



**Episode 432: Debate: Tom Woods and Michael Malice on Alexander Hamilton**

**Guest: Michael Malice**

**WOODS:** I told you about my crazy morning just now, so even though it's sitting on the passenger seat, I just don't have time to go down to my car and get my copy of *Ego and Hubris: The Michael Malice Story*, which I read cover to cover a week or so ago.

**MALICE:** That's the way to do it.

**WOODS:** Yeah, thoroughly enjoyed. You guys think we're making this up. It's a graphic novel, basically, depicting the life of the guest we have on today and we've had on a number of times before. And now look, as you know, I don't agree with you on everything. That's what makes it fun. I am appalled at some of the things in this book —

**MALICE:** (laughing)

**WOODS:** But I'm telling you, I wanted to read for the audience the letter that you wrote about the person you wanted to have as your advisor. So let's hold off on that for next time you're on.

**MALICE:** Sure.

**WOODS:** That last line in that letter you wrote was so beautiful, and I totally blew the delivery of it when I read it to my wife. I wanted to read it deadpan, and I just burst out laughing when we got to that last line.

**MALICE:** So did you relate to the protagonist?

**WOODS:** I did relate to the protagonist. I have somewhat of a different style than the protagonist has, but I have much the same angst and many of the same frustrations with life and with other people, so it was very refreshing. And to see somebody say things that I would only dream of saying made it fun —

**MALICE:** Right.

**WOODS:** All right, let's turn our attention, though, to somebody other than Michael Malice, and that is Alexander Hamilton. When I invited you to come on and talk about

Alexander Hamilton, I didn't know, or maybe it hadn't been announced, for all I know, that the Treasury Department is thinking of changing the person on the \$10 bill.

**MALICE:** Ugh, yeah, this is the worst thing that's ever happened to me.

**WOODS:** Yeah, so what's interesting about this is that it actually makes our subject have some current events relevance. Which, if that ever happens on this show, it's entirely by accident.

**MALICE:** (laughing)

**WOODS:** So I'm able to say that we are not talking about this entirely at random. Remember, I may have told you in the beginning, we have, I would say, about 17% of the audience is outside the United States, so I can't assume everybody in the world knows all about a Treasury Secretary from the 1790s. So can you give us a dispassionate 30-second to one-minute overview of the person we're talking about here?

**MALICE:** Absolutely not, because when it comes to Alexander Hamilton, I am extremely passionate. I'm not joking at all. And you can't do the man justice in one minute, because in my view, he's the greatest person who ever lived. I'm not kidding.

**WOODS:** (laughing) I know.

**MALICE:** Let me give two caveats before we go on, okay?

**WOODS:** Yeah —

**MALICE:** Two big ones. Number one is, I obviously have made a career where I know how to be provocative and say things that maybe people would agree with, but I say it in an inflammatory way.

**WOODS:** But you're not doing that here.

**MALICE:** But I'm not doing that in this episode at all. Or, I'm sure I'll do it a little to tweak you, Tom, but I mean what I say. Number two is, I'm going to write out at some point a big defense of Hamilton and why he's so great. So I'm sure some of the things I will say today, which are going to be off the cuff, will be subject to change later. And I'm sure I'm going to get a few things wrong. So I just really want to make that clear, that I reserve the right to change my perspective at a future date in some things I say. But Hamilton —

**WOODS:** By the way, that future date may be today, 10 minutes from now, by the way.

**MALICE:** How's that?

**WOODS:** After talking to me.

**MALICE:** What do you mean?

**WOODS:** Well, you're saying you reserve the right to change your opinions. That's true; that could happen 10 minutes from now.

**MALICE:** Oh yeah, yeah, yeah. That's fair, that's fair.

**WOODS:** All right, go ahead.

**MALICE:** I guess I'm not the only one with ego and hubris here. Okay, so —

**WOODS:** (laughing) All right, go ahead.

**MALICE:** But Ron Chernow wrote a biography of Hamilton, which was 800 pages, so to sum that up in one sentence, I mean —

**WOODS:** Well who was he? I mean, surely you can tell people who he was.

**MALICE:** Okay, so Alexander Hamilton was born on St. Croix. He was, as John Adams the blue blood, described him, "the bastard brat of a Scotch peddler." He came to America because his precocity was recognized by a prominent American businessman, whose name escapes me. He went to what later became Columbia, where he mused, "I wish there were a war," because he understood in the parlance of the time that great men cut their teeth, so to speak, on their prowess in battle.

He became George Washington's aide de camp, basically his right hand man. Then they had a little falling out in a very 1700s kind of bad manners style. Washington made him his Secretary of the Treasury. Everything that's good about America can have its roots directly to Hamilton. He wrote Washington's farewell address, where Washington said to avoid foreign entanglements. And he was by far the Founding Father who realized that the biggest threat to liberty is the mob, and that was, I think, one of his greatest accomplishments to American political thought.

And I also forgot to mention his many other accomplishments, which is that he wrote *The Federalist Papers*, which is the defense of the Constitution and a liberty-based government, and he invented the New York City/New York State society for abolitionism, or whatever the term was at the time.

So his career is huge. And of course, the Democratic Party was invented for the express purpose of defeating him personally. And then of course, in 1804, July 11th, he was shot by Aaron Burr and died on my birthday the next day, July 12th.

**WOODS:** July 12th, which for all I know, we haven't made plans yet, but that may be the day I'll see you in New York next month, when we're in town for a little pleasure trip.

**MALICE:** Awesome.

**WOODS:** Okay, all right, good, good, good. All right, so that's the basic deal. Now you well know, as somebody who's read an awful lot about Alexander Hamilton – and I'll find a way to put on the show notes page and I believe this is Episode 432. But while you're talking next, I won't be paying attention to you; I'll be looking up the date. No I'm just kidding; I'll just figure it out while I'm sitting here –

**MALICE:** (laughing)

**WOODS:** I just want to make sure I put on the calendar – because I'm going to be out of town in Massachusetts for about a week, so I'm doing a bunch of episodes in advance; I just want to make sure. Yeah, it's going to be Episode 432, so [TomWoods.com/432](http://TomWoods.com/432). One of the things on that page will be a photograph of Michael Malice's library of Hamilton books to emphasize that, although he's cried wolf in the past in being somebody who is a gadfly who drives you crazy, in this case, he's not doing that –

**MALICE:** And I have a piece of his hair.

**WOODS:** No you don't.

**MALICE:** Yeah, I do.

**WOODS:** No, I don't believe it. Then bring it to our event.

**MALICE:** It's in a safe. No, it's not in a safe; it's framed, but I'm not going to be lugging the hair around.

**WOODS:** (laughing) You're not going to take it in the New York City subway? All right, fair enough. All right, so let's go through what some of the standard objections to Hamilton would be, and I think they are not –

**MALICE:** Can I –

**WOODS:** No, no, no, you cannot. No, you're going to sit there and listen, and you're going to like it.

**MALICE:** (laughing) Okay.

**WOODS:** (laughing) All right. Here's part of the critique of Hamilton. I mean, in fact, I almost don't know where to start. It's an embarrassment of riches.

**MALICE:** That's why I'm saying let's start with the good stuff – the one good thing which you're not going to be able to argue against.

**WOODS:** Okay, sure. I'd like to hear that. Was that that he didn't like the people?

**MALICE:** No.

**WOODS:** Okay, what's the other good thing?

**MALICE:** So I don't remember the exact date – this is during the Washington administration – and as you know, the Revolutionary War soldiers were paid in IOUs. The government did not have the money to pay them the salaries or the wages, whatever, that they were promised. And as a result of this, these American patriots sold those IOUs to speculators for cents on the dollars, right?

**WOODS:** Yep.

**MALICE:** And the debate became, okay, we have to pay off –

**WOODS:** Oh, and I agree with Hamilton on this, on one aspect of this completely, the funding at par. But go ahead.

**MALICE:** Right, hold on, hold on. You're ruining the punch line.

**WOODS:** I'm sorry, I'm taking away your punch line. Go ahead, sorry.

**MALICE:** So the argument becomes how do we handle these promises made by the government to the people? On the one hand, you have these poor American Revolutionary War soldiers, patriots; they're on their way to being beatified, even in their lifetime. On the other hand, you have these unscrupulous speculators who are taking advantage of our veterans and are fleecing them and producing nothing, only to line their pockets.

So on the one hand, there were people who said, let's throw these IOUs in the garbage and pay off the veterans – then it's like, well, how do we figure out who owes what? Then there was, okay, let's pay it off but at a discount rate. And Hamilton was the one who said, no, we are going to be a government of our word, and we are going to choose to side with speculators over war veterans, who "saved this country."

Now, if you can imagine what that position would be like today, it's mind-boggling. But even then, back then, you think that speculators and people who were investors had a better – being appreciated by the public? Of course not. So what did Hamilton do? He sat down with Jefferson, who's the worst –

**WOODS:** Ugh, that's another show, Jefferson. But go ahead.

**MALICE:** And the agreement was the political capital of the U.S. gets moved to Washington D.C. in the south by Jefferson's beloved Virginia, and the government agrees to pay off whoever is the correct property owner of these scripts at full-face value. Now when you are in the process of creating a government that sticks to its word, even in the most extreme socially undesirable principles, you are basically

squaring the circle. And that has had an enormous effect on making America – and I'm not a minarchist of course – a nation where contracts are respected.

**WOODS:** All right. I agree with that one principle. I do actually agree with that. I never really got the, well, yeah, they do own these debt instruments now, and they did buy them fair and square, but it just doesn't seem fair that they should blah, blah, blah. But on the other hand, it's absolutely conceivable that the U.S. government might have gone one of these other routes that you mentioned. They might have not paid them off or paid them off at lower than the face value, in which case, the speculators would have suffered and no one would have shed a tear. So why is it okay if the speculators lose, but if they win, we have to reverse that?

**MALICE:** Wait a minute. Are you advocating a government that decides for itself what is and isn't fair?

**WOODS:** No, I'm advocating what I think is fair. My view is Walter Block's view. I support anybody who does the right thing. If you do the right thing, I support you. Now on the other hand, I don't favor taxation – there are some moral dimensions to this that I'm not bringing into it.

**MALICE:** Of course.

**WOODS:** But just the strict principle of that, I'm okay with that. Here's what I'm not okay with. First of all, what is Hamilton best remembered for? I would say it is divided between the Report on Manufactures from 1791, which is his economic program, and his role in *The Federalist*, as you mentioned. Now, I'm not particularly impressed with either one. Let's start with – let's make it more difficult on me, and let's start with *The Federalist*.

**MALICE:** Oh, geez.

**WOODS:** *The Federalist* has been – as I talked to Kevin Gutzman about – *The Federalist* has been totally exaggerated, in terms of the role that it had in securing the ratification of the Constitution. There's nobody who changed his mind because of those newspaper articles. The Constitution already had the requisite number of states. It's highly likely New York was going to go the way it went anyway. As I say, it – but now, it's a brilliant document in a lot of ways. But everybody knows that really the people writing it were in propaganda mode at that time.

**MALICE:** Of course. Explicitly.

**WOODS:** Hamilton said things he had absolutely no intention of following through. I mean, he even says in *The Federalist*, he even says that the federal government will be confined to its enumerated powers. Well, then after we get the Constitution, we find out from Hamilton that the enumerated powers pretty much consist of everything Congress might think of.

All right, the second thing is he says in *The Federalist* that it would be madness to imagine that the federal government could coerce a state. But at the time of the Sedition Act crisis, when Virginia was indicating that it would resist, he was prepared to use the Army to cow Virginia, in direct contradiction of what he said in *The Federalist*. That's not something I can conceivably support. Virginia is 1,000% in the right in the position it took on the Sedition Act.

**MALICE:** The fact that you said 1,000% just speaks to the irrationality of your position, and let me speak on this.

**WOODS:** (laughing) All right.

**MALICE:** There's this famous story which probably never happened, but is really indicative of the argument against what you just said — which is, Jefferson, Hamilton, and Adams are sitting around discussing what the new Constitution should be like, and Jefferson says, it should be like the French Constitution, which you and I know did not exactly lead to peace in our time. Adams said it should be like the British Constitution, but for the corruption. And Hamilton said, no, it should be like the British Constitution, because of the corruption.

If you do not — the difference between — I've had this argument a lot online, about a lot of libertarians say that the terms "Right" and "Left" are meaningless, and they don't apply to libertarians. That's false. The terms "Right" and "Left" —

**WOODS:** I agree with you on that.

**MALICE:** Yeah, the terms — one very great, easy litmus test for Right of Left is what is your view of humanity? Do you view human beings as malleable, perfectible, and infinitely plasticine? Or do you view man as a huge chunk of them are going to be irredeemable and by its nature have things that others would regard as corrupt?

And if it's the second view, which is most certainly my view, you can't sweep that under the rug, and you have to kind of funnel this energy in a correct dimension. So I agree that many of the things that Hamilton said in *The Federalist* did not come to pass, and obviously with intentionality, but when you're getting over on your enemies through chicanery, I don't think that's necessarily a bad thing, especially when your enemies are people like Thomas Jefferson.

**WOODS:** All right, look; you are trying to bait me into a Thomas Jefferson argument —

**MALICE:** I'm not; I'm not —

**WOODS:** But I'm not going to do it, because I want to focus on Hamilton. I want to stick to Hamilton.

**MALICE:** It's a binary, Tom; you have to pick one of the two at the time. I'm talking about the context of the era. It's not like nowadays you can have a time machine and

be like, I'll take some Hamilton, then some of Julius Caesar, then some of Lincoln or Jefferson Davis. It's not how it works.

**WOODS:** But I don't want to talk – I like the Jefferson of the Kentucky Resolutions. The Kentucky Resolutions of 1798 more accurately summarize the true conception of the union than anything Hamilton ever dreamed of saying.

**MALICE:** Oh, so he was honest to the people. Bravo. 13 rinky-dink little colonies. What Jefferson wanted us to have was Central America.

**WOODS:** Okay, so Alexander Hamilton wants a system in which – he wants the British system, and we're supposed to admire the British system, because your friend, your buddy Voltaire liked the British system, and your buddy Catherine the Great bragged about the British system, and Montesquieu bragged about the British system.

But the British system consisted in large part of the king being free to dispense bounties and subsidies to his favorite parties. That was part – that was the only part, the only major part of Hamilton's plan that Congress had the good sense to reject. He wanted the U.S. government to get into that type of corrupt business, and the Congress actually had the good sense to reject that. He also opposed free trade on all the typical, hackneyed, ridiculous, anti-free market grounds imaginable.

**MALICE:** He was wrong; he was wrong. Product of his time. Have you ever read –

**WOODS:** Okay, product of his time? Not everybody was that way. Jefferson favored free trade, because Jefferson actually read the –

**MALICE:** The slave owner. Slave owner in favor of free trade. Okay.

**WOODS:** Okay, okay, okay. Look, Jefferson did plenty against slavery. In 1806 –

**MALICE:** (laughing)

**WOODS:** No, no, in 1806, he went to Congress to get the bill to end the importation of slaves in 1808, as called for by the Constitution. He got slavery restricted out of the Old Northwest.

**MALICE:** (laughing)

**WOODS:** No, no, no; I'm not going to go down that route. I will grant you that Hamilton was a good guy, in terms of the New York abolition society. Nobody's going to dispute that. But who cares?

**MALICE:** Who cares?

**WOODS:** It doesn't matter that Jefferson was a slaveholder if he supported free trade. Does that mean I can't support free trade, because a slaveholder supported it? There were plenty of slaveholders who supported protectionism.

**MALICE:** Wait a minute.

**WOODS:** There were slaveholders in Kentucky who supported protectionism; what difference does that make?

**MALICE:** You just threw out, like, 20 things that I disagree with, and let me start with —

**WOODS:** All right, go ahead; go ahead. Give me three of them.

**MALICE:** The first thing you were talking about with Hamilton and the king dispensing bounties. Have you ever heard of this great writer named Hans Hermann Hoppe?

**WOODS:** I have heard of Hans Hermann Hoppe. And he doesn't say that kings are the ideal system.

**MALICE:** There is no ideal system other than anarchy. Me and you are in agreement. That is not on the table during this era. Okay, so me and you have to figure out what the Plan B is going to be. And the Plan B, why Hamilton is better than the alternatives is at the very least, the barbarians are the gates; the British are going to be coming back again to kill everyone and take over, and how do you prevent that from happening? And the only way to prevent that from happening is to have an effective state that will act as a bulwark temporarily against the British reinvasion. They burn down the White House.

**WOODS:** Yeah, they burn down the White House after Madison declared war on them. There was no — you actually think — and with the most pathetic military in the world, the U.S. actually fought them to a draw in that war.

**MALICE:** Yeah, but —

**WOODS:** They didn't get the sorts of things that Hamilton wanted. They had a pitiful navy; they had almost no army to speak of whatsoever. And there was no attempt on the part of — and even in the War of 1812, that was such a sideshow for Britain, that the average British subject barely even knew they were at war with the U.S.

**MALICE:** Wait a minute, you're doing Monday morning quarterbacking. Hamilton was there during the Revolutionary War. It was a complete nightmare, as I'm sure you would agree, for him to round up troops for Washington to have a successful revolution brought from start to finish. Is your position the fact that Washington's victory was inevitable?

**WOODS:** No, by no means, it certainly wasn't. And I will grant to Hamilton that he was a passionate defender of American independence. And I'll concede all that to him.

**MALICE:** So the point is, he knows this is going to happen again. What are we going to do to make sure that the second time around it is going to be, as you say, a sideshow and an irrelevancy, other than an existential crisis for a new nation?

**WOODS:** All right, so –

**MALICE:** You're going to have competing defense agencies? No.

**WOODS:** So what does Hamilton do that prevents that from happening? There's nothing; there's no lasting legacy of Hamilton in this era.

**MALICE:** Oh my God, oh my God, I'm so triggered right now. The lasting legacy of this era is, under the Jefferson view, America wasn't a nation; it was like the UN. You had effectively 13 countries, and you had this little council where they got together that didn't have any power. Under Hamilton's view, by uniting the currency and having the 13 states regard themselves as one nation, that was a major step forward to defeating the British the second time they were there. And it's a major step forward in creating America as a kind of source of a high standard of living.

**WOODS:** Okay. The second time the British were there, the U.S. got kicked all over the place, and they wound up with a truce basically that, given that the issues at stake had already been resolved pretty much by the time the war came along – the issues had already been resolved. The war was fought anyway. It served no purpose that I can see. And it didn't advance the U.S. on the world stage. It issued the Monroe Doctrine years later. No other major power even acknowledged it. And yet the U.S. continued perfectly okay.

So you're going to tell me that you're so short-sighted that you can say that uniting the country helped us to do such and such, without realizing that that's exactly what gets the country onto the path where we are now, where we have a centralized government where there are no competing power centers? I mean, which one of us is supporting Hans Hoppe now? He wants radical decentralization. You want this Lincolnian fantasy of one nation?

**MALICE:** Lincoln?

**WOODS:** Yes. Lincoln is the heir to Hamilton, Hamilton's view that the states should be utterly subordinate. His view that – and I guess you support his speech from June 18th, 1787, where he said that we should have a president for life, senators who serve for life, governors appointed by the president – so governors even more pathetic than we have now, who would be the lackeys of the president. You think that would conduce to American liberty more than a system where you have some degree of political competition?

**MALICE:** Oh please. Political competition? I thought you were an anarchist. Listen, you can't say —

**WOODS:** I am an anarchist, but —

**MALICE:** You can't say he —

**WOODS:** But wait, wait; hold on, one more thing. I know that you're an atheist. I understand —

**MALICE:** I'm not an atheist. Don't put words in my mouth. See, you're not even listening. I'm not an atheist.

**WOODS:** All right, well suppose you were, for the sake of argument, okay?

**MALICE:** Ugh, Jesus Christ.

**WOODS:** Suppose you were for the sake of argument.

**MALICE:** Uh huh.

**WOODS:** You would not necessarily say that the second best option to having one religion in the world would be to have two religions in the world. Your second best option would be to have 3,000 religions in the world.

**MALICE:** So not only are you ascribing views to me that I don't have, you're ascribing my conclusions to me as well?

**WOODS:** Well, you know, to save you some trouble.

**MALICE:** Okay, well, let me save you some trouble. I'm really good at speaking for myself; that's why they have me on TV.

**WOODS:** (laughing) All right, go ahead.

**MALICE:** I am not for decentralization of politics. I am for personalization of politics. And let me explain something else. A citizen of New York City has more in common with a citizen of Washington D.C. or of London or of Los Angeles than of Upstate New York, according to very, very legitimate ways of regarding society. Do you disagree with that?

**WOODS:** I don't even see that that's relevant. I don't care. I want the units to be smaller, like Hayek did. I want the units to be smaller.

**MALICE:** But that's my point. I have absolutely no ability as an individual citizen, Michael Malice, to influence Washington. And the idea that because Albany, the state capital of New York, is marginally smaller than D.C., or even significantly smaller, zero

times a half is still zero. I have zero ability to influence either. So what I want as the goal is to have a government – this is, again, the ideal's anarchy. That's a given. But that's not on the table. My second goal is to have a nation of laws and not men and not 13 little rinky-dink dictatorships fighting each other, because that's not necessarily a good competition. Because again, that is Central America.

**WOODS:** What we have today is therefore exactly what you want, because the states barely have any power to do anything, and yet –

**MALICE:** Marijuana legalization happened on the state level.

**WOODS:** The little remnant of what I want that still exists in the states is the only good thing about the U.S., which is that I can go to New Hampshire and pay no income tax. I can go to New Hampshire and pay no sales tax, because there is some little bit of political competition where the looters have to compete with each other for a tax base.

This is how liberty developed in the West, because we didn't get the Michael Malice solution after the fall of Rome, we did not get – we got Charlemagne, but we did not – what we got was a series of very small places. And those small places yield us, well, Renaissance Florence; it yields us the renaissance city-states, where capitalism really begins to flourish, because they're so small.

**MALICE:** I think that's absolutely false.

**WOODS:** No, no, no. There's a huge school of historical thought on this. This is where liberty comes from, because I can vote with my feet. What am I going to do if I don't like what the U.S. government is doing? What, am I going to move to crummy Canada?

**MALICE:** Okay, I concede your point on Canada. And it's an interesting side note, that that's where Benedict Arnold ended up after the war, and he stayed for the rest of his life, suing people and being a curmudgeon. The point is I don't agree that Virginia per se is really significantly smaller in its scope than a federal government. I think just because something is geographically smaller does not mean necessarily that that government is going to be freer.

**WOODS:** It doesn't necessarily mean that; that's true. But I actually disagree with you. I think I have at least a marginally better chance of influencing what my town does than influencing any U.S. senator. I can't write to any U.S. senator and get anything – what a waste of time that would be.

**MALICE:** Yes, you can, if you're a somebody. So that's –

**WOODS:** But I'm not. And none of us will be, because our views are on the outs.

**MALICE:** Speak for yourself. I'm on TV, so I'm talking to these people. So that's number one. And you're also talking to many of these people. The idea that you don't have the

ability to influence policy is false, or influence prominent minds is false, and demonstrably false.

**WOODS:** All right, all right, Michael, what do you say about the key constitutional argument – I mean, on the one hand, you support the Constitution, because you think it gives you this tight knit –

**MALICE:** I don't support the Constitution. I said –

**WOODS:** No, but remember, we're talking about anarchy's off the table; you've got to deal with what you've got. Hamilton supported the Constitution.

**MALICE:** Stop, stop. I just really want it to be clear; I am not going to be on record saying that I support the Constitution. It was a Plan B. But to say that sentence, I do not want that sentence.

**WOODS:** Okay, all right. But the whole conversation you and I are having is a Plan B conversation.

**MALICE:** Correct.

**WOODS:** All right. Hamilton himself supported the Constitution.

**MALICE:** Yes.

**WOODS:** The ratification of the Constitution, even though he was deeply disappointed in it.

**MALICE:** Yes.

**WOODS:** He supported it. But I think at some level, you have to judge somebody as an American politician, by the only standard that they themselves agree to abide by, which is the U.S. Constitution.

**MALICE:** No, you judge a man by his morality. You don't judge him by his politics.

**WOODS:** Okay, so it's moral for him to say to the people, you're going to be subject to this document pretty much for the rest of your lives and for all the generations to come, and I'm going to give you a load of B.S. about all the limitations on it? And then as soon as I have the reins, I'm going to tell you, oh no, agriculture is absolutely under the authority of the U.S. government. It falls under the General Welfare clause, which I snowed you by telling you it was just a rhetorical flourish.

I mean, you're going to tell me that was moral, that he sold us something that was going to, in his view, allow him to do these things to us, and then he turns around and tells us that it has these powers, and that's okay because the mob is the terrible threat? No, what about this S.O.B. being the terrible threat?

**MALICE:** Are you done?

**WOODS:** I am done.

**MALICE:** Okay, first of all that is the worst quote of Hamilton I've ever heard. Second of all, that is not what I'm going to say. And what I'm going to say is this; I'm not saying it's okay. I am saying it is inevitable. As an anarchist, and as you agree, whenever you have a state, it is going to use any tool at its disposal. It is going to redefine terms to further its interest.

Let's suppose there wasn't a common good clause. The right to life – the right to abortion, excuse me – was grounded in the right to privacy, something which is not explicit in the Constitution or even implicit. So the state will do what it wants completely independently of any written document, which is why I am not a supporter of the Constitution. Paper is not going to bind armies.

The question is what is going to bind the biggest threat to liberty. And the biggest threat to liberty is the mob. And the state always follows, or almost always follows, what the mob wants. We see it even nowadays. And how are you going to keep them in check? And the way to keep them in check – and I'm not a Democrat – is to ask them their opinion and to say, hey, whatever you guys think we're going to do, it's to have a firm and objective playing field, where people don't have to have their stupid ideas to make decisions.

**WOODS:** All right. Huh. Let's see. I don't want to come off as a Democrat either –

**MALICE:** Let me say one more thing –

**WOODS:** Yeah, sure, please; say whatever you like –

**MALICE:** I think it's unfair to judge – let's judge Hamilton on his personal life. Let me just tell a couple more anecdotes, okay? Hamilton was, when he was Secretary of the Treasury, the progressives, the Democrats accused him of –

**WOODS:** The free trade supporters, you mean?

**MALICE:** Okay, sure. The slave-owning free trade –

**WOODS:** Okay, just checking, because they weren't all slaveholders. Just people who supported free trade.

**MALICE:** Free trade in human beings. Absolutely. They accused Hamilton of embezzling money. What did this man do? He sat down and, I think it was in three weeks, personally audited the federal government and accounted for every dollar. You don't think that's admirable?

Later in his life, he had an affair, and he was set up. He was sleeping with a woman who was married, and then they started blackmailing him. It was either Madison or Monroe, I forget, leaked this to the press in an effort to personally destroy him and humiliate him. And what did he do? He came clean and owned his perfidy and apologized and was honest about what he did.

Now, to me, that is how I judge a person. By how they lived their lives. In 1804, Jefferson and Aaron Burr were tied in Electoral College, because electors, as you know, did not vote necessarily for president or vice president; they just voted for the person. Rather than choose a corrupt person that he agreed with half the time, he endorsed Jefferson, his archenemy, because Jefferson was a man of principle. Now that to me speaks to Hamilton's character, and why I admire him enormously. And he paid for it with his life. He was the first martyr for capitalism we had in this country.

**WOODS:** But how can you say he supports capitalism, when he makes every hackneyed, idiotic argument against free trade? He wants a system of bounties and subsidies. He wants a national bank that will privilege a particular —instead of a no-privilege banking system, where you leave banking as just any other industry, he doesn't support any of that. He wants internal excises.

**MALICE:** Jefferson was a pre-Marxist, whose view —

**WOODS:** Absolutely not. No, that's typical —

**MALICE:** Let me finish; let me finish.

**WOODS:** No, that's —

**MALICE:** Jefferson was a pre-Marxist, whose vision of an idyllic society was exactly identical to the end of Marxism, which is an agrarian system where everyone's working the land, and you have perpetual revolution and bloodying the soil. And Jefferson also advocated for an estate tax, did he not?

**WOODS:** Okay, well, so did — Hamilton advocated for things that you say, oh, well, that's just a small part of his legacy. Let me talk about what a sweetheart he was.

**MALICE:** The estate tax speaks to Jefferson's thinking, his pre-Marxist thinking, which is why Marxism came out of liberalism. Because the idea is, we're all going to live on the land and be dirt farmers, just like they want in North Korea, as opposed to having big cities and being urban and having industry, which is what Hamilton wanted. Yes, he didn't understand how to get from where he was to where we needed to be. He's living in 1790. There weren't skyscrapers then. There wasn't a steam engine. There wasn't the New York Stock Exchange. So in his flawed and incorrect understanding, the way to preserve this is mercantilism. But Jefferson's goal was to have us all living in the dirt.

**WOODS:** Jefferson, unlike Hamilton, actually read the classical economists. From what I see, Hamilton read a bunch of propaganda pamphlets written by British mercantilists. Jefferson actually wrote the forward to the English translation of the major work by Destutt de Tracy. He read Ricardo. There's a bust of Turgot, who was the free market minister in France, at Monticello. I mean, he was a free market supporter. This is why he wanted a limited government. It's why he got rid of the whiskey tax. This is why under Jefferson there were basically no taxes. There was a –

**MALICE:** Did you know that when Jefferson was president, he answered every single letter that was sent to the White House, because every single person was important? Is that not demented?

**WOODS:** I think – well, Warren Harding used to answer the front door of the White House. I think that's quaint.

**MALICE:** Quaint. Yes, it's antiquated. That's correct.

**WOODS:** But wouldn't you rather have the president spending his time answering letters than doing anything else? What do you want him to be doing? I mean, I know you want him to go examine the Army or something, but wouldn't you rather have him do harmless things like that? I mean, of all things – and by the way, see? You did it. You got me talking about Jefferson. Hamilton has to be judged on his own merits, and he has to sink or swim on his own merits. And plus, I would rather be governed by a personal scoundrel who leaves me alone than I would by a mercantilist like Hamilton.

**MALICE:** That's Aaron Burr. So you would want Aaron Burr over Jefferson, you're saying.

**WOODS:** A scoundrel who leaves me alone?

**MALICE:** Yeah.

**WOODS:** I don't know what to say.

**MALICE:** You're stumped. Interesting.

**WOODS:** No, because it's a strange thing – it's a general principle that I'm putting forth. I can't imagine that there'd be any reason that you'd disagree with me. I could find people who are of absolutely upstanding moral character, who nevertheless might say – well, in my judgment that would make them not of upstanding moral character, in fact.

So in other words you're saying that Hamilton's personal conduct is more important than the fact that he got the U.S. onto this track where it thinks that the reason that it's become economically powerful is that it has high tariffs. So that's become the major historical interpretation that now governs all historical analyses of that time, that the U.S. became rich and powerful because it had a system of tariffs.

**MALICE:** I don't —

**WOODS:** And you're going to say, well, because he handled his affair really well, that matters more.

**MALICE:** I'm not joking. I've never heard the argument that the U.S. became powerful because of tariffs.

**WOODS:** Oh, well, I'll just send you a boatload of evidence, because it's absolutely everywhere.

**MALICE:** I'm not disagreeing that that's —

**WOODS:** Pat Buchanan has made a whole career on this. And don't say, oh, Pat Buchanan's just an outlier. Pat Buchanan is followed by a whole train of people, who say — and by the way, every LaRouche person says this about your beloved Hamilton. And look, and I'm — yeah, I get that. But the point is, those people wouldn't be so deeply confused if we hadn't had this narrative that capitalism requires tariffs; capitalism requires a national bank, and capitalism requires special government favors for manufacturing.

**MALICE:** Does capitalism require agriculture?

**WOODS:** Capitalism requires nothing other than freedom of contract and private property.

**MALICE:** Exactly. So if the choice is being a Paleolithic caveman and living in the dirt —

**WOODS:** Jefferson does not favor government bounties for agriculture. That's the difference.

**MALICE:** The difference is —

**WOODS:** He says let the country develop the way it will naturally, without artificial bounties to anything. That's the libertarian position. Whether he's ultimately a commie is a separate question. The libertarian position is you don't give special bounties to anything. Hamilton wanted to give special bounties, and you say, well, that's because he was a foggy thinker or something. You're darn right, and that's why I'm against him.

**MALICE:** Okay. So again, I didn't say Jefferson was a commie; I said he had the same vision as Marx. It's not exactly identical; I just want to be clear with that. I do not think Jefferson was a commie in any sense. I just think he was a low-class peasant in blue blood clothing. My point is, it's very true that both of these men and everyone at that time had a limited understanding of how things work. If you ask me to choose between tariffs and perpetual revolution, I will choose tariffs every single time.

**WOODS:** I personally don't see how that could remotely be the choice that we face.

**MALICE:** Jefferson argued for every —

**WOODS:** Oh, I see, I'm sorry. Now I see what you mean. As a general principle — because he said every 20 years we should. Okay, I thought you meant that Hamilton was facing that direct prospect when he proposed tariffs. All right, so I misunderstood your point.

**MALICE:** Well he kind of did with the Whiskey Rebellion and again, barbarians being at the gates, whether it's the French or the British.

**WOODS:** Do you think that the people who resisted the whiskey tax were barbarians?

**MALICE:** They were fighting about whiskey. I mean, these are not noblesse oblige people, are they?

**WOODS:** Okay, so in other words, because they're not the right sort of people, they should shut up and pay their taxes, but it's okay if Michael Malice doesn't pay.

**MALICE:** No, that's not — I'm not Leona Helmsley, only little people should pay taxes —

**WOODS:** All right, then what?

**MALICE:** But the idea that these were rarified, you know —

**WOODS:** I don't care. What difference does it make? Why do they have to be theorists?

**MALICE:** What are you, Hilary Clinton? What difference does it make? This is exactly the Hamilton point: it's the argument from elitism. I'm not a Democrat.

**WOODS:** So even if the people are resisting a tax, they're just stupid people, because they haven't read the book you've read —

**MALICE:** No —

**WOODS:** So what is your point?

**MALICE:** There's two separate things. They are doing the right thing. But it doesn't mean that they are awesome and I want to spend time with them.

**WOODS:** You shouldn't have to spend time with them, but it's them versus Alexander Hamilton, who is riding in to crush them. And you're going to support Alexander Hamilton. Or you're going to say, this is another one of his oddball mistakes that he curiously makes every three seconds.

**MALICE:** I like how your voice cracked up in there. That's very funny. No, I'm not saying this was an oddball mistake. This was obviously perfectly — I'm not saying perfectly, I'm sorry. This was clearly intentional and clearly sending a message that Washington was going to be running the show and not, you know, any of these individual counties. And that very clearly is where things went on the wrong trajectory, and that's laid at his feet absolutely correctly. My point is the alternative, with 13 mini dictatorships. The idea that that's obviously preferable I regard as false.

**WOODS:** So you think today, if the United States split into four or five different confederacies, that they would all be equally bad dictatorships?

**MALICE:** But that's today, though, after America has had a huge standard of living.

**WOODS:** I see. Because my view would be that if we had this, at the very least they wouldn't all have the same stupid foreign policy, and that alone would make it worth it.

**MALICE:** All for it. Look, America was effectively two countries from the very beginning. And as you well know, it was the Northeast that wanted to secede from the very beginning, not the South. And we're seeing it now on Facebook, where people are blocking people who they're ideologically opposed to, and the more this nation splits apart, the better. Because if you don't like people, if you don't agree with them, why do you have to be forced to talk to them and interact with them? So I agree with that, with the splitting up. Absolutely. My point is, now that we have a cake, now we can divide it, kind of thing.

**WOODS:** I'm sorry to have to cut this short, because it really is a great conversation. I should never schedule you when I'm on a time crunch, but I'm already 15 minutes beyond the safety point where I would have to go to catch my flight. So if I don't make it to this keynote I'm giving tonight, you are in big trouble.

**MALICE:** Blame Jefferson.

**WOODS:** (laughing) Well listen, the show notes page is [TomWoods.com/432](http://TomWoods.com/432). Obviously we'll link to all your stuff. I'm going to link to *Ego and Hubris*, by the way, so people can read that fun book. We'll link to your previous appearances, and anything you want to link to related to Hamilton. If you want to send me a book or two that you think treats Hamilton fairly —

**MALICE:** Ron Chernow's *Hamilton*, and there's a book called *The Greatest American*, which was written in the 1920s, I believe.

**WOODS:** Have you read Forrest McDonald's biography? Because he's very sympathetic to Hamilton.

**MALICE:** I've not. Or maybe I have, but I don't remember.

**WOODS:** Okay. All right, good. Okay, so I'll do that, and then I'll have my own stuff, and it'll be great, at [TomWoods.com/432](http://TomWoods.com/432). All right, Michael, as always, a great pleasure talking to you. Thanks for being here.

**MALICE:** Thank you.