amount of importance to Hamilton's life. 20 This biographical note will be crucial during the SUM's location debates when SUM members from Philadelphia and New York argued for their own commercial interests.

The Minutes of the SUM reveal the types of projects and people that were heavily involved in the early years of the SUM. The Minutes also give an excellent blueprint of just how the SUM was to be formed, which reveals an early form of urbanization envisioned for industrial city of Paterson, New Jersey. However, the greatest problem

²⁰ Chernow, *Alexander Hamilton* 97-98, 135, 167, 185.



¹⁹ Ron Chernow, *Alexander Hamilton* (New York: The Penguin Press, 2004), 372.

with these Minutes is that documentation of the SUM's actions seem to taper off after 1793, when the SUM and its Directors began to lose substantial sums of money. The company barely kept afloat for the remaining three years.

The Papers of Alexander Hamilton help to alleviate this problem. The twenty-six volumes of Hamilton's various writings are unequivocally the greatest contribution to this examination of the Society. Both Tench Coxe and Hamilton's versions of the "Report on Manufactures" can be found here, which is crucial because the SUM was basically a representation of everything in Hamilton's report to Congress in December of 1791. There is also the voluminous correspondence between Hamilton and the various members of the SUM, which sheds light on class relations, manufacturing projects, and Hamilton's opinions on how the SUM was being operated.

The years 1795 and 1796, although part of the SUM timeline, have rarely been mentioned because the SUM was in such shambles that the Directors rarely met and everyone involved in the company had all but given up on any chance that the Society would ever be able to accumulate significant capital. This study of the SUM will not be the narrative of historians such as Davis, McDonald and Chernow, who discuss the birth, life and death of Hamilton's company without providing much analysis of how and what was occurring with the SUM, but why these instances happened and what historians may take away from an in-depth examination of Hamilton's financial program come to life through the SUM.

Though the SUM would only survive for five years before becoming defunct, the company uncovers instances in manufacturing in the United States and how it related to American society. Issues of class, politics, immigration, urbanization, and America's



relation to the greater Atlantic world will be explored. Indeed, as the Directors began to lose money they would also lose power, resulting in the gain of tangible power from people that they perceived to be beneath them in terms of status. This would put a large emphasis on the politics within the SUM and how money, or lack thereof, equated to greater or lesser political sway. Attempts at condensing the population of Paterson through intense urbanization also reveal issues of class through the Directors' attempts at controlling the population through restrictions on where these SUM workers could reside. Although the SUM was originally only around for five years, and only active for approximately three of those, its story anticipates the corporations, factory towns, urban development, and capitalism that still exist today.



INSPIRATIONS AND DESIRES: THE GOALS OF THE SUM

The SUM was the first, and largest, manufacturing company in eighteenth-century America. Alexander Hamilton, who recruited many of his wealthy friends and colleagues to fund the SUM alongside himself, originally thought up the manufacturing society. Indeed, men such as Hamilton, William Duer, Alexander Macomb, John Pintard, Elias Boudinot, Nicholas Low, William Pearce, William Hall, Thomas Marshall, Peter Colt and Benjamin Walker played prominent roles in the SUM from 1791 to its closing in 1796. Many of these Directors and shareholders of the SUM believed that, according to the prospectus of the SUM, "a nation...cannot possess much active wealth but as the result of extensive manufactures." Active wealth referred to people who were looking to make money through business or other entrepreneurial activities.

Many historians have come to the conclusion that the SUM began with Hamilton's "Report on Manufactures." Joseph S. Davis determined that the SUM was the "outcome of the investigations which Hamilton and Coxe conducted." Matson and Onuf had a more negative outlook in this connection, arguing how "Critics began to see the ominous implications in Hamilton's *Report*... in the light of his ill-fated Society for Establishing Useful Manufactures," but credited Hamilton and Coxe's joint effort as the SUM's beginning nonetheless. ²³

This report may have been addressed to Congress on December 5th, 1791, but the report was drafted as early as January of 1790, making Hamilton's report run chronologically parallel with the SUM's timeline. John Nelson took this idea one step

²³ Matson and Onuf, A Union of Interests, 166.



²¹ "Prospectus of the Society for Establishing Useful Manufactures," August 1791, in *The Papers of Alexander Hamilton*, vol. 9: 144-153.

²² Davis, Essays in the Earlier History of American Corporations, vol. 1: 363.

further, claiming, "the SEUM largely prompted the report."²⁴ Regardless of which came first, the SUM and the "Report on Manufactures" both expressed a vision of the dovetailing of agriculture and manufacturing. Although Hamilton acknowledged "that that cultivation of the earth…has *intrinsically a strong claim to pre-eminence over every other kind of industry*,"²⁵ he argued that this does not mean other forms of industry could not help the nation. The "Report on Manufactures" warned America of the overdependence on agrarian society; "that the labour employed in Agriculture is in a great measure periodical and occasional, depending on seasons, liable to various and long intermissions." This was not so in manufacturing, which was "constant and regular, extending through the year." ²⁶

Hamilton did not call for any type of economic usurpation of one American industry over the other, though, but rather revealed how one could help the other. Hamilton listed a number of advantages domestic manufacturing would provide the United States. These included a greater division of labor which in turn would help decrease unemployment, improve technology through machinery, promote immigration of a rather small population (an extremely important concept to this study), and, most importantly at this point, "a more certain and steady demand for the surplus produce of the soil."²⁷ Manufacturers needed these farmers to produce food for artisans and other types of landless occupations.

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²⁷ Ibid, 249.



²⁴ Nelson, *Liberty and Property*, 41.

²⁵ "Alexander Hamilton's Final Version of the Report on the Subject of Manufactures," December 5th, 1791, *The Papers of Alexander Hamilton*, vol. 10: 236, italics included in the original writing.

²⁶ Ibid, 241.

Depending only on agriculture to gain capital also hampered the nation's position in foreign affairs. Hamilton pitted the agriculturally dependent America within the context of the greater transatlantic economy: "In such a position of things, the United States cannot exchange with Europe on equal terms; and the want of reciprocity would render them the victim of a system, which should induce them to confine their views to Agriculture and refrain from Manufactures." As a result, "A constant and [increasing] necessity...for the commodities of Europe, and only a partial and occasional demand for their own...could not but expose them to a state of impoverishment." For Hamilton, the encouragement of a greater manufacturing society would increase American influence within the global economy while also provided goods for domestic consumption. Hamilton, therefore, combined the ideas of self-sufficiency along with competing internationally.

Hamilton was not the only advocate of large-scale manufacturing in the United States, nor was he the only individual behind the "Report on Manufactures". His Assistant Secretary of Treasury, Tench Coxe, also played a major role in early domestic manufacturing and arguably had more to do with the industry as a whole. Hamilton chose Coxe, whom he considered "to great industry and very good talents adds an extensive theoretical and practical knowledge of Trade," to replace William Duer as the Assistant Secretary of Treasury.

Indeed, many historians have acknowledged Coxe's contribution to domestic manufactures. Lawrence Peskin believed Coxe "played a major role" in both the writing

²⁹ "To Timothy Pickering," May 13th, 1790, *The Papers of Alexander Hamilton*, vol. 6:



²⁸ Ibid, 263.

of the "Report and Manufactures" and the formation of the SUM. 30 Jacob E. Cooke believed Coxe "spoke on behalf of an influential group of Americans who believed that prosperity and greatness must be predicated on a balanced national economy, which would particularly include a thriving state of manufactures."³¹ Martin Öhman wrote about Coxe's visions of the United States: "Whereas Jefferson and many of the president's allies came to embrace the advancement of the manufacturing sector as a necessary evil, Coxe consistently hailed it as a positive good." Öhman argued that Coxe, above all other individuals, advocated the interdependence of agriculture and manufacturing in promoting westward expansion: "In [Coxe's] vision, industrial growth would provide for a more ordered settlement of the interior, regions and sectors would become more interdependent, and the republic's international standing enhanced."32 Stephen Meardon drew a closer connection to Coxe and Hamilton's manufacturing aspirations when he wrote "Coxe was Hamilton's assistant during the preparation and completion of the report. He even wrote the first draft of it. He was chosen for the work because Hamilton sought 'gladiators of the quill' for his economic program; Coxe's previous and forceful writings to the same ends...were well known in Hamilton's circle. And Coxe was an early and leading supporter of plans for the public chartering of manufacturing establishments on a large scale." One of these establishments was the SUM.³³ Scholars recognized the influence of Coxe upon Hamilton's "Report on Manufactures" and upon the SUM.

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³⁰ Peskin, Manufacturing Revolution, 114.

³¹ Cooke, Tench Coxe and the Early Republic, 201.

³² Öhman, "Perfecting Independence," 406.

³³ Stephen Meardon, "'A Reciprocity of Advantages': Carey, Hamilton, and the American Protective Doctrine," *Early American Studies* 11, No. 3 (Fall 2013): 445-446.

In his first draft, Coxe believed that manufacturing would lead to "the Reduction of the prices of convenient & essential supplies for public & private use, which has already taken place on the appearance of competition from the American manufacturer."³⁴ In his second draft, Coxe argued that if manufacturing has ever hurt the nation, it was because of the overwhelming need for importation of goods rather than manufacturing as a whole: "The importations of manufactured supplies, incessantly drains the merely agricultural people of their wealth."³⁵ Coxe believed that domestic manufactures alleviated the problem purely agrarian citizens had with the manufacturing world. Agriculture, although the most popular way to make money in the new nation, did not help to improve America's position within the greater Atlantic world. Farmers still had to rely on the technology of Britain in order to transform their products from cash crop to manufactured commodity. Neil York illustrated this idea when the colonies faced this problem in the 1760s. In order for the colonies to remain competitive within the larger Atlantic world, "they needed a constant influx of skilled workers and entrepreneurs from Great Britain" that brought "with them fresh ideas, new machines, and new techniques. Those people and devices...had to be backed with capital."³⁶ By eliminating expensive imports, farmers of all classes were able to accumulate more capital by ridding themselves of costly expenditures that increased a foreign nation's wealth and influence over that of America.

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³⁶ York, Mechanical Metamorphosis, 37.



³⁴ "Tench Coxe's Draft of the Report on the Subject of Manufactures," Fall of 1790, *The Papers of Alexander Hamilton*, vol. 10: 15.

³⁵ "Tench Coxe's Second Draft," September 1790, *The Papers of Alexander Hamilton*, vol. 26: 632-647.

Hamilton echoed this notion in his final draft of the "Report on Manufactures." Hamilton presented his report to Congress in December of 1791 and claimed "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" that Coxe discussed in his draft, and "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." Both Hamilton and Coxe understood that in order for this newly independent nation to be truly free, they had to manufacture the necessary products that were being imported, lessening America's dependence on Europe.

Coxe also argued that a growing manufacturing society encouraged European expertise and their machinery to emigrate to America, therefore rapidly improving a young industry through vast opportunity. Bolstering Öhman's aforementioned article, Coxe noted "the most useful assistance perhaps, which it is in the power of the legislature to give to manufactures and which at the same time will equally benefit the landed & commercial interests, is the improvement of inland navigation." Although he still called for more extensive internal improvements, Coxe believed that transportation was surprisingly advanced in the United States, and this helped to provide cheap movement of manufactured good away of the coast and into the mainland. Regarding transportation, Öhman's argument that Coxe played a major role in westward expansion, is astute.

³⁷ "Alexander Hamilton's Final Version of the Report on the Subject of Manufactures," December 5th, 1791, *The Papers of Alexander Hamilton*, vol. 10: 230-340.



Tench Coxe believed that manufacturing would help the nation by bolstering agriculture and encouraging movement towards the frontier. Encouragement of manufactures helped to bind the nation into a more united, and therefore more centralized, nation. This type of interdependence between agriculture and manufacturing could encourage the largely agrarian nation while also pooling resources into densely populated, urban areas.³⁹ These areas were the headquarters of artisans and manufacturers who made up a large portion of nationalist support during the Confederation period and Federalist support during the ratification debates of the late 1780s. Hamilton seemed to be completely convinced of Coxe's arguments not only because of Hamilton's usage of parts of Coxe's draft, but also because Coxe provided a convincing argument that manufacturing could take place on a national scale, furthering Hamilton's influence on the country.

The "Report on Manufactures" also revealed the same notions as the Directors of the SUM: that manufacturing must cover a number of materials within the domestic sphere on the larger national scale. This would not only help America in the transatlantic trade, but also bolster the American economy as a whole in an attempt to alleviate the trade deficit. The varied products discussed in the "Report on Manufactures", including iron, brick, paper, sugar, copper, brass, tin, wood, tobacco, cotton and wool among others, reveal Hamilton's broad and ambitious goals for domestic manufactures.

Those who joined the SUM influenced the company's projects. The membership of the SUM can be broken down into three distinct, yet interconnected, groups of people: participants of the Revolutionary War (officers and merchants of arms and supplies), land

³⁹ Öhman, "Perfecting Independence," 429.



and debt speculators, and manufacturing experts. Some were exclusively in one group; others blurred lines. These three groups helped influence just exactly what the SUM was doing in their short time. Directors, shareholders, superintendents and workers alike, all understood that manufactures were an absolute necessity in order for the country to survive and participate in the global economy.

Certain members of the SUM came to this conclusion due to their experiences with colonial manufacturing. Many of these individuals served in the American Revolution and understood just how close Britain came to eliminating the rebellious colonies. One of the greatest problems the colonies faced was the tremendous lack of ready supplies for the Continental Army, making up the first major group of SUM membership. Britain had exclusive trading rights with their colonial interests in North America. When the Revolutionary War commenced, the textiles and manufacturing products of Britain disappeared. Some of the problems were self-inflicted as many colonists agreed to end importations of British goods. The other great problem was that that Revolutionary War "cut off contact between manufacturing enthusiasts in the colonies and the sources of innovation in Great Britain." The rebel colonies suddenly felt their manufacturing ineptitude coupled with lack of technological innovation.

The Directors of the SUM all had flourishing careers and gained a substantial amount of economic power prior to their time with the SUM. William Duer and Alexander Macomb were military supply merchants during the Revolutionary War. A number of letters between Duer and George Washington during the war show great

⁴¹ York, Mechanical Metamorphosis, 27.



⁴⁰ Robert Middlekauf, *The Glorious Cause: The American Revolution, 1763-1789* (New York, NY: Oxford University Press, 1982), 186, 189.

concern on the part of Duer in supplying colonial troops. As early as January 1777

Washington was admitting to Duer that "Troops in the [field] are now absolutely perishing for want of" clothing. Washington later informed Duer that he knew "of no means of subsisting the Army but reverting again to the ruinous and expensive System of calling upon the States for specific Supplies." Evidence suggests Duer had a great amount of experience with the colonial supply issue. John Bayard, an original SUM Director, was also an arms merchant during the American Revolution and part of the United States Board of War after Independence. Undoubtedly Hamilton and other participants of the American Revolution (26 of the 67 original stockholders) understood this issue as well when the SUM was founded in 1791.

However, personal experiences during the American Revolution do not mean that the original members of the SUM were entirely altruistic in their New Jersey manufacturing endeavor. Speculators composed the second group of SUM members. Subscribers to the SUM invested in the manufacturing company for several different reasons. Elias Boudinot held a substantial amount of the public debt in the United States at the time of the SUM's founding.⁴⁶ SUM member Herman Le Roy's mercantile firm

^{46 &}quot;From James Blanchard," May, 1791, *The Papers of Alexander Hamilton*, vol. 8: 401-



⁴² "From George Washington to William Duer," January 14th, 1777, in *The Papers of George Washington*, Revolutionary War Series, 22 volumes, W.W. Abbot, ed. (Charlottesville: University Press of Virginia, 1983-) vol. 8: 63-64.

⁴³ "To William Duer," September 18th, 1782, in *Writings of Washington*, ed. John C. Fitzpatrick, 39 volumes (Washington, DC: United States Government Printing Office, 1938), 175.

⁴⁴ Robert Herz, "The S.U.M.: A History of a Corporation," Submitted to the Graduate Facility of Political and Social Science of the New School for the degree of Master of Social Science, Lambert Castle, Passaic County Historical Society, Appendix C.
⁴⁵ Ibid. Appendix C.

also, "engaged in heavy speculation in United States securities." Even SUM member William Seton, the cashier of the Bank of New York, was purchasing public debt in 1792.

Other members involved themselves in land speculation instead of government securities. William Constable was a land speculator who specialized in foreign purchases of American land. Robert Troup, a friend of Hamilton since his days at King's College (now Columbia University) "invested heavily in New York's western lands. Henry Knox left his position as Secretary of War in 1794 as he "decided that it was necessary for him to go to Maine to look after his land interests there. Ulliam Henderson, who would become a member of the SUM in its later years, "owned large tracts of lands in northern New York. and also competed with, and ultimately lost to, land speculator Théophile Cazenove of the Netherlands. Henderson regretted to tell Hamilton "that the tract of Land, of 45000 Acres" fell to the Dutch land speculator "as it would have been a good purchase." Colonel Samuel Ogden, one of the more colorful SUM shareholders, "was one of the landed company that bought a large tract in northern New York south of

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⁴⁷ "To Le Roy and Bayard," August 26th, 1791, *The Papers of Alexander Hamilton*, vol. 9: 112.

⁴⁸ "To David Ross," September 26th, 1792, *The Papers of Alexander Hamilton*, vol. 12: 490-492, Seton was also the father-in-law of Saint Elizabeth Ann Seton.

⁴⁹ "From Le Roy and Bayard," September 1st, 1791, *The Papers of Alexander Hamilton*, vol. 9: 158*n*.

⁵⁰ "From Robert Troup," September 12th, 1791, *The Papers of Alexander Hamilton*, vol. 26: 622-623*n*.

⁵¹ "From George Washington," August 12th, 1794, *The Papers of Alexander Hamilton*, vol. 17, 89*n*.

⁵² "From William Henderson," January 19th, 1794, *The Papers of Alexander Hamilton*, vol. 15: 648.

⁵³ "To Alexander Hamilton from William Henderson, September 24th, 1792, *The Papers of Alexander Hamilton*, vol. 12: 421-423.

the St. Lawrence"⁵⁴ River. He would sell part of this land to both Alexander Macomb and the aforementioned Henry Knox on May 3rd, 1792.⁵⁵

All of these stories show SUM members accumulating both land and debt. In the context of economic depression and rising taxes, with the latter paying war debt mainly held by small numbers of wealthy speculators, ordinary farmers were threatened with foreclosure. Land speculators used resources to gobble up these newly open lands, removing debt-ridden farmers from their lands and creating an even greater gap between rich and poor American citizens. Some of these figures sought other avenues of investment too. The Directors and shareholders of the corporation had a tremendous amount of economic influence in the places that the SUM was to serve: the New York, New Jersey and Pennsylvania areas. The SUM had "one hundred and twenty-three thousand dollars…already subscribed to it" when the SUM's prospectus was published in Philadelphia's *Federal Gazette* in September of 1791. ⁵⁶ The two concepts of public debt and land speculation coincide.

The third group of people within the SUM were the men hired to work and supervise workers of the SUM reflected many of these proposed manufacturing products. Shareholder Samuel Ogden was an iron manufacturer from New Jersey.⁵⁷ Effingham

⁵⁷ "To James Watson," October 9th, 1792, *The Papers of Alexander Hamilton*, vol. 12: 539*n*.



⁵⁴ Albany Gazette, June 7th 1787, in William Ogden Wheeler's *The Ogden Family in America, Elizabeth Town Branch, and Their English Ancestry: John Ogden, the Pilgrim and His Descendants 1640-1906, Their History, Biography & Genealogy*, ed. Lawrence Van Alstyne and Rev. Charles Burr Ogden (Philadelphia: J. B. Lippincott Company, 1907), 105.

⁵⁵ Centinel of Freedom, November 24th, 1807 in ibid.

⁵⁶ *The Federal Gazette and Philadelphia Daily Advertiser*, September 5th, 1791, Philadelphia, Pennsylvania.

Lawrence, who held twenty SUM shares, 58 sought "to retain Hamilton as his attorney involving patent rights for a brickmaking machine."⁵⁹ One can surmise from this excerpt that Lawrence had some experience with the brick making mentioned in Hamilton's "Report on Manufactures." The Directors hired Richard Wittingham as "Our Brass Founder."60 There is also evidence that men would have been useful to the SUM superintendent and English manufacturer Thomas Marshall "as one was a white Smith [tinsmith], & the other a Carpentiere—the *smith* is much wanted as this time" in 1793.⁶¹ Soon after he presented his "Report on Manufactures" to Congress, Hamilton wrote to the Directors of the SUM in 1791 about George Parkinson who emigrated from England and who "appears to be an ingenious Mechanic, who has obtained a Patent for a Flax-Mill [for cotton], which he alleges his having improved."62 Finally, Peter Colt, the clerk of the Hartford Woolen-Manufacture, 63 became the superintendent of wool manufacturing for the SUM in 1793.⁶⁴ These men and their positions help to encapsulate Hamilton's vision of manufacturing originally witnessed in his report to Congress. What these various artisans also reflect is the broad categories of manufactured material the SUM hoped to create, therefore helping to connect the SUM's inception with Hamilton's "Report on Manufactures."

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⁵⁹ "From Effingham Lawrence," March 1st, 1798, vol. 21: 361.

⁵⁸ Herz, Robert, "The S.U.M.: The History of a Corporation," Appendix C.

⁶⁰ "From Thomas Marshall," November 25th, 1793, *The Papers of Alexander Hamilton*, vol. 15: 408-409.

⁶¹ "From Peter Colt," September 8th, 1793, *The Papers of Alexander Hamilton*, vol. 15: 363-365.

⁶² "Minutes of the Directors of the Society for Establishing Useful Manufactures," Philadelphia, December 7th, 1791, Lambert Castle, Passaic County Historical Society, 4. ⁶³ *Connecticut Courant*, May 24th, 1790, Hartford, CT, issue 1322, page 3.

⁶⁴ "Peter Colt to John Chester," July 21st, 1791, *The Papers of Alexander* Hamilton, vol. 9, 319-320.

More importantly, the list of manufacturing experts and artisans appointed to both work and supervise show a proto-capitalist corporation being created. Many of the high-ranking members of the SUM had little manufacturing expertise, nor did they believe this expertise was needed in order to run the company. Upon reading the historiography of the SUM, many historians have merely dismissed the manufacturing society for lacking any type of manufacturing expertise at the top. John Carpenter, in his study of the city of Paterson, writes, "that there was not a single manufacturer among the 65 known founders of the project." Robert Herz goes further when he targets the English wool expert Peter Colt, exclaiming "even Peter Colt...had little experience in industrial operations." Cathy Matson and Peter Onuf conclude that the SUM "was little better than a 'company of gamblers." John Nelson's *Liberty and Property* is arguably the greatest example of this strain of argument. Nelson seems almost dismissive when he claims that manufacturing "was simply not [Hamilton's] forte."

However, the problem for these historians is their narrow approach to the SUM. Clearly not every member of the SUM was a manufacturing expert when the nation was almost completely agrarian, but this does not mean that the entire SUM's manufacturing knowledge was lacking. Although Carpenter claims that all 65 original shareholders knew nothing about manufacturing, another look at the primary sources show that this statement is unfounded. This goes back to the idea that shareholders blurred line of

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⁶⁸ Nelson, *Liberty and Property*, 50.

⁶⁵ John A. Carpenter, "The Industrial Development at Paterson, New Jersey: 1892-1913," a dissertation submitted in partial fulfillment of the requirements for the degree of Masters of Arts in the faculty of Political Science, Columbia University, Lambert Castle, Passaic County Historical Society.

⁶⁶ Herz, "The S.U.M.: A History of a Corporation," 19.

⁶⁷ Matson and Onuf, A Union of Interests, 167.

classification. Certain SUM members both worked in the field of manufacturing and also rose to the ranks of shareholders and even Directors. Some men even blended manufacturing with land speculation. Samuel Ogden is the perfect example of mixing the three concepts of Revolutionary officer, land speculator and domestic manufacturing expert into one.

One of the first instances where Ogden can be publicly witnessed is December 5th. 1785, when, after spending time as a Revolutionary Colonel, he was seen celebrating the anniversary of the British evacuation of New York City. The day was "joyfully commemorated by a select party of ladies and gentlemen at the Coffee-house, to whom an elegant turtle was presented by Isaac Gouverneur and Samuel Ogden, Esquires. After the feast, a number of patriotick toasts were [drunk]."69 When not toasting American Independence, Ogden was found at his store located at 194 Water Street in New York City, buying and selling pig iron. He also forged "Bolt-Iron, Sythe-Iron...Shear-Moulds, Mill-Irons" and "Rudder-Irons...with attention and dispatch." Ogden also helped to sell manufacturing lands in Little Egg Harbor, New Jersey, "thirty-eight Miles from Philadelphia by Land, and within one Day's Sail from New-York." These lands included a furnace, forge, a number of mills and a "Mansion-House." What Ogden also advertised in regards to this land is "a demand...more than equal to the Expence of delivering the Wheat at the Mills; and the [convenience] of conveying the Flour, either to New-York or Philadelphia, or to a more distant market, will not be overlooked nor considered as of

⁶⁹ *The American Recorder and the Charlestown Advertiser*, December 13th, 1785, Charlestown, MA.

⁷⁰ American Mercury, April 18th, 1785, Hartford, CT, vol. I issue 41.

small consequence."71 Samuel Ogden, an expert iron manufacturer and land speculator from the United States, would later also be "recommended by a number of the stockholders in the New-Jersey manufacturing society" as a suitable candidate for an SUM Director in 1792.⁷²

Peter Colt not only participated in domestic manufactures, but also took part in politics, serving as an alderman in Hartford soon after the war ended⁷³ and then was elected Treasurer of the state of Connecticut in 1790.⁷⁴ Colt also dabbled in the selling of land, having advertised "10 acres of Land, lying on the road to Weathersfield, two miles from the [courthouse] in Hartford."⁷⁵ Nicholas Low, a Director from the SUM's inception, had a hand in a hat factory located on Market Street in New York City prior to his business with the SUM. 76 Low would also be elected to the New York assembly. along with SUM members Alexander Macomb, Brockholst Livingston, Richard Harrison and Alexander Hamilton, in favor of ratifying the Constitution.⁷⁷

The vignettes above do not refute the SUM historiography. However, they show that the lack of manufacturing experience in the Society has been exaggerated. While certain high-ranking members of the SUM were not manufacturers, they hired people who knew what they were doing. In turn, men such as Samuel Ogden and Peter Colt made their way up the SUM corporate ladder into rather prominent positions. Together,

 ⁷¹ Independent Journal, August 20th, 1785, New York, NY issue 180, page 3.
 ⁷² National Gazette, October 3rd, 1792, Philadelphia, PA vol. I, issue 97, page 387.

⁷³ The United States Chronicle: Political, Commercial and Historical, July 15th, 1784, Providence, RI, vol. I, issue 29, page 2.

⁷⁴ The Providence Gazette and Country Journal, May 22nd, 1790, Providence, RI, vol. 27, issue 21, page 3.

The Connecticut Courant, March 5th, 1787, Hartford, CT, issue 1154, page 2. New-York Packet, August 11th, 1785, New York, NY, issue 514, page 4. Pennsylvania Mercury, June 3rd, 1788, Philadelphia, PA, issue 243, page 3.

these speculators inexperienced in manufacturing and experienced manufacturers provided significant political support for the early Federalist regime.

In addition, Hamilton and Coxe brought in outside help in the form of English experts in manufacturing. Writing to Thomas Jefferson in 1787, Tench Coxe seems to have tipped his hand regarding clandestine (and illegal) plans to send an acquaintance by the name of Andrew Mitchell "to procure for their joint and equal benefit and profit, and for the good of the United States of America models and patterns of a number of machines and engines now used in the Kingdom of Britain...for manufacturing cotton."⁷⁸ York, along with Carroll W. Pursell, Jr., helps to shed light on why infiltrating British factories was deemed illegal, writing how "the British, as before the war, were averse to letting outsiders feast off their growing industrial might."⁷⁹ This need to maintain superiority in machinery and manufacturing led to "a whole body of restrictive legislation" which had been built up by Parliament since the seventeenth century to prevent the exportation of machinery and the expatriation of artisans."80 Although nothing substantial came from this attempt from Coxe, evidence suggests that from the time of the Constitutional Convention, manufacturing enthusiasts such as Coxe were already attempting to emulate the greater manufacturing societies of Britain.

Tench Coxe attempted to infiltrate British factories for good reason. At this point Great Britain was already going through an Industrial Revolution. Inventions and

⁸⁰ Carroll W. Pursell, Jr., "Thomas Digges and William Pearce: An Example of the Transit of Technology," *The William and Mary Quarterly*, Third Series 21, no. 4 (October, 1964), 551-560.



⁷⁸ Cooke, *Tench Coxe and the Early Republic*, 107, from Hugh Henry Brackenridge to Coxe, March 18th, 1790, "Contract: Coxe and Andrew Mitchell," August 9th, 1787, Coxe Papers, The Historical Society of Pennsylvania.

⁷⁹ York, Mechanical Metamorphosis, 158.

improvements on technology had made the empire's manufacturing industry the main component of British economy. Richard Arkwright had invented and patented a water frame in 1769 that revolutionized cotton manufacturing in the British Empire. 81

According to one Irish journal, Arkwright's invention increased the output of cotton in Britain from two hundred thousand pounds in 1750 to "forty millions of pounds" in 1832 and attributes this tremendous increase to "inventions of machinery." This same journal also admitted that around 1790, "the planters in the Southern States of America began to turn their attention to the raising of cotton wool" and at that time had "produced qualities of cotton before unknown." This was crucial, for before Arkwright's water frame Britain was relying on the importation of cotton "raised in Surinam, or Demerara and Berbice," territories under Dutch control at the time. 82

American agriculture helped to alleviate Britain's dependence on other nations for the cotton, creating greater economic power and independence. Coxe understood how valuable American cotton was to the world and how Britain began to thrive off of cotton manufacturing. It is no wonder, then, that he used his "personal funds in an unsuccessful attempt to bring some Arkwright machinery models into the country." Following Britain's blueprint, Coxe believed manufacturing American-grown products, instead of exporting them to other nations, would help America gain greater economic freedom from their European rivals. However, in order to begin the commencement of Coxe's

83 York, Mechanical Metamorphosis, 157-158.

⁸¹ Richard L. Hillis, "Sir Richard Arkwright and His Patent Granted in 1769," *Notes and Records of the Royal Society of London* 24, no. 2 (April 1970), 254-260.

⁸² The author of this article went under the pseudonym F., "The Rise and Progress of Cotton Spinning," *The Dublin Penny Journal* 1, no. 29 (January 12th, 1833): 230-231.

ideas, the SUM would first have to obtain a corporate charter that would benefit the company financially.

Incorporation of the SUM proved to be no major difficulty. Obtaining a corporate charter was the first action in the history of America's first national manufacturing corporation. The SUM was on the national level for the first time in the pages of John Fenno's Federalist newspaper, Gazette of the United States. At the end of the article, the writers of the prospectus seem to show the power the company was already able to accumulate in their earliest time by the list of SUM members that were to be part of the legal team that ensured the SUM's incorporation, a list of some of the most powerful men in the new nation. When discussing the acquisition of "an Act of Incorporation," the prospectus show the SUM appointing "Elias Boudinot, Nicholas Low, William Constable, William Duer, Philip Livingston, Blair McClenachan, Matthew McConnell, and Herman Le Roy" as "each of our Attornies" in order to gain a corporate charter from either Pennsylvania, New York or New Jersey, with "such preference...to the State of New Jersey."84 Although the Prospectus claimed that the SUM would attempt to seek a charter from New York, New Jersey or Pennsylvania, evidence suggests New Jersey was preferred from the SUM's inception. "The state was densely populated, possessed cheap land and abundant forests, and enjoyed easy access to New York...Most critically, it was well watered by rivers that could turn spin turbine blades and waterwheels."85 Where exactly in New Jersey the SUM would be located is another story that will be examined closely in the next section. Most of these men would ultimately become members of the

⁸⁴ Gazette of the United States, September 10th, 1791, Philadelphia, PA, vol. 3, no. 39, page 1.

85 Chernow, Alexander Hamilton, 373.



manufacturing society they were representing, giving them a great incentive to ensure the SUM's charter.86

Politicians did not get in the way of the SUM's incorporation in 1791. After the death of William Livingston in August 1790, William Paterson rose to governor of New Jersey, which may have been critical to the SUM's charter being passed with ease. New Jersey had one of the more tepid oppositions to the Constitution, and the vote for ratification was "unanimous" while also being "brief and desultory."87 Paterson was the delegate sent to the Convention that truly stood out from the small state perspective. Although his New Jersey Plan ultimately failed, it did help contribute to a type of accommodation with Madison's large-state supporting Virginia Plan. Paterson and the New Jersey delegates' "basic purpose" was "to indicate that they would accept the broad changes of the Virginia Plan only if the small states retained an equal vote in one house of Congress," therefore giving the small states, New Jersey included, a rather large victory in the Constitutional Convention.⁸⁸

Since the Constitutional Convention, Paterson seemed to be one of the greater advocates of the Hamiltonian vision of government; that is, supporting stronger central government and the assumption of the national debt to help the smaller states of America not become subservient to the larger ones. Furthermore, Paterson "took part in framing the Judiciary Act of 1789," creating the judicial branch of the United States government, and "supported the funding and assumption phases of Alexander Hamilton's financial

Herz, "The SUM: A History of a Corporation," Appendix C.
 Jack N. Rakove, *Original Meanings: Politics and Ideas in the Making of the* Constitution (New York: Alfred A. Knopf, 1996), 155.



plan."⁸⁹ Paterson's support for Hamilton's nationalist agenda within the Constitution proved pivotal for the SUM. The manufacturing company was an attempt at making the nation stronger as a whole, and since Paterson agreed with a stronger central government, he felt that providing the SUM with a charter would be beneficial to the entire nation.

Obtaining this corporate charter helped to alleviate the SUM of certain financial constraints. The charter maintained that "all the lands, tenements, hereditaments, goods and chattels...shall be and they are hereby declared to be free and exempt from all taxes, charges and impositions whatsoever" and would continue to be exempt from taxes "for the term of ten years." Therefore, when Paterson became the second Governor in New Jersey history, Hamilton gained a supporter in the most powerful position in the state. This, coupled with the fact that New Jersey in its entirety was very supportive of the Constitution and lies between the economic centers of Philadelphia and New York City, made the state ideal for the SUM. Hamilton flattered the governor by naming the proposed industrial town Paterson.

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⁹⁰ Theodore Backes, ed., *Tax Laws of the State of New Jersey: A Compilation of the Statutes Relating to the Assessment and Collection of Taxes* (Trenton, NJ: State Gazette Publishing Co., Printers, 1918), 13.



⁸⁹ John E. O'Connor, "William Paterson," in *The Governors of New Jersey: Biographical* Essays, eds. Michael J. Birkner, Donald Linky, and Peter Micklaus, rev. ed. (New Brunswick, NJ: Rutgers University Press, 2014), 107.

LOCATION DEBATES: CLASS, POLITICS, AND THE SUM'S FUTURE

The debate on where the SUM would be situated is a fascinating exercise of politics combined with economics. As will be revealed, it was the men of great wealth who would hold the final decision of the SUM's location, ignoring practical and expert advice in the process. Therefore, this section will help to reveal how expertise and reasoning were trumped by profit motivation. The city of Paterson, New Jersey was officially established due to the SUM's formation, but the choice was not clear-cut and did not come easy for the SUM Directors. The various locations proposed by members of the SUM—Directors and subordinates alike—show the similarities and differences in the visions these men had for the company. Location was so essential and required such intense debate that Alexander Hamilton was present when this issue of location was brought to the Directors in 1792.91

One of the SUM's first actions was to form a committee from the Directors "to be a Committee to receive Plans and Applications for Situations of the Manufactories, and lay them before the Board." This committee consisted of Directors Elisha Boudinot and Moore Furman. 92 However, an article in the *Columbian Centinel* stated that Directors Alexander Macomb, John Dewhurst, Archibald Mercer, Benjamin Walker, and Thomas Lowrey were also part of "a committee to fix the position of the principal seat of the manufactures, and to contract and engage either to purchase lands, or for other purposes relative to this subject." These Directors were also "to meet to view the Raritan on the 20th, of February [1792]."93 In a span of two months, the committee to decide on the

^{91 &}quot;SUM Minutes," May 17th, 1792, 35-36.
92 "SUM Minutes," Philadelphia, December 7th, 1791, 5-6.
93 *Columbian Centinel*, January 28th, 1792, Boston, MA, vol. 16, issue 43, page 170.

location of the SUM went from two to seven of the thirteen original Directors. Although the debates for the location would occur months before the Directors were elected, there is no doubt these men already had much at stake in the positioning of the manufacturing company.

William Hall, an important advocate for placing the SUM at the Passaic Falls, seems to have been the first to propose the Passaic Falls as an ideal location. In August 1792 Hall, along with English textile manufacturer Joseph Mort, went to scout the proposed locations, namely the Delaware and Passaic rivers. This visit may give some tangible evidence towards the elimination of the Delaware and Raritan. Hall told Hamilton that he and Joseph Mort "have examin'd the Delaware…about 94 miles above Philadelphia & have found several good situations. On the Raritan there are none. Our Money running short oblig'd us to come to New York for a supply. We propose going up the Pasaic in a few Days, after which you shall receive a report of our observations."

This rejection of the Raritan may have helped to weaken the position of men such as Thomas Lowrey who advocated the positioning of Delaware and Raritan and Thomas Marshall who requested that Hamilton consider the Second River. The fact that Hall and Mort went to New York for supplies provides another interesting perspective. If they were 94 miles away from Philadelphia, would it not make more sense to refresh their supplies in Philadelphia rather than traveling to New York? Evidence suggests that Hall and Mort were headquartered, or at least lodging, within New York City, which may be why they eliminated the Raritan and Second Rivers as prospective SUM sites.

⁹⁴ "From William Hall," August 29th, 1791, *The Papers of Alexander Hamilton*, vol. 9: 121.



The Raritan seemed to be the first proposed location for the manufacturing society. Thomas Lowrey was an Irish manufacturer who settled in America long before the founding of the SUM, of which Lowrey became one of the original Directors. Born in Ireland in 1737, Lowrey was serving in the provincial Congress in Hunterdon County in 1775 and became a lieutenant colonel during the War of Independence. Lowrey would also serve as a marshal for the county of Burlington in southern New Jersey (bordering Philadelphia). What is more fascinating is the work his wife was accomplishing the same time her husband was fighting for Independence, raising "a large sum of money in twelve days for the relief of the army." Lowrey's wife was not the only woman doing this type of voluntary work during the war.

Emily J. Arendt noted how women of all classes in Philadelphia understood that they needed to help the Revolutionary cause in any way they could. According to Arendt, "it would not have been unusual to see women engaged in public activities" due to the colonial "government's inability to solve the ruinous problems confronting the revolutionary endeavor" that included "Unprecedented inflation, problems with military supply operations…political factionalism, urban rioting, and a shocking defeat at Charleston." This suggests that Lowrey, along with his family, understood the desperate need for supplies during the war, and also understood how he could personally profit from the fighting.

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⁹⁵ The Burlington Advertiser, August 9th, 1791, Burlington, NJ, vol. 2, issue 70, page 3.

⁹⁶ Daughters of the American Revolution, *Lineage Book*, 152 volumes (Ann Arbor: The University of Michigan Press, 1903), vol. 16: 107.

⁹⁷ Emily J. Arendt, "Ladies Going about for Money': Female Voluntary Associations and Civic Consciousness in the American Revolution," *Journal of the Early Republic*, vol. 34, no. 2 (Summer 2014): 157-186.

After the fighting was over, Lowrey attempted to sell the land he owned in New Jersey. He described this land in an advertisement in *The New Jersey Gazette*, claiming "The clear land is divided into proper fields, with never failing springs or streams of water" with "about 60 acres of excellent meadow...the land is exceeding good either for grain or pasture" and was located "within one mile of the river Raritan." Thus, Lowrev had a financial stake in proposing the "Neighborhood of the Delaware and Raritan Rivers" as the site for the SUM. 99

Thomas Lowrey seemed to be a perfect fit for a company attempting to bolster manufacturing in America. He believed, in 1791, that although wood was abundant in the area, coal could also be found in copious amounts. Lowrey wrote to Hamilton about this information on a potential source of energy: "I would further observe the article of Coal as in my opinion worthy of a degree of consideration for a future resource as to fuel, and shall here take the liberty to mention that the Mountains of the Susquehannah in the Neighborhood of Wyoming and up the Lakawanick (which is not far distant from the Delaware, and on the same Direction of Mountains which Cross the Delaware) contain in the Bowels, quantities of Coal, of the Kindly [a mining term meaning promising mineral qualities] or blazing kind almost inexhaustible." 100

Not only did Lowrey provide insight in the early American history of potential energy, but his location would put the SUM in a favorable position to Philadelphia (fortyfive miles by land, seventy by water). Along with coal and wood, Lowrey believed that the SUM would also find slate and stone from "a Mountain sixteen Miles up the River" to

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⁹⁸ *The New Jersey Gazette*, March 7th, 1785, Trenton, NJ, vol. 8, issue 356, page 3.
⁹⁹ "From Thomas Lowrey," October 14th, 1791, *The Papers of Alexander Hamilton*, vol. 9: 379-381.

¹⁰⁰ Ibid

alleviate the costly expense of the construction of various buildings. ¹⁰¹ Upon reading Lowrey's letter to Hamilton, one can see a rather pragmatic proposal that would reward the SUM with an abundance of resources, cheap building material, and close to one of the more prosperous cities in the United States at the time.

Although the Delaware and Raritan had plenty of advantages, one of the major drawbacks was the fact that putting the SUM closer to Philadelphia would isolate the New York Directors. Although there was plenty of investment by certain Directors in Philadelphia, the New York Directors—William Duer, Alexander Macomb, John Dewhurst, Benjamin Walker, Nicholas Low, Royal Flint and George Lewis—seemed to have the advantage. Alexander Macomb and William Duer had an extraordinary amount of available land at the time, especially within the greater New York area. Although abundant land was unnecessary for the American manufacturing community in terms of use and output, the selling of these lands would allow for plenty of capital for the young company. In an agrarian nation, landholding, and the ability to sell land, translated to power.

The New York Directors were well-known merchants residing in New York.

These names may have garnered enough power to give the interests of New York more power than that of Philadelphia. William Duer was the first Governor of the SUM as well as Hamilton's Assistant Secretary of Treasury before Tench Coxe and a member of the Continental Congress, United States Congress and the Society of the Cincinnati, the controversial voluntary association of Revolutionary War officers. Alexander Macomb made one of the most spectacular land purchases in the early days of the United States

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having purchased over three million acres of land in the greater New York area to the west and north of New York City, laying "roughly between Rome and Watertown [in upstate New York] and between the Black river and Lake Ontario." Nicholas Low was a close associate of Rufus King, a staunch Federalist and one of the more prominent politicians in the early republic. ¹⁰³

Not much is known about John Dewhurst before his time as a Director of the SUM, but he did sell an assortment of clothing and hardware at his store on 190 Water Street in New York City. Dewhurst was also a member of New York's Chamber of Commerce around the time the SUM was looking for potential locations. Royal Flint was "Originally a resident of Connecticut" but later "became a prominent New York businessman" who "had been closely associated in several business ventures with William Duer." George Lewis had international dealing in his warehouse on 39 Queen Street in New York City, importing linens and cotton goods from both England and Ireland alike and consistently advertising his merchandise starting in 1784.

Last, Benjamin Walker provides for one of the more fascinating and unlikely careers for a member of the SUM; let alone for one of the Society's Directors. Starting his career as a Captain and Colonel during the Revolutionary War, he would then serve as

¹⁰² J.I. Wyer, Jr., "Later French Settlements in New York State, 1783-1800," *Proceedings of the New York State Historical Association*, vol. 15 (1916): 182.

105 *The New-York Daily Gazette*, September 8th, 1791, New York, NY, issue 844, page 3. 106 "From Royal Flint," December 20th, 1791, *The Papers of Alexander Hamilton*, vol.

106 "From Royal Flint," December 20th, 1791, *The Papers of Alexander Hamilton*, vol. 10: 398*n*.

¹⁰⁷ The Connecticut Gazette, October 15th, 1784, New London, CT, vol. 21, issue 1092, page 3.

¹⁰³ A number of letters between Nicholas Low and Rufus King can be found in the New York Historical Society under the Nicholas Low Papers, New-York Historical Society. ¹⁰⁴ *The Daily Advertiser*, November 25th, 1785, New York, NY, vol. 1, issue 232, page 1.

the Secretary to Governor George Clinton of New York. 108 Clinton was one of the more prominent Antifederalists in the nation. However, this seemed to matter little to Federalists such as Duer and Alexander Hamilton as Walker helped Duer tremendously during the fiasco surrounding his failed Scioto Company, a land speculation company that fell amid the chaos that was the Ohio Valley during the late eighteenth century. Indeed, Walker seemed to think highly of himself in regards to the Scioto Company when writing to Hamilton, as he believed Duer's speculation company to be "in so embarrassed a situation as to require [Walker's] utmost exertions to save them from ruin." Walker continued in his letter to Hamilton: "seven or Eight hundred Emigrants are now in America who have purchased and paid for lands for which the United States will never get a farthing unless I can rescue the business from the miserable situation it is in." ¹⁰⁹ Perhaps this was exaggerated self-promotion of his own talents, but since Walker was part of the Federalist opposition prior to his time with the SUM, one can surmise that his actions during the handling of the Scioto Company, although it ultimately failed, caught the attention of Hamilton.

Other Directors had ties to New Jersey. Archibald Mercer, Deputy Director of the SUM, 110 was a New Jersey judge of common pleas in Somerset County who also sold lands around the Trenton and New Brunswick area shortly before the SUM was formed. In his description of the land in several newspaper advertisements, he described the area as being "on the great road leading from New-York to Philadelphia, 20 miles from New-

^{110 &}quot;SUM Minutes," 2



¹⁰⁸ *The New York Packet*, September 9th, 1784, New York, NY, issue 418, page 2. ¹⁰⁹ "From Benjamin Walker," December 28th, 1790, *The Papers of Alexander Hamilton*,

Brunswick, and 10 miles from Trenton."¹¹¹ This description is interesting as it shows Archibald Mercer understanding the advantages of the central New Jersey area catering to both major cities of New York and Philadelphia. Chairman of the SUM John Bayard was, along with Tench Coxe, a stockholder and director of the Bank of Pennsylvania before becoming involved in the politics of New Jersey, ¹¹² so he was more connected to Philadelphia than New York. John Neilson arguably had the greatest ties to New Jersey having represented it in Continental Congress and the Constitutional Convention. He encouraged manufacturers to come to New Jersey as early as 1784, requesting "A Person who has some knowledge of the trade of a millwright" to meet with him in New Brunswick. ¹¹³ Neilson may have also understood how important the Great Falls were to the SUM, as he, along with SUM shareholder John Pintard, attempted to hire workers "to erect bridges over the [Hackensack] and Passaick rivers." ¹¹⁴ Samuel Ogden was also present at these bridge-erecting meetings at Gifford's Tavern in what is not Franklin Park, New Jersey. ¹¹⁵

Financial stability was paramount for the SUM, and banks held a sizeable amount of economic support for the nation. They allocated loans, collected debt, and allowed for much of the speculation of the time. John Bayard may have been a director for the Bank of Pennsylvania, but the Bank of New York also involved plenty of SUM members, including the Governor of the SUM, William Duer, and the founder of the Bank of New

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¹¹¹ *The New-York Packet*, March 4th, 1788, New York, NY, issue 781, page 3, but can also be cited earlier in *The Pennsylvania Packet*, July 12th, 1787, issue 2631, page 4. ¹¹² *The Pennsylvania Packet*, February 14th, 1784, Philadelphia, PA, vol. 13, issue 1660, page 1.

The New Jersey Gazette, February 3rd, 1784, Trenton, NJ, vol. 7, issue 299, page 4.

¹¹⁴ *The Daily Advertiser*, May 9th, 1791, New York, NY, vol. 7, issue 1939, page 3.
115 Diary, Newark, November 6th, 1793, in Papers of John Pintard, Box 5, Folder 2, New-York Historical Society.

York, Alexander Hamilton. Hamilton may have favored New York from the SUM's inception. When writing to William Seton for a loan from the Bank of New York in May of 1792, Hamilton attempted to sway Seton by insisting, "it is much the interest of our City that [the SUM] should succeed. It is not difficult to discern the advantage of being the immediate market to a considerable manufacturing Town." Though Hamilton may have been attempting to persuade Seton by merely pandering to the Bank of New York's Cashier, the fact that Hamilton, a New Yorker, considered New York "our City" and the "immediate market" of the SUM may have been the reason he was present when the Directors decided on a final location.

Like the Philadelphia-minded Lowrey, Thomas Marshall both envisioned expanding American manufacturing and proposed a river other than the Passaic.

Marshall, "for a Considerable time [entertained] an Opinion that proper Encouragement [would] be given in this Country, to the Cotton Spinning Manufactory if constructed upon the Genuine principles of Sir Richard Arkwright the Inventor an Patentee of the Machinery...[formed] the resolution of Visiting America." He would become one of the more levelheaded men the SUM obtained, consistently trying to deescalate Hamilton's overambitious approach to the manufacturing project. He begged the SUM Directors to take note of the problems of setting up the national manufacturing society at the Great Falls of the Passaic River.

Marshall cautioned Hamilton in a letter he wrote to the Secretary of Treasury in 1791. The English manufacturer believed the Passaic River to be problematic.

¹¹⁶ "To William Seton," May 25th, 1792, *The Papers of Alexander Hamilton*, vol. 11: 425. ¹¹⁷ "From Thomas Marshall," July 19th, 1791, *The Papers of Alexander Hamilton*, vol. 8: 556-557.

Navigation of the river would require the building of canals, a concept that one Monsieur Allon, who accompanied Marshall to the Great Falls, estimated to be "at 2000£." "The Expence," Marshall continued in his letter to Hamilton, "attending the Canal and making the Pasaic Navigable for such a distance are Objects Sir that I respectfully recommend for your Consideration, and when the Pasaic is froze Land carriage for such a distance will fall heavy." Marshall instead asserted that the Second River, a tributary to the Passaic, would make more fiscal sense for the fledgling manufacturing institution. Unlike Thomas Lowrey, who believed that the Raritan and Delaware were ideal for they catered directly to Philadelphia and even New York, Marshall was concerned with cost. Even though he had not been in the United States for too long, he understood the need for frugality.

Ultimately Marshall's warnings fell on deaf ears. Why Marshall's concern was disregarded was not documented, but one can surmise that his lack of experience in the United States and his status beneath the SUM's wealthier shareholders may have undermined his influence. Although Thomas Lowrey also proposed a different site, one can see the differences between the descriptions of the propositions of Lowrey and Marshall. Lowrey, a Director of the SUM who found quite a bit of financial success during the Revolutionary War, believed that the Raritan provided more potential in financial gain. He rightly predicted that coal would become a main source of power in the United States and that the Directors of the SUM should capitalize on this potential opportunity. He also believed that the abundance of various stone would provide for cheap construction. However, there may have been underlying reason for his proposal.

¹¹⁸ "From Thomas Marshall," October 2nd, 1791, *The Paper of Alexander Hamilton*, vol. 9: 267-269.



Lowrey seemed to have lived near the Raritan for most of his time spent in the United States, making him rather attached to Philadelphia. His proposal may have therefore been purely for self-interest. Although Lowrey claimed that the Delaware and Raritan idea would be good for New York City as well, undoubtedly if the SUM was to be located there the company would serve Philadelphia's hinterland more than that of New York.

Thomas Marshall, like Lowrey, claimed that his idea of placing the SUM on the Second River would help cut costs. The difference lies in Marshall's greater sense of forward thinking. While Lowrey only considered the cheapness of building the SUM, Marshall believed that his Second River prospect would provide cost-efficiency for years to come. By claiming that the Passaic River had a tendency to freeze, making transportation costs at the mercy of inevitable season changes, Marshall erred on the side of caution in building a major manufacturing company in a densely wooded area. This made land transportation, which was already a more expensive alternative to water routes in the first place, exceedingly difficult.

Whereas Marshall was more concerned about the overall future prospects of the SUM, Lowrey believed in immediately cheap accumulation. Indeed, not only did Lowrey provide a breakdown of cost-effectiveness for material, but he also did the same for people. In a letter to Hamilton, Lowrey estimated "The Labour of an able bodied Man may be obtained for, from fifteen to eighteen Pounds per annum if found in provisions and Lodgings, if found by himself, the Labour may be obtained at, from twenty five to twenty eight Pounds per annum. The Labour of a Woman as above from seven to eight Pounds...and the proportion may be easily calculated as to inferiors &



youths of both sexes, according to the weight of the Labour." This not only provides the type of labor the SUM wanted (and which will be examined later), but it also shows how Lowrey thought of people and places in terms of commodified labor. Where Thomas Marshall warned against rash decision-making and overexcitement, Lowrey was concerned with how cheap such material and people could be acquired.

Thomas Marshall also indirectly revealed class relations within the SUM. At the end of his letter of concern to Hamilton and his proposal of the Second River as a better location, Marshall seems to understand his place within the broader SUM in the summation of his letter: "Thus Sir, I venture to differ in Opinion from others who have gone before me, and if I am wrong in my Statements it arises from Ignorance only, for I think myself as warmly attach'd to the Prosperity and Interests of the Society as any individual directly or indirectly concern'd and have endeavour'd to guide my conduct by these Sentiments in the little concerns that have hitherto fallen to my lot." Marshall may have held a different opinion and his contemporaries as well as his superiors, but he also understood his place in this decision-making process. Ultimately, the Second River proposition was eliminated. This is reflected in the Minutes of the SUM, which state "that no other of the communications respecting Positions be read; than those relating to the Passaick, Delaware and Raritan."

William Hall's letter to Hamilton provides even more evidence of careerism. In his letter, Hall was "very doubtful if [Marshall] is much acquainted with the practice [of

¹²¹ "SUM Minutes," May 17th, 1792, 36.



¹¹⁹ "From Thomas Lowrey," October 14th, 1791, *The Papers of Alexander Hamilton*, vol. 9: 379-382.

¹²⁰ "From Thomas Marshall," October 2nd, 1791, *The Papers of Alexander Hamilton*, vol. 9: 267-269.

manufacturing]. The Modells He is making will not work & I much fear some money will be expended and delays ensue on that [account]."¹²² Delays were the last thing the Directors wanted to hear on a project that had already taken almost a year to set up a location, let alone commence desired projects or construct much-needed buildings. Only a few days after Hall's last letter, and upon a visit to the Passaic River, Hall claimed, "one of the finest situations in the world can be made" at the Great Falls of the Passaic River. ¹²³

The thirteen Directors disregarded Thomas Marshall's concerns about the Passaic River. Indeed, not one of them mentioned the Second River or the fact that the Passaic River may have been a bad idea. Rather, they either went along with the Passaic River plan or chose a different area. What happened to the originally proposed area between Delaware and Raritan? While Thomas Lowrey had been able to muster strong arguments to the other Directors, there seemed to be one major difference separating Lowrey and the rest of the SUM Directors. Lowrey was also the only one of the original thirteen Directors to have major financial and mercantile ties to Philadelphia. The rest of the Directors had closer ties to either New Jersey or New York. 124

The two members of the original committee for discovering a location, Moore Furman and Elisha Boudinot, both had strong ties to New Jersey. Boudinot was a member of the Supreme Court of New Jersey while also working the Circuit Court as a lawyer representing the Garden State. Moore Furman was also involved in the politics

125 Ibid, Appendix C.



¹²² Ibid

^{123 &}quot;From William Hall," September 4th, 1791, *The Papers of Alexander Hamilton*, vol. 9: 171-172

¹²⁴ Herz, "The S.U.M.," Appendix C.

of New Jersey, as he was the mayor of the state's capital of Trenton. Furman was also a rather prominent merchant, "Having established a store" in the Trenton area, which Furman wanted "to inform the publick, that they are now opening a general assortment of merchandize, which will be disposed of wholesale and retail... for cash or country produce." This provides evidence of Furman's attachment to New Jersey, but interestingly enough, this newspaper article also shows Furman practicing a type of merchant practice: selling items in bulk and at great variety. This practice is reflected in the later practices of the SUM.

Ultimately, the Great Falls of the Passaic River became the position of the SUM. As one historian has noted, the Great Falls was the second greatest waterfall in the United States outside of the Niagara Falls. 127 The Passaic River seemed to be the perfect medium between the New York and Philadelphia Directors. To summarize in the words of another historian, in a span of only a few days, William Hall, an immigrant in the United States for only a few months, "reported that the Falls of Passaic offered 'one of the finest situations in the world,' the Delaware 'several good situations,' and the Raritan none at all." Remarkably, it would seem, Hall was perceived on the same level as Thomas Marshall in terms of the SUM, but Marshall's ideas were ignored while Hall's insistences came to fruition shortly after his letters to Hamilton.

Marshall and Hall's small rivalry is fascinating as it pitted two men who were initially on equal footing against one another. Hall attempted to undermine Marshall by

¹²⁸ Jacob E. Cooke, "Tench Coxe, Alexander Hamilton, and the Encouragement of American Manufactures," *The William and Mary Quarterly*, 3rd series 32, No. 3 (July 1975): 369-392.



¹²⁶ The New Jersey Gazette, June 21st, 1784, Trenton, NJ, vol. 7, issue 319, page 3.

¹²⁷ Johnson, Sam Patch, the Famous Jumper, 41.

questioning his professionalism and expertise in the matters of manufacturing. However, there is evidence that contradicts the claims of William Hall and his attacks on Thomas Marshall.

This helps to introduce the third English manufacturer (as well as an artisan and inventor): William Pearce. Coming to America around the same time as Hall and Marshall, William Pearce caught the attention of Hamilton with machinery he alleged to have improved. Pearce seemed to be of personal importance to Hamilton, as Hamilton had hired Pearce "in preparing Machines for the use of the Society...He pretends to a knowledge of the fabrication of most of the most valuable Machines now in use in the Cotton Manufactory; and his Execution hitherto...confirms his pretensions." Hamilton wrote to the Directors further, listing all of the machines Pearce had either improved or invented: "he has prepared a double Loom...Of this he gives himself as the Inventor, and has applyed for a Patent, which he will probably obtain. It is certain that the Machine, if in use at all in Europe is quite new." ¹²⁹ Thomas Digges, a Marylander whom one historian has shown was smuggling artisans" and "promoting emigration" in the 1790's, 130 believed Pearce to be "a second Archimedes" who "invented first the famous wheel machinery for Sir [Richard] Arkwrights famous [spinning] Mill in Manchester."¹³¹ Pearce had many people who seemed to back his expertise in cotton manufacturing and machinery.

¹²⁹ "SUM Minutes," December 7th, 1791, 3-4.

¹³⁰ Lynn Hudson Parsons, "The Mysterious Mr. Digges," *The William and Mary* Quarterly, 3rd series 22, No. 3 (July, 1965): 486-492.

The Papers of Alexander Hamilton, vol. 11,

^{241-246.}

Pearce's inventions not have been his alone. From newspaper reports, Secretary of State Thomas Jefferson learned of them, even writing to Pearce in late 1792: "The newspapers tell us you have invented a machine by which [700 pounds] of cotton a day can be cleaned...Knowing that this operation had been one of our greatest difficulties in the course of our household manufacture in Virginia, I feel much interest in this discovery." Although the letter was written to William Pearce, Pearce replied that he was not the sole inventor. Thomas Marshall was also included in the letter. The machines discussed in Jefferson's letter to Pearce were now referred to as "our Machines" and "we [Pearce and Marshall] carefully avoided every exaggeration" as to its efficiency. 133 The credit seems to be given to both men, the "second Archimedes" in William Pearce and a man who was doubted to be "much acquainted with the practice" on manufacturing in Thomas Marshall. Carroll W. Pursell, Jr. has provided evidence that Pearce came to America because he could not obtain a patent for machinery he supposedly invented and improved while in England. Moving to America did not change Pearce's fortunes, as he never obtained the patent he desired.

However, for Pursell, Pearce still contributed to the manufacturing world: "In his own terms [Pearce] was a failure. He thought of himself as an inventor, and it was for his inventions that he sought the patronage of America. What demand he found was not for Pearce's double looms but for Arkwright's spinning machinery. As an inventor he failed but as an innovator" who increased cotton manufacturing through his technological

¹³² "To William Pearce," December 15th, 1792, *The Papers of Thomas Jefferson*, 40 volumes, Editor in Chief Julian P. Boyd (Princeton: Princeton University Press, 1990), vol. 24: 745.

¹³³ "To Thomas Jefferson from William Pearce and Thomas Marshall," December 31st, 1792, *The Papers of Thomas Jefferson*, vol. 24: 805.

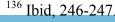


improvements, "he was a success." Evidence suggests that Pearce the innovator had help from Thomas Marshall in the making of his machinery. William Hall, in his denunciation of Thomas Marshall, was not only incorrect, but he also hindered the reputation of a colleague within the SUM.

In connection with the location debate, the Directors, or at least Hamilton, seemed to have been convinced of Hall's opinion of Marshall regardless of its inaccuracy. Marshall had expertise in both machinery and manufacturing. However, this seemed to matter not to the men in charge of the SUM. Hamilton may have had his mind set all along, giving Marshall no chance of redirecting the Secretary of Treasury. During the Revolutionary War, Hamilton "saw the Great Falls of Passaic while he was aide-de-camp to Washington." Where "Others saw the fearsome cataract falling seventy feet into a swirling maelstrom and praised its charm," according to Harry Emerson Wildes, "Hamilton looked upon the waterfall as a source of power."

From an early stage, then, it is possible that these powerful falls lying almost directly between Philadelphia and New York would "provide sufficient power to turn the wheels of every factory that the nation could ever build" and "carry the country's entire industrial output to markets in every quarter if the globe...monopolizing manufactures and holding the rest of the United States as its agricultural and mining fief." Shortly after the debates between Hall, Marshall and Lowrey ceased, on December 1th, 1792 the Directors mentioned above were appointed to their positions by the SUM's shareholders.

Harry Emerson Wildes, *Twin Rivers: The Raritan and the Passaic*, (New York: Farrar & Rinehart, Inc., 1943), 246-247.



¹³⁴ Purssell, "Thomas Digges and William Pearce," *The William and Mary Quarterly* 21, no. 4: 551,560.

A few months later, on May 18th, 1792, the Board of Directors decided "unanimously that the Town of Paterson be located upon the Waters of the River Passaick at a distance of not more than six miles from the same on each or either side…near the Town of NewArk, and Chatham Bridge [in New Brunswick]."¹³⁷

Plenty can be learned by simply looking at the location debates of the SUM. For the Directors, expertise did not matter since they had superintendents who, evidence shows, clearly knew what they were doing. However, the Directors went a step further in their nonchalance about the knowledge of manufacturing. Not only did they not need to be experts in the field, but they also seemed to not care for who were these so-called experts. They may have listened to William Hall's opinions, but his criticism of Marshall may have been all the SUM's leaders needed to rid Marshall of his credibility when warning Hamilton that the Passaic River may be a poor choice in location. Politics, not expertise, ultimately won the argument.

This also gives a glimpse to the other side of the debate on manufacturing. Thomas Jefferson, it would appear, encouraged rather than hindered manufacturing. Jefferson seemed genuinely intrigued by Pearce and Marshall's machinery, as he understood that it could help the country as a whole. Cotton was only in its infant stage in comparison to its importance in the early 19th century, but the problem seemed to be the lack of technology rather than a lack of interest. Herein is a concept that manufacturing enthusiasts such a Tench Coxe foresaw when he initially endorsed the SUM. The correspondence between Jefferson, Pearce and Marshall revealed the

¹³⁷ "SUM Minutes," May 18th, 1792, 37.



publicity the SUM was receiving, even during its early stages, and how the manufacturing society could have been beneficial to the entire nation.



CONNECTING THE NATION: THE SUM AND AGRICULTURE

Hamilton, along with the Directors of the SUM, understood that agriculture could not possibly be ignored in order for the manufacturing society to thrive. Many of them learned this through their dealings and assignments during the American Revolution when materials were severely lacking. Indeed, even manufacturing enthusiast Mathew Carey, writing in 1787 in his newspaper *American Museum*, admitted to agriculture being "natural to America, and will always serve as an increasing source of commerce."

However, even though agriculture and manufacturing were both important to the nation, this did not mean that manufacturing did not garner advantages that could not be obtained within the agrarian world. In his "Report on Manufactures," Hamilton spent part of his time arguing that manufacturing would help in the advancement of technology while also boosting economic production through the improvement of machinery. Hamilton wrote about how "manufacturing pursuits are susceptible in a greater degree of the application of machinery, than those of Agriculture." Agrarianism offered little incentive to improve machinery. Lack of advancement would mean falling behind with their competitors in Europe, particularly France and England. Hamilton, then, was attempting to show a major problem in relying to heavily on agriculture as it stymies national progress.

Most of what the SUM intended to manufacture directly relied on a combination of American agriculture and improved machinery. After all, one of the first discussions that William Duer "laid before the Board" was "a communication…relative to the

¹³⁸ Mathew Carey, ed., "Address to the citizens of New Jersey, on the new constitution," November 5th, 1787, *American Museum*, 437.



manufactory of Tobacco." This directly reflected the desires of Hamilton when he presented his "Report on Manufactures." The Society's minutes reveal that the Directors of the SUM came to the conclusion "that in their opinion it will be for the benefit of the Society to go into the manufacture of Tobacco—that it appears to the said Committee, the said [William Hankart] has a very superior knowledge in the said manufacture and that it was probable he may obtain from the Legislature of the United States the Patent which he is about to apply for." Tobacco, a staple crop of American agriculture especially in Virginia, was singled out to become one of the SUM's first manufacturing projects. This would be important to Virginians such as Thomas Jefferson, who supported inventions and believed that the patents of said inventions "protected the right of an individual to enjoy the rewards of something the public would not have without him." Innovation and invention, then, were beneficial to the entire nation.

Not only was tobacco going to be a focus of the SUM, but, as seen through William Hall's contract, cotton would also be of utmost importance. Cotton was the staple crop that it would become in the early nineteenth-century, but it was a necessity in the textile industry, an aspect of manufacturing that was severely lacking during the War of Independence. Writing about Philadelphian Benjamin Rush, Neil York describes how Rush believed "A combination of home spinning and weaving...would employ the poor, invigorate the economy, and bring about self-sufficiency." This reflects William Duer's exchange with George Washington regarding severe supply issues throughout the war. The shortage included clothing, and Duer knew about this crisis firsthand.

¹⁴⁰ "SUM Minutes," January 16th, 1792, 9.

¹⁴¹ Ibid., 12.

¹⁴² York, Mechanical Metamorphosis, 200.

¹⁴³ York, Mechanical Metamorphosis, 23.

On a national scale, the goal was to try to bind the entire nation together.

Although historian Martin Öhman has given most of the credit to Tench Coxe in this regard, Alexander Hamilton also had a great deal of influence and passion in a stronger and more centralized nation. In *The Federalist* No. 11, addressing the people of New York, Hamilton partially covered the idea that exporting domestic goods could benefit nationwide unity. Hamilton discussed how the powers of Europe looked on with great anxiety toward the west, fearing that the United States would become another competitor in the greater Atlantic world. However, farming enthusiasts would need to cooperate with these commercial interests of the American merchant class.

The fact that the states were independent of one another before the Constitution's ratification was problematic in terms of foreign trade. Since the nations of Europe understood the tentative hold the federal government had on the states, "Impressions of this kind will naturally indicate the policy of fostering divisions among us, and of depriving us as for as possible of an ACTIVE COMMERCE in our own bottoms." Hamilton believed that if the nation stayed "united, we may counteract a policy so unfriendly to our prosperity" by forcing "foreign countries to bid against each other, for the privilege of our markets." The most important aspect of *The Federalist* No. 11, however, is exactly why the United States would be so important to foreign markets. The aforementioned unity of the states would "not appear chimerical to those who are able to appreciate the importance of the markets of three millions people—increasing in rapid progression, for the most part exclusively addicted to agriculture, and likely from local circumstances to remain so—to any manufacturing nation." Hamilton was discussing strengthening the nation's maritime interests, but he also indirectly admitted to the power



of American agriculture. Understanding that the farming world was seemingly endless in terms of production, Hamilton connected this concept with the need for a stronger navy that would help with foreign trade.¹⁴⁴

There seems to be a rather interesting connection between *The Federalist* No. 11 and Hamilton's formation of the SUM. America would already profit off of merchants and farmers working together through foreign trade according to Hamilton's *The Federalist* No. 11. A combination of large-scale agricultural commodities to be mass-produced by domestic manufactures and then sent to various parts of the world via the merchant class would help to solidify the entirety of the American economy. Perhaps, instead of European manufacturers depending on the abundance of American agriculture, America could take over that part of the industry as well.

Both Hamilton and Coxe understood the need for agriculture to intertwine with manufacturing in order to form a self-sustaining economy. Although most of the nation was still agrarian, manufacturing, such as it was, was mostly concentrated within the North, while agriculture seemed to be the only practice of the southern states.

Manufacturing never really seemed to find solid ground in the South during this time. Although land was being depleted (especially by the staple crop tobacco, which ruined soil after a time), the opening up of the West after the Revolutionary War gave agriculturalists the means to continue their way of life.

Although there was already a small antislavery movement brewing in the North, most people, agriculturalists and manufacturers alike, believed that slavery was a necessary evil. Indeed, even northern merchants "profited" from slavery, "carrying slave

¹⁴⁴ "To the People of the State of New York," *The Federalist* No. 11, November 24th, 1787, *The Federalist Papers*, 59.



produced commodities from the southern states to foreign markets." The SUM would help to reflect this notion. Using the agriculture of the South, the SUM would help to connect the farming world with the global economy. By taking farming products and manufacturing them into items to be sold internationally, the SUM would work as the middleman between farming and foreign trade. This would help bring about "Domestic prosperity" which "would in turn guarantee favorable commercial and political relations with the world at large," an idea that could not be possible if the states maintained their self-interested ways and did not work together. Large-scale domestic manufacturing, therefore, would effectively bind the nation together through agricultural dependence on the manufacturing company to increase their profit through exportation. This was the true economic independence Coxe and Hamilton desired.

It also appealed to the land speculators involved in the SUM. Covering the entire agricultural world under the umbrella of the SUM ran parallel with the idea of land speculation. Alexander Macomb and William Duer accumulated a vast amount of land cheaply with the assumption that over time they could sell this land, piece by piece, at higher prices. Perhaps Hamilton had the same aspirations for the SUM. Ideally, the manufacturing corporation would accumulate much of the agricultural work of the nation and subsequently the manufactured goods would be shipped out of the SUM, using their network of merchants, who were both Directors and shareholders, to monopolize that manufacturing industry and make the agricultural world subservient to the SUM. Although this concept would prove men such as Jefferson to be correct, if the SUM was

¹⁴⁵ Adam Rothman, *Slave Country: American Expansion and the Origins of the Deep South* (Cambridge, MA: Harvard University Press, 2005), 6.





to be successful, Jefferson's accusations would not matter. The SUM would have already achieved enough economic success that Jefferson, and likeminded men of the time, would be powerless to stop it.



AN UNLIKELY SOURCE: IMMIGRATION AND THE SUM

The Society for Establishing Useful Manufactures was formed at a time when American voluntary associations were ubiquitous. Revolutionary ideologies had a residual effect as America moved from a colonial possession to an independent nation. Joanne Freeman writes "As good republicans, Americans considered themselves everything that their corrupt European forebears were not—egalitarian, democratic, representative, straightforward, and virtuous in spirit, public-minded in practice." For Freeman, participation in associations was not the only way that American citizens could prove their value in American democracy. Participating in various showcases of freedom was another way of being a "good republican." However, some historians believe that one class became the catalyst for another. Andrew Shankman claims that, in the years before the American Revolution, "as gentlemen began to appeal to those below them to resist, they necessarily invited their inferiors into politics." Therefore, intense enthusiasm for voluntary associations blurred the lines of class never before witnessed anywhere else in the world.

The Directors of the SUM did not ignore this idea of volunteerism. The Directors may have mostly included bankers, lawyers, land speculators and merchants, but it also encouraged people of little wealth that were eager to take part in this voluntary manufacturing association. The SUM, with all its perceived elitism and Federalist conglomeration, wanted to encourage volunteerism within America society. However, the Directors also saw that certain people played distinct roles in these societies, and

¹⁴⁸ Shankman, Crucible of American Democracy, 19.



¹⁴⁷ Joanne B. Freeman, *Affairs of Honor: National Politics in the New Republic* (New Haven, CT: Yale University Press, 2001), 7.

these ideals would culminate into what was the class-based system the SUM would become. This was a problem that Thomas Jefferson greatly feared. Johann Neem, in his book *Creating a Nation of Joiners*, noted that Jefferson had concerns about the types of voluntary associations the SUM represented. Jefferson "believed that permitting the spread of voluntary associations and corporations would threaten civic equality by allowing a small minority...to exercise disproportionate influence over public life." This section will help to validate Jefferson's concerns. Although the SUM encouraged volunteerism, it was in whom they encouraged that struck fear in the Secretary of State.

In a letter to the Directors of the manufacturing society, Alexander Hamilton asked if the Directors would permit Joseph Mort, an English immigrant with manufacturing expertise, "to bring over Workmen" from Europe in an attempt to enhance not only English immigration, but also the artisan population that was clearly overwhelmed by the mostly agrarian America. What is even more striking is the fact that Hamilton attempted to recruit English artisans even though English law was "very severe against the immigration of mechanics." This is mostly due to the fact the before and during the Revolution, Great Britain tried to discourage colonial manufactures so that the colonies would have to rely on the manufactured goods of the mother country. Once independence was gained, Britain still had the notion that they would be able to regain the colonies over time, as they understood America's dire financial situation. Handing

¹⁴⁹ Johann N. Neem, *Creating a Nation of Joiners: Democracy and Civil Society in Early National Massachusetts* (Cambridge, MA: Harvard University Press, 2008), 5.

¹⁵¹ "From Thomas Marshall," July 19th, 1791, *The Papers of Alexander Hamilton*, vol. 8: 556-557.



¹⁵⁰ "To the Directors of the Society for Establishing Useful Manufactures," December 7th, 1791, *The Papers of Alexander Hamilton*, vol. 10: 345-346.

over machinery and people that would help American manufactures, therefore also aiding America in its attempt to be self-sufficient, was the last thing the British Empire wanted.

The idea that Hamilton dreamed of a manufacturing society that recruited workers from abroad might be explained in two ways. First, it could suggest that Federalists did not fear popular enthusiasm and economic participation from the lower classes; classes that many historians believe were the enemies of the Federalist Party. Although a rather unpopular idea for most historians, the members of the Federalist Party understood that, in a democracy, they would need support from the citizenry in order to achieve any sense of political power. Second, this letter from Hamilton to the Directors may be proof that although there may have been a considerable number of artisans in America, especially in the New York area which the SUM was to serve, ¹⁵² Hamilton believed that American artisans lacked the expertise of manufacturers in foreign nations. The United States was an agrarian nation, but its manufacturing population was not totally absent. What provoked Hamilton to seek help not domestically, but overseas?

First, many manufacturing enthusiasts in America understood that British expertise was vital to American manufacturing. Soon after the ratification of the Constitution, Mathew Carey, an Irishman who was one of the more important boosters of early American manufacturing, provided a piece of quintessential rhetoric for Hamilton and the SUM in his magazine *American Museum*: "America will teem with those who will fly from slavery, persecution, tyranny, and wars of Europe. The civil commotions of

¹⁵² For the artisan population in New York, see Sean Wilentz's *Chants Democratic: New York City and the Rise of the American Working Class, 1788-1850* (New York: Oxford University Press, 1984), 27-29 as well as Howard Rock's *Artisans of the New Republic: The Tradesmen of New York City in the Age of Jefferson* (New York: New York University Press, 1984) 12-14.



Holland will soon open a wide door to let her citizens and those of Germany into America. The trumpet of war has already sounded in their ears, and we shall soon behold the industrious labourers of those counties pouring into our ports and [crowding] our cities." Hamilton himself, in his "Report on Manufactures," stated that manufacturing would help in "The promoting of emigration from foreign Countries," so this was obviously an important idea to him and the greater manufacturing community. A proimmigration speech such as this dovetailed with the rhetoric of early American manufacturing to make what seemed to be a perfect fit in the minds of men such as Mathew Carey. This would lead historians such as Lawrence Peskin to believe that the SUM's directors, along with Hamilton, may have bought into these immigration theories wholeheartedly. Hamilton was a subscriber to the short-lived *American Museum*, "the new nation's first national magazine" and "one of the most influential nationalistic pro-Constitution journals in the country." 155

The SUM became widely known in Europe to the point that Jerome Trenet, who was "a person whom Col. Duer entered into a speculation with for the establishment of a manufacture of brass and iron Wire," had "just returned from France, from which place he as brought tools and one or two hands. And he now with [Mr. Duer's] consent [offered] himself to the Society." Both manufacturing materials and, more importantly, people came over with the Frenchman Trenet. Francis Douthat, a French

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155 Peskin, Manufacturing Revolution, 69.

¹⁵⁶ "To the Governor and Directors of the Society for Establishing Useful Manufactures," August 16th, 1791, *The Papers of Alexander Hamilton*, vol. 12: 215-216.



¹⁵³ "Address to the citizens of New Jersey, on the new constitution," November 5th, 1787, *American Museum*, 438.

¹⁵⁴ "Alexander Hamilton's Final Version of the Report on the Subject of Manufactures," December 5th, 1791, *The Papers of Alexander Hamilton*, vol. 10: 249.

engineer, came to the United States around July 1792 as he "made a few pieces of [cloth]" along with "having brought over all the Plans of machinery which is the only expectation there is to make [cloth] come cheaper & Expedite the [business]." ¹⁵⁷

Douthat was also unsure "if the [commissioner] of The Jersey Manufactory mean to give me any [encouragement]. To settle at the falls. They desired me to make application this fall But my distant situation makes it very [inconvenient] & except you [Hamilton]

Should Oblige me so far as to let me know their intention I know Not how to apply." ¹⁵⁸

The evidence may not suggest that Douthat came to the United States explicitly to find employment at the SUM (indeed there is very little information about Douthat at all), but there is enough evidence to show that Hamilton's manufacturing project garnered a considerable amount of national and international attention.

A few days after Hamilton's letter to the SUM concerning Trenet, and without doubt of more importance, was the recruitment of the Englishmen William Hall, Thomas Marshall and William Pearce. Hamilton wanted manufacturing expertise and he found it in these three English manufacturers. Hall, Marshall and Pearce not only played an important role in the beginnings of the SUM, but they also provide substantial evidence of Hamilton's English favoritism along with the international scope that the SUM's reputation had garnered.

Alexander Hamilton's love of the British Empire should come to no surprise if one looks at the historiography of not only Hamilton, but of almost every Federalist in the early 1790s. Stanley Elkins and Eric McKitrick have revealed that Britain's history with

¹⁵⁸ "From Francis Douthat," December 3rd, 1793, *The Papers of Alexander Hamilton*, vol. 15: 438-440.



¹⁵⁷ "To Benjamin Walker," July 11th, 1792, *The Papers of Alexander Hamilton*, vol. 12:

their former colonies would prove to be their greatest advantage over rival nations, most notably France. Indeed, Britain possessed "a detailed knowledge of that [American] market based on long experience; a close network of trading relationships; and a generous reservoir of credit." However, the most important aspect of Britain's relationship with the United States, as pertains to the SUM, was the crucial fact that Britain maintained "the most advanced manufacturing techniques in Europe...The bulk of the hardware, cutlery, iron and steel manufactures of all kinds...was British made, and 87 percent of America's import trade in manufactures between 1787 and 1790 was done with Great Britain."

Hamilton believed that English and French manufacturing was necessary for the SUM. This concept should be considered with the United States' first piece of legislation concerning immigration policy in the new nation: The Naturalization Act of 1790.

Although he never specifically mentioned the act, Hamilton may have used the Naturalization Act of 1790 in an attempt to recruit immigrants to the United States who possessed artisan expertise. The Naturalization Act required

That any alien, being a free white person, who shall have resided within the limits and under the jurisdiction of the United States for the term of two years...that he is a person of good character...shall be considered as a citizen of the United States. And the children of such persons so naturalized, dwelling within the United States, being under the age of twenty-one years at the time of such naturalization, shall also be considered as citizens of the United States. And the children of citizens of the United States, that may be born beyond sea. Or out of the limits of

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¹⁵⁹ Stanley Elkins and Erick McKitrick, *The Age of Federalism: The Early American Republic, 1788-1800* (New York: Oxford University Press, 1993), 70-71.

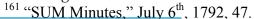
the United States, shall be considered as natural born citizens ¹⁶⁰

The Naturalization Act of 1790 provided that any white male immigrant should be "a person of good character." The Minutes of the SUM show that this law may have influenced the Directors two years later when they wrote "That any Mechanic being of good Character and a married man may be accommodated with a house and lot either upon a lease for one or more years not exceeding twenty years." The idea of good character is rather vague and flexible in both aforementioned usages.

Moral issues in the new nation may have constituted a number of problems with a person's character. The Naturalization Act of 1790 would itself be modified five years later and numerous times after that. Also, the length of the lease, the minimum of one year, coincided with the Naturalization Act, as the lease would bind these mechanics to the United States for at least one year. Because it would take at least one year to become naturalized citizens of the United States, the Directors of the SUM could have set up the one-year lease policy to ensure that these mechanics would become citizens of America by the end of the shortest possible term to live in these land lots in Paterson, New Jersey.

Mechanics being of good character related directly to the Naturalization Act, and so did the concept of marriage and family life. The SUM not only encouraged the recruitment of married men, but also made marriage a prerequisite for these mechanics. The SUM pursued this strategy for three reasons. First, recruiting mechanic families would make it less likely for the mechanic to leave once a lot had been purchased and the

¹⁶⁰ An Act to establish an uniform Rule of Naturalization, Statutes at Large, 1st Congress, 2nd Session, Chapter 3 (March 26th, 1790), A Century of Lawmaking for a New Nation: U.S. Congressional Documents and Debates, 1774-1875, 103-104.





entire family settled down around the Passaic Falls in Paterson. With beautiful acreage around them and the powerful falls, canals and aqueducts powering various mills and factories, there would have been assurances that mechanics could maintain employment for years. SUM Directors wanted these artisans to be accompanied by their family members, as it would ensure that they would remain in the nation.

Second, the Naturalization Act stated that the children of these white male immigrants would also be eligible for citizenship at the same time as the patriarch. This would mean if the family had one or more sons under the age of twenty-one, there would be even more citizens of an artisan background in America that would enjoy the fruits of democracy. Since the lots upon which these mechanics would be living were considerably small, one quarter of an acre according to the SUM's minutes¹⁶², so these SUM artisans would be living in significant proximity to one another. The SUM may have hoped that if these children lived within the artisan community and were raised around neighbors of the same craft, the chances that they would stray from the manufacturing society to the agrarian world would significantly decrease. Thus, the SUM and Paterson would have served as a potential grooming area for these immigrant manufacturing families originally from Europe.

Third, and possibly most important, America's requirement of good moral character in its potential immigrants was a fairly loose term that could be applied in many different ways. Perhaps this was the intention of the 1790 law. In basing a law upon murky applicability, the new nation could pick and choose whom the nation wanted or did not want occupying their lands. Regardless of the lawmakers' intention, moral

¹⁶² "SUM Minutes", January 6th, 1792, 47.



character was a term that may have been vague, but it was also a rather common term in both United States immigration history as well as a generally acceptable characteristic needed during the late 18th century.

The idea of good moral character in an era of open immigration made it easy for practically any white male to enter the country. Although it may have been difficult for English artisans to leave their native land, if they were fortunate enough to do so, they would be able to enter the nation with few issues and, if seeking work in such manufacturing societies as the SUM, would have been welcomed with open arms and a small plot of land made readily available. However, even though they had a strong connection, naturalization and immigration were two different concepts. Immigration did not mean immediate ability to participate in American politics, which is what defined naturalization. After a year, Hamilton wanted to ensure that his English immigrants of the SUM, who possessed a well paying job along with a family, would be accepted as United States citizens.

Alexander Hamilton, along with his Federalist friends in the SUM, may also have attempted to accumulate political backing with their vigorous recruitment of foreign workers. Although the Antifederalists were defeated when the Constitution was ratified in 1787, this did not mean that opposition to the Federalists or the Constitution was eradicated completely. As Max Edling writes, "many of the men who had voted against the Constitution soon became virulent critics of the first federalist administrations. Thus, ratification did not mean the end of politics, nor did it mean that debate about the future

course of America had ended."¹⁶³ However, Joanne B. Freeman has also shown that the United States, as late as 1795, did not immediately melt into a two-party system either: "There were no organized parties in this unstructured new arena, no set teams of combat or institutionalized rule for battle...Tempting as it is to see a two-party system in the clash of Federalists and Republicans, national politics had no such clarity to the men in the trenches."¹⁶⁴ Even though political parties had not yet come to fruition, there was no doubt Hamilton knew he had enemies within the political battlefield Freeman so aptly describes

When considered in light of Hamilton's feeling towards social hierarchy and economic interest, enhancing American manufacturing and channeling political aspirations through the SUM would help to bolster Federalists along with the manufacturing class. In *Federalist* No. 35, Hamilton believed that "the house of representatives is not sufficiently numerous for the reception of all the different classes of citizens." He assumed, however, the mutual dependency of artisans and merchants: "Mechanics and manufacturers will always be inclined with few exceptions to give their votes to merchants...Those discerning citizens are well aware that the mechanic and manufacturing arts furnish the materials of mercantile enterprise and industry. Many of them indeed are immediately connected with the operations of commerce. They know that the merchant is their natural patron and friend." Merchants, therefore, were "the

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¹⁶³ Max M. Edling, A Revolution in Favor of Government: Origins of the U.S. Constitution and the Making of the American State (New York: Oxford University Press, 2003), 219.

¹⁶⁴ Freeman, Affairs of Honor, xix.

natural representatives of all these classes of the community."¹⁶⁵ Historians have noted the arrogance of this view, ¹⁶⁶ but one must recognize the value Hamilton placed on artisans for future of manufacturing, the SUM, and the power it could attain if able to acquire a large amount of skilled and even unskilled laborers.

Writing in early 1788, two years before the SUM was founded, Hamilton already acknowledged that merchants, mechanics and manufacturers leaned towards the Federalists. Alfred Young noted, "it would be hard to locate a merchant from an established family, a leading export-import man, an insurance broker, a wealthy stockholder or director of the Bank of New York—in short, anyone at the apex of wealth and power in the mercantile community—who was not a Federalist." ¹⁶⁷ Hamilton understood that these economic ties between merchants and manufacturers would inevitably cause artisans to lean towards the political decisions that favored the mercantile system, a system heavily backed by the Federalists of the nation (indeed, many of the higher ranking Federalists were merchants). In fact, Sean Wilentz argues "When George Washington was inaugurated president in 1789, no group in the country was more fervently pro-Federalist than the New York artisans." ¹⁶⁸ Sources at the time seem to reinforce this sentiment. "At a Meeting of the Master Carpenters of the city of New-York...It was agreed unanimously to vote" for leading Federalists of the state "to serve in Convention, Senate, and Assembly." These men would include major SUM

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¹⁶⁵ "To the People of the State of New York," *The Federalist* No. 35, January 5th, 1788, *The Federalist Papers*, New York: Bantam Dell (2003), 198-200.

¹⁶⁶ Wilentz, *Chants Democratic*, 67.

¹⁶⁷ Alfred F. Young, *The Democratic Republicans of New York: The Origins, 1763-1797* (Chapel Hill: The University of North Carolina Press, 1967), 77.

¹⁶⁸ Ibid., 67.

¹⁶⁹ The Daily Advertiser, April 25th, 1788, New York, NY, vol. 4, issue 991, page 2.

participants Alexander Hamilton, Richard Harrison, Nicholas Low, Brockholst Livingston and Alexander Macomb.

However, this relationship between Federalists and manufacturers would not last. The Panic of 1792 caused many of these artisans, who depended on the merchant class, to fall into the same financial hole as wealthy merchants and speculators such as William Duer, Alexander Macomb and John Pintard (all major benefactors of the SUM). Macomb and Pintard are important at this point, as both men were successful merchants before the Panic of 1792, the first financial crisis in the new nation. In March 1792, Duer and Macomb "anticipated a rising market" in America and "attempted to corner it" by making "extensive contract for future delivery, and to pay for them began borrowing sums large and small, at extravagant interest, from all classes of the city." Their confidence "was contagious, and by February, New York City was in a speculative frenzy." When the stocks did not rise as expected, however, the entire city went from "speculative frenzy" to financial panic. 170 Prior to this crisis, however, Federalists were tightening their grip on the state of New York.

In fact, Macomb may have helped in lessening the political power of Governor George Clinton of New York, who was one of the more prominent Antifederalists of his time. According to Thomas Jefferson, "The great sale of land to Macomb has lessened Governor Clinton's interest among the farmers in the upper part of the state, where he was formerly very popular." Frontier land sales became an important issue. As migrants became drawn to these lands, they began to realize that although "The private

Elkins and McKitrick, *The Age of Federalism*, 278.
 "From Henry Remsen," April 23rd, 1792, *The Papers of Thomas Jefferson*, vol. 23, 447-452



land dealer charged more than the state," he also "provided everything that the state government failed to provide," which included the building of "roads, sawmills, and gristmills crucial to the pioneer." Since land dealers were all wealthy merchants, the result was a frontier that favored Federalists. 172

Macomb was financially ruined after the Panic of 1792, and never truly recovered. John Pintard was also a wealthy merchant who helped to found the New-York Historical Society. The Panic of 1792 ruined him financially and psychologically. According to his diary, one night in 1793, after he had lost almost all of his wealth and was in danger of going to prison, he ran into his one-time associates of the SUM in Newark, New Jersey. Pintard recalled, "We broke up our dinner party to make room for some expected guests, who proved to be the Directors of the Manufacturing Society, on their return from Paterson. As these were the gentlemen belonging to New York, my feeling would not permit me to throw myself in their way, as it would only tend to revive sentiments which I wish to bury in oblivion, I returned home to my retired family, where all my happiness centers." 173 John Pintard could not stand to look at the people who he felt ruined his life when he became convinced of Duer and Macomb's speculation frenzy in March of 1792. He did not want to speak with them and bring his past failures back into the light. Pintard was later thrown into debtors' prison and never recovered financially or emotionally.

This suggests the fragility of both merchants' position and the Federalist coalition of manufacturers, artisans, and other commercial laborers, especially when faced with

¹⁷³ "Papers of John Pintard," New York Historical Society, Diary, Box 5, Folder 2, Wednesday, November 6th, 1793.



¹⁷² Young, The Democratic Republicans of New York, 262.

financial crisis. Many American-born artisans would eventually choose to go over to the opposite side of the political spectrum; a side that included former Antifederalists and later Jeffersonians, otherwise known as Democratic-Republicans. Democratic-Republicans may not have been a tangible political party during the short span of the SUM's first attempts at manufacturing, but there were warning signs of organized opposition to the Federalists.

In The Democratic-Republicans of New York, Alfred Young portrays a late eighteenth century New York slowly moving towards a two-party system. Indeed, as early as October of 1791 Aaron Burr "had already drawn to himself a curious assortment of supporters" which included backers of Governor Clinton, Antifederalists, and even former Federalists.¹⁷⁴ William Duer was even more to the point in early 1791 when he wrote to Hamilton "Our Political Situation...has a most Gloomy Aspect. In neither house is there a Person on the [Federalist] Side, capable of taking the Lead, and out of it there is so much Rottenness, that I know not who to trust." 175 With the Panic of 1792 crippling SUM Directors, Federalists and merchants alike, and with the backing of potential political supporters now lost, Hamilton found that he needed to look elsewhere.

England seemed like the perfect recruiting pool for an association that had lost a tremendous amount of political support in the Federalists. April 11th, 1792 saw Alexander Macomb "[follow] Duer into jail." Pintard was also out of the picture at this point. Artisans in the United States also began to show an admiration for the French Revolution. According to Howard Rock, "Most mechanics greeted the news from Paris

¹⁷⁶ Ibid. 298.



Young, *The Democratic Republicans of New York*, 278-279. ¹⁷⁵ "From William Duer," January 19th, 1791, *The Papers of Alexander Hamilton*, vol. 7:

with jubilation...To them it was a continuation of the egalitarian movement they had begun in the states but a few decades earlier." Federalists, "an Anglophile gentry in spirit, taste, and mercantile interest," on the other hand, "were openly hostile to the French Revolution. They saw it as a threat to their financial concern and to the very order of society." Hamilton believed that working with France would only lead the United States to ruin. He knew in this newly formed republic, where many white male citizen held tangible political power, he would need new people to make sure his contemporaries—Federalists, the SUM, and commercial interest altogether—would survive under the seemingly crushing grip of Jeffersonian agrarianism that had the upper hand. Why not attempt to recreate what he once had with American artisans only with a friendlier adherence to Federalist leaders?

Hamilton vigorously recruited English workers especially after the Panic of 1792. Throughout the SUM minutes and Hamilton's correspondence, one sees Hamilton's consistent inquiries for permission to bring workmen over specifically from the manufacturing capital of the world in England. Moreover, this intense recruitment began just around the time of the Panic of 1792 and the loss of Federalist strength in the greater New York area, an area that included Paterson, New Jersey. Hamilton consistently asked SUM members, while in England, for permission to ask their agents to send not only information on manufacturing, but people as well. As early as December 1791 Hamilton told the Directors "It is a point understood between [Joseph Mort, an English manufacturer working for the SUM] and myself, that if advised by the Society, he is to go

¹⁷⁷ Rock, Artisans of the New Republic, 25.



to Europe to bring over Workmen, at his own Expence in the first instance, but with the assurance of reimbursement and indemnification."178

The more workers that emigrated from England the greater chance the SUM could emulate the manufacturing societies of England. Another letter to Benjamin Walker shows that a "Ship...has machinery prepared for the Society" along with eight or ten workmen. ¹⁷⁹ Although England is not specifically stated, Major John N. Cumming, another stockholder in the SUM, was "appointed...for procuring such workmen and materials and at such periods as the said Major [Pierre Charles] L'Enfant shall require" when constructing the buildings and canals planned for the SUM. The "six hundred dollar per annum" for travels by ship across the Atlantic Ocean was a tremendous amount to pay Cumming, highlighting the importance of his assignment. 180 Federalists' general sympathy toward and admiration of Britain, couple with the timing of Hamilton's requests that the manufacturing society recruit more artisans from overseas, suggests the SUM's connection to the political climate in the nation, especially in New York.

For these reasons, Hamilton favored the English artisan over the artisans of the fledgling republic. William Hall's contract with the SUM provides clear evidence of Hamilton's intentions. Hamilton listed Hall's tasks for the Society to include the supervision "of printing staining and bleaching of Cottons and [Linens], in all its parts, upon the like principles and in the like method, as the same is now carried on in the

¹⁷⁸ SUM Minutes, December 7th, 1791, 5.
¹⁷⁹ "To Benjamin Walker," July 6th 1792, The Papers of Alexander Hamilton, vol. 12: 14.
¹⁸⁰ "SUM Minutes," August 20th, 1792, 57-58.



Kingdom of Great Britain, and to construct or direct the construction of all such machines as are in use in the said Kingdom."¹⁸¹

For historians such as John Nelson, Hamilton seemed to accept that America was inevitable partners with Britain. Nelson systematically tied together a number of Hamilton's beliefs on America's political economy to come to this conclusion.

Hamilton's "political economy secured the accumulation of property through central government, central government through debt service, debt service through a particular fiscal program, the fiscal program through tariff revenues, tariff revenues through imports, and imports through trade with Great Britain." However, his attempts at importing English manufacturers along with their innovations and expertise show that he was only attempting to emulate Britain's history of industrial success. He did not succumb to Britain, as Nelson argues, but saw America as a future economic rival in the greater Atlantic economy. To start this immense project, he did not need Britain's help in the form of inescapable trading partners. Rather, he needed the artisans from the greatest manufacturing society in the world in the British Empire.

¹⁸² Nelson, *Liberty and Property*, 32.



¹⁸¹ "Contract with William Hall," August 20th, 1791, *The Papers of Alexander Hamilton*, vol. 9: 80-81.

TIGHTENING THE GRIP: THE SUM AND URBANIZATION

As stated previously, the United States, in the late eighteenth century, experienced rapid expansion. With the Proclamation of 1763 came a strict limit to colonial westward expansion. After Independence, however, the boundary dissipated and expansion was rapid. Adam Rothman explains that the various people of the nation had numerous reasons for western migration: "Some were pushed out by rural overcrowding, others by soil exhaustion or indebtedness. Others were pulled by the western country's reputation for good, cheap land and the opportunity to get rich or gain status." The SUM opposed this pattern

Although westward expansion led to a more dispersed population, urban areas still increased dramatically. Indeed, "fed by rural migrants from the city's hinterland...the first rush of expansion, between 1790 and 1800," saw the number of New York City "residents counted in the census" increase "by more than 80 percent." Therefore, Matson and Onuf claim that "Successful manufacturing enterprises would have to await more compact settlement" as "propensity to migrate to new lands would retard progress toward true 'manufactories," belies another trend. Although people were moving west, increased immigration and the rise of the domestic population in general ensured that urban environments would consistently grow and, as Wilentz has shown, grow they did.

The construction of buildings was paramount for the SUM. The total number of houses that were to be built for these workmen was fifty, and "the said houses shall be in length 24 feet in width 18 feet in height…12 feet" and each house would have "each of a

¹⁸⁴ Wilentz, Chants Democratic, 25.



¹⁸³ Rothman, *Slave Country*, 10.

lot of 1/4 of an acre." 185 These extremely condensed, rather small lots and houses would be the accommodations of entire families, which the SUM was encouraging to come to Paterson. Hamilton believed that "the more compact" these lots were and "the more nearly in a square the better." These fifty lots were originally supposed to be situated "three Miles by twelve on the Passaick; but on further reflection" Hamilton believed that there was "no solid advantage in such an extension in length and there will be an obvious convenience in a more compact form. The police of the district in particular can be much better regulated." The fact that Hamilton believed that the SUM buildings and housing developments should be in an even more compact area than originally intended would further condense the population, but the fact that he mentioned a more compact neighborhood would make for better policing needs to be further examined.

The fact that the population was so widely dispersed in the new nation meant that the surveillance in America was fairly limited. Of course there were tax collectors and constables that policed the cities and towns of America. However, one historian has noted that constables, who made up the regular police force of the late 18th century. "were the poorest officers in county government. And since most constables owned little property, that state lacked the financial leverage to punish them if they failed to perform their jobs." This "made enforcing unpopular laws extremely difficult." Constables were one of the reasons that the Whiskey Rebellion was allowed to take place in Pennsylvania starting in 1791. In an effort to alleviate the national debt, Hamilton

¹⁸⁵ Ibid, July 6th, 1792, 47.

¹⁸⁶ "To John Bayard, Elisha Boudinot, and Nicholas Low," June, 1792, *The Papers of* Alexander Hamilton, vol. 11: 611-612.

¹⁸⁷ Terry Bouton, Taming Democracy: "The People," the Founders, and the Troubled Ending of the American Revolution (New York: Oxford University Press, 2007), 157.

devised a plan to create an excise tax on the American population, which infuriated poor yeoman farmers that were already severely in debt. The Whiskey Rebellion became so severe that Hamilton felt he had to personally subdue the Pennsylvanian protesters even though the protests died down by the time he arrived in western Pennsylvania.

After his experiences of the tangible power of a mob of angry American citizens, Hamilton would take no chances with his manufacturing project in Paterson. Condensing the manufacturing town into a smaller area may have saved money (money that the SUM desperately needed, which will be discussed in the next section), but making Paterson physically smaller without reducing the planned population, would have helped with the overall surveillance of the newly founded town. Hamilton wanted no possibility of a repeat of events during the Whiskey Rebellion occurring in his personally supervised project town.

The Whiskey Rebellion was an embarrassment to Hamilton because the insurrection was a direct assault on Federalist policy while helping to prove that Hamilton's central government was still rather weak in its enforcement of United States policy and law. Creating an even more densely populated area than intended would allow the police force in Paterson to better survey the entire town, therefore discouraging any type of popular, and therefore working class, resistance. Therefore, Hamilton may have promoted a densely populated, urban, and working class manufacturing town as a kind of trial to see if urbanization would help better monitor, and consequently subjugate, the population of Paterson.

¹⁸⁸ Ibid, 226-230.

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Aside from artisans and mechanics, the Society seemed to be planning for the non-manufacturing community as well. Hamilton wrote to the Directors a few months after the plans to build the first fifty houses to build "Perhaps twenty lots" for the purpose of "[authorizing] a sale...to persons (other than Mechanics) who may incline to build and settle." The price of these lots was actually higher than the lots to be sold to mechanics and artisans, most likely because they were not earning any wages within the greater SUM community. This would make it more likely they would not pay for their lots. Increasing the price of lots for people "other than Mechanics" was to insure that the people in these twenty new lots had the money to afford these houses. ¹⁸⁹

One can distinctly see an urban environment being established within Paterson.

This idea can be bolstered even further when the Minutes reveal that a school was to be established for the children of these artisans and non-artisans alike. In April 1794, Peter Colt was assigned "to employ a school Master to teach the Children of the Factory on Sundays." The planned schooling of children in Paterson was important. Thomas Marshall wrote to Hamilton in 1792, claiming that 150 "Men, Women, and Children" be employed "in the [cotton] Mill (in the preparing and Spinning Departments." A few months later, Elisha Lawrence, SUM stockholder and vice president of the New Jersey Council in the state government, presented to a petition from the SUM "to make the Indentures of Minors of equal force with the Contract of full Aged persons" to the New

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¹⁸⁹ "To the Directors of the Society for Establishing Useful Manufactures," October 12th, 1792, *The Papers of Alexander Hamilton*, vol. 12: 549.

¹⁹⁰ "SUM Minutes," April 15th, 1794, 99.

¹⁹¹ "From Thomas Marshall," June, 1792, *The Papers of Alexander Hamilton*, vol. 11: 612-613.

Jersey Legislature. This came shortly after Thomas Marshall and William Pearce called for "The Training up" of children "in Different Branches of the Manufactory" that these superintendents considered "Politic and [requisite]." Both Marshall and Pearce believed that "a Stout Boy, by a Twelvemonths Instruction wou'd be able to Stand in the Shoes of an Adult person; and in a Country like [America] where Wages are so exceedingly high, a Material Saving wou'd Eventually [accrue] to the Society if Apprentices were taken under certain Regulations." Collectively, this correspondence reveals that children were seen as three parts equal apprentice, laborer, and student within the SUM.

This schooling reveals class relations within the SUM's workings. One has to look at why the schoolmaster was hired to see an example of class struggle. Children were working as SUM laborers while at the same time attempting to attend school and receive some form of education. This seemed to have had an effect on the entire working class family, and parents effectively acted to alleviate their troubles. An unnamed superintendent of the SUM relayed to the Directors "that a number of Children were employed in the Factory, whose Parents were so poor and the wages of the Children so low, that they cannot go to School, and that if something is not done, a number of Children will be withdrawn."

This threat by these working class parents can be interpreted in two ways. First, we might infer that these parents were threatening to remove their children from school.

¹⁹⁴ "SUM Minutes," April 15th, 1794, 99.



¹⁹² "To the Directors of the Society for Establishing Useful Manufactures," October 12th, 1792, *The Papers of Alexander Hamilton*, vol. 12: 549-551.

¹⁹³ "From Thomas Marshall and William Pearce," October 3rd, 1792, *The Papers of Alexander Hamilton*, vol. 12: 516-517.

This would be important to the Directors because these children were possibly being taught mechanical or artisan expertise, ideally helping to keep the SUM running stronger over generations. Second, one might interpret the parents claiming that they would remove their children from their positions within the SUM factories as a way of showing that sending their children to school with such low wages was becoming impossible. This interpretation may reveal that parents removed their children from low-paying positions in favor of sending them to school In either interpretation, the members of the working class seemed to be bargaining with the higher-ranking members of the SUM. Their threats of removing their children from SUM facilities show that they had some type of negotiating power with the Directors. What makes this even more fascinating is that the SUM Directors adhered to the workers' wishes, hiring a schoolmaster immediately.

The workers of the SUM, along with their superintendents, were mostly at the mercy of the wealthier individuals of the SUM. However, in the later years of the SUM, the working class gained a tangible, if only small, amount of bargaining power with the SUM Directors. This may be because, after some years of turbulence, the SUM was beginning to bleed money, and that the incredible loss of money trickled down to the point that a manufacturing company that once had higher wages than that of Europe, had devastatingly low wages just a few years later. These problems, and the inevitable closing of the SUM's doors in 1796, will be the final section of this examination.

THE DECLINE AND FALL OF THE SUM

Ultimately, Hamilton admitted to Oliver Wolcott in 1796 that the SUM was completely depleted of finances and officially defunct. The SUM was stretched so thin by 1796 that they started to sell of their lands and machines in order to salvage as much as possible. With a membership that involved some of the richest people in the United States at the time, how is it possible that the SUM could become bankrupt and shut down in a mere span of five years?

The ineptitude of certain SUM Directors is the most important factor as to why the SUM failed. Governor William Duer and Directors Alexander Macomb and John Dewhurst would help to cripple the SUM before it ever was to see any type of profit. Although the crisis ended almost as quickly as it began, the Panic of 1792 still left many of the SUM leaders bankrupt. Robert Troup, a friend of Hamilton since college, wrote that Duer "is in a state of almost complete insanity" over his losses amidst the financial panic. Shortly after Troup's letter, William Seton wrote to Hamilton warning the Secretary of Treasury that Duer's financial failures had made people distrustful of the newly founded Bank of New York. Duer was thrown into debtors' prison on March 23rd, 1792, where he would live out the remainder of his life.

Duer was not the only SUM member to be affected by the panic. Alexander Macomb also went into bankruptcy on April 12th, 1792. 198 John Dewhurst was a close

¹⁹⁵ "To Oliver Wolcott, Junior" May 27th, 1796, *The Papers of Alexander Hamilton*, vol. 20: 200-201.

¹⁹⁶ "From Robert Troup," March 19th, 1792, *The Papers of Alexander Hamilton*, vol. 11: 155

¹⁹⁷ "From William Seton," March 21st, 1792, *The Papers of Alexander Hamilton*, vol. 11: 163-164

¹⁹⁸ The Papers of Alexander Hamilton, vol. 18: 205n.

associate of Duer during the panic and may have lost a substantial amount of money along with Duer and Macomb. Duer's failures directly affected the SUM, as the corporation "entrusted" Duer "with the appropriation of a considerable sum of money which [remained] unaccounted for" in July 1792. In Paterson on October 12th, 1792, a reelection of the Directors was held, in which William Duer, John Dewhurst, Royal Flint and Alexander Macomb were not reelected, hinting that the SUM shareholders had lost their faith in these men. Hamilton was concerned in January 1792 that these men were nothing but "unprincipled gamblers" with their risky speculations. Unfortunately, he proved to be correct.

However, as Hamilton helped New York regain financial stability, the SUM began to actively begin their manufacturing projects. The summer of 1792 was the busiest time of the SUM's short existence. First, the board decided on July 5th that "a Building and Machinery for carrying on the business of the Cotton Mill...the Building and Machinery for carrying on the Printing business," and "the Building and Machinery for carrying on the Business of Spinning Mill and Weaving" should all be erected immediately. Also, more importantly in terms of urbanization, the Directors of the SUM decided "that a Number of Houses be erected for the accommodation of the Workmen to be employed by this Society." The timing is important as these plans were instilled

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¹⁹⁹ "From Nicholas Low," April 10th, 1792, *The Papers of Alexander Hamilton*, vol. 11: 259.

²⁰⁰ "SUM Minutes," July 7th, 1792, 53.

²⁰¹ Ibid, October 12th, 1792, 72.

²⁰² "To William Seton," January 24th, 1792, *The Papers of Alexander Hamilton*, vol. 10: 562-563.

²⁰³ "SUM Minutes," July 5th, 1792, 45.

around the same time Hamilton was directing various SUM agents to procure workmen from Europe.

The problem was, however, that this was not the only instance where the SUM lost a substantial amount of money. Shortly before the Panic of 1792, a committee was set up consisting of a number of Directors to help procure material and workers from Europe. 204 The decision was made later, after the panic, that Dewhurst was responsible for "the execution of the business" and that "a warrant was issued in favor of Alexander Macomb Chairman of the committee for 50000 Dollars." This was the money Dewhurst was to use in procuring the aforementioned workers and materials.²⁰⁵ However, it appears that Dewhurst, whether through his losses during the financial panic or just his complete ineptitude, managed to lose of this money, which became "a total Loss to the Manufacturing Society."206 Archibald Mercer wrote to Hamilton that because of Dewhurst's shortcomings, the SUM "can only count upon 70,000 Dols in Deferred Stock" and the manufacturing of cotton would be put on hold unless Dewhurst returned with at least a part of the money with which he had before traveling to England. ²⁰⁷ Evidence suggests that the \$50,000 entrusted to Dewhurst was lost "to the benefit of his English creditors," to which Dewhurst owed a substantial amount of money. 208

The SUM dealt with major financial problems from its earliest stages, and the leading members and stockholders of the Society did nothing to help this dire situation.

²⁰⁴ Ibid, January 21st, 1792, 20.

²⁰⁵ Ibid, April 20th, 1792, 28-29.

²⁰⁶ "From Nicholas Low," April 10th, 1792, *The Papers of Alexander Hamilton*, vol. 11: 259-260.

²⁰⁷ "From Archibald Mercer," April 30th, 1792, *The Papers of Alexander Hamilton*, vol. 11: 348-349.

²⁰⁸ "To Benjamin Walker," July 20th, 1792, *The Papers of Alexander Hamilton*, vol. 12: 63-64.

Robert Troup noted to Hamilton that stockholder Brockholst Livingston was seen "gloating" over the failures of William Duer,²⁰⁹ suggesting a bad relationship between the two SUM members and mercantile rivals from New York. Stockholders James Watson and William Constable were in a money dispute that would go to the court system.²¹⁰ Livingston and Troup also had issues with Hamilton over the Jay Treaty in later years.²¹¹

Another issue occurred between Samuel Ogden and the chief architect of the SUM Pierre Charles L'Enfant. Appointed in August of 1792, the French immigrant acted "as Agent for superintending the erection of the Works and buildings ordered by the Directors." Not only was he held responsible for the construction of buildings, but canals were to be formed to help quicken the proposed trade and help connect the SUM with the rest of the nation. However, financial problems caused the cancellation of L'Enfant's proposed canals for the sake of building factories and housing. Moreover, Samuel Ogden seemed to be interrupting L'Enfant's canal projects and Ogden believed L'Enfant knew nothing of "Water works" in America. This infuriated Hamilton, who claimed Ogden could not be trusted as "he seems to think there is nobody, but himself, who has a single rational idea" in terms of the direction of the SUM.

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Alexander Hamilton, vol. 11: 611.

214 "To James Watson," October 9th, 1792, The Papers of Alexander Hamilton, vol. 12: 538-540.



²⁰⁹ "From Robert Troup," March 24th, 1792, *The Papers of Alexander Hamilton*, vol. 11: 218-219.

²¹⁰ "To James Watson," April 20th, 1795, *The Papers of Alexander Hamilton*, vol. 18: 333.

²¹¹ "From Robert Troup," May 11th, 1795, *The Papers of Alexander Hamilton*, vol. 18: 340-344.

²¹² "SUM Minutes," August 20th, 1792, 57.

²¹³ "To John Bayard, Elisha Boudinot, and Nicholas Low," June, 1792, *The Papers of Alexander Hamilton*, vol. 11: 611.

This was not the last time L'Enfant faced opposition within the SUM. The old rivalry between France and England carried over into the Society. Peter Colt wrote to Hamilton in 1793 advising that William Hall had issues with the direction L'Enfant envisioned for the SUM. The appointment of L'Enfant "has mortifyed not only [Hall], but Marshall & [Pearce] also. An *English manufacturer* cannot bring himself to believe that a *French Gentleman* can possibly know anything respecting manufactures." Evidence suggests that the French architect and British manufacturers let nationalist notions of superiority get in the way of cooperation.

Other issues occurred between the Directors and the superintendents of the SUM, namely the English artisans William Pearce, William Hall and Thomas Marshall. The levelheaded Marshall, who had warned Hamilton of the problems of the Passaic earlier, also warned Hamilton of the extravagance and enormity of the manufacturing project. Although this upcoming letter to Hamilton had no author, Joseph Davis attributed the correspondence to Thomas Marshall. The letter warned that the SUM's projects were too big and too vast to ever work, for "unless God should send us saints for Workmen and angels to conduct them, there is the greatest reason to fear for the success of the plan." However, these numerous projects inevitably went into effect, stretching the finances of the Society thin.

As early as 1792 Marshall and Pearce asked for more financial backing in their respective SUM projects, as "the Men Cannot work in the Morning as they ought to do

²¹⁵ "From Peter Colt," May 7th, 1793, *The Papers of Alexander Hamilton*, vol. 14: 419-422.

²¹⁶ Davis, Essays in the Earlier history of American Corporations, vol. 1: 482.

²¹⁷ "From -----," September-October, 1791, *The Papers of Alexander Hamilton*, vol. 9: 250-252.

for want of Stoves."²¹⁸ Another member that eventually became a Director, Peter Colt, went one step further. After remarking to Hamilton that he realized that certain men had "received a considerable Sum of Money from" Hamilton, Colt noted that upon arriving in Paterson he "found Mssrs. Marshall & Pearce, totally dissatisfied with their Situation & prospects—the two latter requesting to be discharged. Mr. Marshall has demanded that his Salary be raised...without which he declares we will not continue in the Service of the Society." Colt reminded Hamilton that Marshall and Pearce "cannot be discharged without the Society Sustaining great loss."²¹⁹

These coercions seemed to have worked much like the working class parents' threats earlier, as the Minutes show that the Directors agreed that "the Salaries of Thomas Marshall and William Pearce ought to be raised" to \$888.88 per year. This was agreed upon and put into immediate action. This may have been the greatest problem the Directors faced. Facing major financial problems, and having little manufacturing expertise, the Directors were at the mercy of their superintendents: if Peace, Hall and Marshall left the SUM, the national manufacturing corporation would surely be doomed to fail.

However, this is exactly what would happen. Class relations mattered little when there were no expenses with which these Directors, superintendents and workers could negotiate. William Hall was the first English artisan to be dismissed. Hamilton wrote to Peter Colt in April of 1793 that Joseph Mort's contract should be terminated

²¹⁸ "From Thomas Marshall and William Pearce," October 3rd, 1792, *The Papers of Alexander Hamilton*, vol. 12: 516-517.

²¹⁹ "From Peter Colt," February 23rd, 1793, *The Papers of Alexander Hamilton*, vol. 14: 170-172

²²⁰ "SUM Minutes," April 16th, 1793, 83.

immediately, but Hall's employment depended "on the evidence he may have given by this time of zeal for the interests of the Society & capacity to promote them." Essentially, Hamilton wanted William Hall to prove his worth, but the SUM superintendent never had a chance to do so, as Hamilton wrote to Nicholas Low a few days later stating that William Hall's contract should be terminated and the SUM Directors made this official a few months later. 222

The relationship of Hamilton and William Pearce is interesting. Pearce seemed to have gained a substantial amount of trust from SUM architect Pierre Charles L'Enfant, who was of the opinion that Pearce was "a valuable [man]" and L'Enfant believed Pearce to be "the one upon which much confidence may be placed." This opinion was not shared by Hamilton who, writing a year after L'Enfant's letter and when the SUM was bleeding money, charged Pearce with having "valuable qualities," but also "some ill ones" and requested that Peter Colt keep a close watch on him. Hamilton finally decided that Pearce "has not given himself for much more than he is worth. He is unsteady, [and]...incapable of being kept within any bounds of order or economy."

A few months later the Directors dismissed William Pearce, along with William Hall, from the SUM, but the former superintendents did not leave empty-handed.

²²¹ "To Peter Colt," April 10th, 1793, *The Papers of Alexander Hamilton*, vol. 14: 302-303.

²²⁵ "To Nicholas Low," April 15th, 1793, *The Papers of Alexander Hamilton*, vol. 14: 318-319.



²²² "To Nicholas Low," April 15th, 1793, *The Papers of Alexander Hamilton*, vol. 14: 318-319, "SUM Minutes," July 16th, 1793, 87.

²²³ "From Pierre Charles L'Enfant," September 17th, 1792, *The Papers of Alexander Hamilton*, vol. 12: 388-390.

²²⁴ "To Peter Colt," April 10th, 1793, *The Papers of Alexander Hamilton*, vol. 14: 302-303.

Nicholas Low was named the second Governor of the SUM in November of 1793, and he was rewarded for his promotion by learning that Pearce and Hall, upon dismissal, absconded with "various Articles of Machinery belonging to the Society." 226 Although this may have been the property of the SUM, an argument can be made that English manufacturing experts Pearce and Hall believed this machinery to be their intellectual and physical property, having been praised as ingenious mechanics in the past and having brought over some machinery with them when they emigrated from England. John N. Cumming was originally sent to retrieve the stolen property, but no evidence has been revealed that he succeeded in this endeavor. 227 With little money to spare and two superintendents leaving with valuable equipment, one can easily foresee the beginning of the end for Hamilton's manufacturing town.

The last loyal manufacturing expert was Thomas Marshall. Never afraid of standing up to the Directors and Hamilton alike, he was ignored during the location debates and dismissed when he warned that the SUM was overly ambitious. However, in late 1793, Marshall was the last manufacturing expert that left England to pursue greater achievement in America. Although Hamilton wrote to Nicholas Low requesting that Hall and Pearce be dismissed, the Secretary of Treasury stayed loyal to Marshall, claiming that the English manufacturer was "essential" to the SUM. 228 To pay back Hamilton's loyalty, Marshall assigned Richard Wittingham, the SUM's brass founder, to recover the missing machinery from Hall and Pearce when it became apparent that John Cumming

²²⁸ "To Nicholas Low," April 15th, 1793, *The Papers of Alexander Hamilton*, vol. 14: 318-319.



²²⁶ "SUM Minutes," November 5th, 1793: 91-93.
²²⁷ "From Peter Colt," November 7th, 1793, *The Papers of Alexander Hamilton*, vol. 15:

had failed. Thomas Marshall believed William Pearce, who was once a good friend, to be "too highly reprehensible for [Marshall] to have any further Connextions."²²⁹

Marshall stood by Hamilton until the SUM's discontinuation in 1796. Hamilton may have remained loyal to Marshall because of his apparent foresight in the direction of the SUM. The canal building on the Passaic River had failed miserably and the overly ambitious desire of various SUM projects was too much for the corporation to financially bear. Along with his foresight, Marshall seemed to care for the living and working conditions of the SUM's intended laborers, making him an ideal leader for the SUM, one who was ignored almost every step of the way. Hamilton's loyalty to Marshall, then, made perfect sense within the context of Marshall's actions during the turbulent early years of the SUM. Had the Directors listened to Marshall from the beginning, the SUM's history could have turned out to be drastically different. However, this was not meant to be, and the SUM finally closed its doors in 1796, after years of inept leadership and terrible decision-making.

²²⁹ "From Thomas Marshall," November 25th, 1793, *The Papers of Alexander Hamilton*, vol. 15: 408-409.



CONCLUSION

The Society for Establishing Useful Manufactures was one of the most ambitious projects in United States history. It would involve not only the Secretary of Treasury along with his Assistant, but some of the wealthier men of the young nation. The corporation would set up the industrial town of Paterson. When "the commercialization of inland farming after 1815 created an exploding domestic demand for textiles and other American-made goods," the city of Paterson turned into a boomtown of manufacturing. "By 1827 Hamilton's ghost town was a manufacturing city of six thousand, described by a New Jersey newspaper...as 'this flourishing Manchester of America.'" Some would come to the conclusion that the SUM was simply ahead of its time, as Hamilton's notion on manufacturing and industry in the United States eventually came to pass a few decades after the Secretary of Treasury's death. Alexander Hamilton is then perceived as not an individual who cared only for other wealthy men, but as a visionary who understood the direction of the nation more than his contemporaries.

An elite ideology can also be seen through the SUM's actions in its short-lived existence. The Directors did not feel that they needed to listen to the wishes of their superintendents, who were representing both themselves and their laborers in their respective factories. This changed when a number of the original Directors went bankrupt and were removed from the SUM. With tens of thousands of dollars lost both personally and through the manufacturing company, the new Directors were financially unstable and therefore did not grasp enough power to fully control their inferiors.

Subsequently, the superintendents and workers alike seemed to band together, demanding

²³⁰ Newspaper quoted was *Sentinel of Freedom*, June 26th, 1827, Newark, NJ, taken from Johnson, *Sam Patch, the Famous Jumper*, 42.



higher wages and certain accommodations or they would abandon the town and company. The Directors power, then, came from their wealth and when this was no longer the case, the working class of the SUM attempted to gain some amount of control. They were able to do so because the Directors were handcuffed in their control of the corporation.

This examination of the SUM is not to immortalize Hamilton, or Coxe for that matter. Rather, this narrative of the SUM has shown class relations within one of the nation's first corporations that would act as a prototype for the industrialism that was to truly find its roots within Jacksonian America. This kind of class subservience, the lack of expertise by individuals at the top of the corporate ladder, and their ignorance towards the people they perceived as beneath them, is exactly what America would become in the 19th century. The failures of the SUM were rather unimportant in the broader scope of American economic and social history. Individuals of all classes—Directors, superintendents, mechanics, and working class families—and what the SUM represented in its class relations foreshadowed what the nation was to become, and helped to instigate the fears of Thomas Jefferson, who believed that the industrial blueprint of Hamilton's manufacturing town would become just like that of England: at the mercy of working wages and therefore the merchant class.

Hamilton was a visionary while also representing the fears of his greatest rival in Thomas Jefferson. Hamilton believed in an industrial America full of steadily growing metropolises that focused on a greater population density that deemphasized the power of agrarian America. Agriculture became more dependent on American manufacturing during the early 19th century. However, this is exactly what men such as Thomas



Jefferson feared: that the farmer would become more and more dependent on merchants and bankers, helping to increase the power of the wealthy. This would become an excellent platform for his campaign in 1800, when he defeated John Adams to become the third President of the United States. Therefore, the SUM was mutually beneficial for both men's legacies. It showed Hamilton's forward thinking while also giving Jefferson one of his greatest arguments against the Federalists in order to give the Democratic-Republicans a greater amount of political and legislative power in America. The SUM provides the first United States blueprint of a true, factory-like corporation, and also helped to shape America in its youngest stage.



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