

## Part II: When Businessmen Had Guts

# How Benjamin Franklin organized American industrial growth

by Donald Phau

*Part One outlined how two young protégés of Benjamin Franklin, Alexander Hamilton and Tench Coxe, became leaders, along with Mathew Carey, in the fight for a federal constitution and a United States which was industrially independent and growing. Their opposition was represented by Thomas Jefferson, who wrote: “. . . let our workshops remain in Europe. . . . The mobs of the great cities add just so much to the support of pure government, as sores do to the strength of the human body.” In introducing his essay, author Donald Phau offered the story of this battle in the hope that it would help lend entrepreneurs of today “some guts as well as an instinct for self-preservation.”*

In the fall of 1786, a year after Franklin's return to the United States, 12 delegates representing various states assembled in Annapolis, Maryland for what they expected to be an uneventful meeting to discuss “commercial reform” under the Articles of Confederation. When the meeting adjourned, however, the delegates had passed, perhaps to their own surprise, a resolution calling for a convention “to meet at Philadelphia on the second Monday in May next, to take into consideration the situation of the United States, to devise such further provisions as shall appear to them necessary to render the Constitution of the Federal Government *adequate to the exigencies of the Union* . . . [emphasis added]. The delegate who wrote the call was Alexander Hamilton, and it was Tench Coxe, the delegate from Pennsylvania, personally appointed by Franklin, whose backing was key in its passage.

Upon returning to Philadelphia, Coxe immediately came under attack by the rapidly growing Anti-Federalist faction for backing Hamilton's call. He was, however, staunchly supported by Franklin who had been recently appointed President of the Pennsylvania Council, the state's ruling body. When it came time for the state legislature to appoint delegates to the May Constitutional Convention, the Anti-Federalists attempted to prevent the appointments by boycotting the legislative session. The needed quorum was lacking. Franklin, as Council president, responded by ordering the sargeant-at-arms to command the legislators to attend, by force if necessary. It was a joyous day in Philadelphia as thousands of patriots joined law officers as they paraded the recalcitrant Tories from their homes to the session where delegates were duly appointed.

The next few months were to see a rash of organizing activity by Franklin's young recruits. On May 11, 1787 as

delegates were arriving in Philadelphia for the Constitutional Convention, Franklin created the first of what could be called one of many “front groups.” Held at Franklin's home, the meeting founded the Philadelphia Society for Political Enquiries. It was actually an educational, taught by Tench Coxe, on the economic principles of nation-building. Over 50 people attended, including many convention delegates and prominent businessmen. Hamilton and perhaps even George Washington may have attended. Coxe's presentation was titled “An Enquiry into the Principles of which a Commercial System for the U.S. Should be Founded.” The “Enquiry” was published by Mathew Carey in his magazine the *American Museum*, and distributed throughout the states.

Coxe's “Enquiry” attacked the evils of the present form of government:

Scarcely held together by a weak and half-formed federal constitution, the powers of our national government, are unequal to the complete execution of any salutary purpose, foreign or domestic. . . . Desultory commercial acts of the legislatures, formed on the impression of the moment, proceeding from no uniform or permanent principles, clashing with the laws of other states and opposing those made in the preceding year by the enacting state, can no longer be supported, if we are to continue one people. A system which will promote the general interest with the smallest injury to particular ones has become indispensibly necessary. . . . The settlement of our lands, and the introduction of manufactories and branches of trade yet unknown among us or requiring a force of capital, which are to make our country rich and powerful are interrupted and suspended by our want of public credit and numerous disorders of our government.

A few months later, while the Constitutional Convention was still in session, a follow-up educational was held. Directed at merchants, bankers, and skilled farmers in the area, as well as delegates, the meeting was called to establish the Society for the Encouragement of Manufactures. At the meeting, which was held at the University of Pennsylvania, the school founded by Franklin, Coxe again delivered the main address. The Society was founded, and Coxe became its first secretary.

In this address, Coxe developed the idea that manufac-

tures were essential for the survival of the nation, attacking the physiocratic notion, as expounded by the Jeffersonians, that agriculture should remain the nation's prime focus of economic attention. Addressing himself to the agricultural interests, many of whom viewed themselves in competition with manufactures, Coxe stated that just the opposite was true. He explained that it was only through the rapid development of manufactures that the nation's farms could prosper, by applying new inventions of manufactures to farming as well as feeding the growing working class created by the industrially based expansion of the economy. Coxe continued by outlining the necessity for the development of the nation's Midwest:

Without manufactures the progress of agriculture would be arrested on the frontiers of Pennsylvania. Though we have a country practicable for roads, some of our western countries are yet unable to support them. . . . The inhabitants of the fertile tracts adjacent to the waters of the Ohio, Potomac and Susquehanna, beside the cultivation of grain, must extend their views immediately to pasturage and grazing land and even to manufactures. . . . They must manufacture first for their own consumption, and when the advantages of their mighty waters shall be no longer suspended, they must become the greatest factory of raw materials in the United States.

Coxe then proposed the possibility of tremendous leaps in productivity which would be brought about by the application of steam power, as Leibniz had foreseen one hundred years earlier:

Steam mills have not yet been adopted in America, but we shall probably see them after a short time in places, where there are few mill seats and in this and other towns of the United States. The city of Philadelphia, by adopting the use of them, might make a great savings on all the grain brought hither by water, which is afterward manufactured into mead, and they might be usefully applied to many other valuable purposes. . . . Every combination of machinery may be expected from a country, a native son of which, reaching this inestimable object at its highest point, has epitomized the motions of the spheres, that roll throughout the universe.

Yet another meeting of the Society was held two weeks later. Here the members established a fund to build experimental factories dedicated to utilization of new technologies. Coxe also set up a network of sister societies in other states. The Society's main propaganda vehicle was Carey's *American Museum*.

### **Franklin's work half completed**

Franklin lived just long enough to see Washington elected President and Hamilton's appointment as the Secretary of the Treasury. He died on April 17, 1790. A month later Hamilton

appointed Tench Coxe his Assistant Secretary of the Treasury. There can be little doubt that the new government was run by Franklin's co-conspirators. For example, the Department of State, captured by the Anti-Federalist leader Thomas Jefferson, had only seven employees, the Department of War had four, while the Treasury Department had over a thousand.

The job of transforming the federal government into an engine of national development was nevertheless an uphill battle. The Constitution in many respects was a compromise between factions and a program of scientific and industrial growth was never made explicit in its pages. Hamilton and Coxe immediately found themselves locked in head-to-head combat with Jefferson. Hamilton's proposal for a National Bank to fund infrastructural development was passed by the skin of its teeth. Hamilton's later *Report to the Congress on the Subject of Manufactures*, written jointly with Coxe, attempted to make the government's commitment to industrial progress more explicit.

Simultaneous with their efforts in government Hamilton and Coxe enlisted private investment in order to realize a number of the great industrial projects they had been planning. The investors were many of the same people who had joined the earlier Society for the Encouragement of Manufactures. One of these projects consisted of building an industrial complex of factories and mills producing steel, shoes, paper, linens, cotton goods, blankets, stockings, carpet, sail cloth, with a brewery as well. The site for the project was Paterson, New Jersey. Water from the Passaic river supplied the power. The Paterson plan immediately was denounced by the environmentalists of the day, the Jeffersonians, and had to be significantly scaled down.

The Great Enterprises begun by Franklin's disciples remain unfinished. Today their continuation calls for the government-sponsored, crash development of defensive beam-weapons technologies in tandem with the rapid advancement of fusion technology. The colonization of the Moon and Mars is our present-day Ohio Valley.

The tactics of the enemy have changed little over the years, however. Today the heirs of the Anti-Federalists are seeking legislation to dismantle the edifice that the Founding Fathers built. Last month, for example, men such as genocidalist Robert McNamara and Jimmy Carter's former White House counsel, Lloyd Cutler, met behind closed doors to found The Committee on the Constitutional System, dedicated to a "revision" of the Constitution. The many Senators and Congressman who attended the meeting heard the Committee's founders assert that the Constitution had become "outmoded" and proposed initial revisions which would eliminate the Electoral College and end Supreme Court review of federal legislation. The supporters of these revisions unabashedly admit that their model for government is the British parliamentary system.

These present-day Tories must be defeated and paraded through the streets as traitors, treatment Franklin would have meted out to the enemies of the nation 200 years ago, so that we may get on with the business of development.