

THE POLITICAL ECONOMY OF THE ANTIFEDERALISTS

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The eighteenth-century opponents of the U.S. Constitution have been derided by some historians as politically naive and intellectually inferior to their Federalist counterparts. A noted chronicler of the Antifederalists labeled them as “men of little faith” due to their distrust of government.¹ In one sense, such characterizations are correct: The Antifederalists were badly outmaneuvered by the shrewder Federalists who used a number of underhanded, and frankly illegal tactics to secure ratification of the Constitution.² However deficient the Anti-

¹ Cecilia M. Kenyon, “Men of Little Faith: The Anti-Federalists on the Nature of Representative Government,” *William and Mary Quarterly*, third series, 12 (January 1955): 3–43.

² One of the Federalists’ harshest critics was “Centinel.” Believed to be Samuel Bryan, the son of Pennsylvania Supreme Court judge George Bryan, Centinel charged the Federalists with tampering of the mails to impede communications between the Antifederalists. Centinel was also unafraid of attacking the most revered of Federalist leadership. For instance, he claimed that Benjamin Franklin was senile at the time of the convention and that George Washington had been “duped.” For a brief biographical sketch of Bryan, and his denunciations of Franklin and Washington, see Merrill Jensen, John P. Kaminski, and Gaspare J. Saladino, eds., *The Documentary History of the Ratification of the Constitution* (Madison, Wisc.: State Historical Society of Wisconsin, 1976–), vol. 13, pp. 326n and 327n. These volumes will be identified below as *Doc. Hist.*, followed by the appropriate volume and page number. For Centinel’s and other Antifederalists’ suspicion of postal irregularities, see *Doc. Hist.* 16, Appendix II, pp. 540–96.

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federalists were in terms of practical politics, their thoughts on political theory and the nature of government—heavily criticized by modern scholars—far surpassed the pronouncements of their more celebrated foes.

The system of checks and balances praised by historians, political scientists, and by those Federalists who contended that it would limit the government was held with little regard by most of the Antifederalists.³ Instead, the Antifederalists continually pointed to the unlimited taxing power that the Constitution vested in Congress and its ability to raise and maintain a standing army during peacetime. They saw that the unlimited right of Congress to tax and establish an army would eventually lead to an empire both at home and abroad.⁴ They also expressed concerns about the executive and judiciary branches of the new government, fearing they would become powerful and uncontrollable tyrannies. The Antifederalists were so leery that the Constitution would be used as a tool to crush individual liberty that they insisted a Bill of Rights be attached to it—an act to which the Federalists only reluctantly agreed.

Although a further recognition and appreciation of their political perspicacity is surely needed, the Antifederalist political philosophy is not the subject of this paper. Instead, this essay will focus on the economic views espoused by the Antifederalists on the different aspects of political economy. Hopefully, this paper will illuminate that the Antifederalists' understanding of political economy and the effects of government intervention was as fully astute as was their political theory.

I. TAXES

Every state must be able to extract revenue from its subjects in order to survive. Naturally, the framers and detractors of a new government would spend a considerable amount of time debating the issue of taxation. It is no coincidence, therefore, that along with the topic of a standing army, taxation received the most attention from Antifederalist writers.

³ "Aristocrotis" trenchantly asked in an essay, "Do Checks and Balances Really Secure the Rights of the People?" See Morton Borden, ed., *The Antifederalist Papers* (East Lansing, Mich.: Michigan State University Press, 1965), pp. 143–49. "Aristocrotis" was William Petrikin, a Pennsylvania tailor and Scottish immigrant. See *Doc. Hist.* 2, pp. 696n, 731–32, 443n, and 674n.

⁴ For an analysis of the Antifederalists' position on foreign policy see Jonathan Marshall, "Empire or Liberty: The Antifederalists and Foreign Policy, 1787–1788," *JOURNAL OF LIBERTARIAN STUDIES* 4 (Summer 1980): 233–54.

The Antifederalists' fundamental and most enduring objection against the Constitution was that it contained no limit on the central government's ability to raise taxes. The unlimited power of Congress to increase taxes was a constant theme in nearly all of the Antifederalist writings. Moreover, they feared that this power would be used in turn to maintain a standing army.

One of the most eloquent and erudite opponents of the Constitution was the "Federal Farmer."⁵ He consistently pointed to the new Congress's power to raise taxes without limit, and urged further restrictions on Congress: "Still the powers of the union in matters of taxation, will be too unlimited. . . . Further checks, in my mind, are indispensably necessary. Nor do I conceive, that as full a representation as is practicable in the federal government, will afford sufficient security."⁶ Patrick Henry concurred with the Federal Farmer and countered those Federalists who claimed that the threat of removal from office through democratic elections would limit taxation:

I shall be told in this place, that those who are to tax us are our representatives. To this I answer, that there is no real check to prevent their ruining us. There is no actual responsibility. The only semblance of a check is the negative power of not re-electing them. This, sir, is but a feeble barrier, when their personal interest, their ambition and avarice, come to be put in contrast with the happiness of the people. All checks founded on anything but self-love, will not avail.⁷

One of the great libertarian tenets propounded constantly by nearly all of the Antifederalists was their aversion to a standing army. The oppo-

⁵ Probably one Richard H. Lee, though there are doubts about this. See Gordon S. Wood, "The Authorship of the *Letters of the Federal Farmer*," *William and Mary Quarterly*, third series, 31 (April 1974): 299–308; Steven R. Boyd, "The Impact of the Constitution on State Politics: New York as a Test Case," pp. 270–303 in *The Human Dimensions of Nation Making: Essays on Colonial and Revolutionary America*, ed. James Kirby Martin (Madison, Wisc.: State Historical Society of Wisconsin, 1976), p. 276; and Herbert J. Storing, ed., *The Complete Anti-Federalist*, 7 vols. (Chicago: University of Chicago Press, 1981), vol. 2, pp. 214–17.

⁶ Walter Hartwell Bennett, ed., *Letters from the Federal Farmer to the Republican* (Tuscaloosa, Ala.: University of Alabama Press, 1978), p. 120.

⁷ Quoted in Kenyon, "Men of Little Faith," p. 21.

nents of the Constitution were extremely reluctant to lend their support for ratification without an explicit provision outlawing such an institution. They reasoned that the lack of a limit on federal taxation was a first step towards the establishment of a permanent military. The dreaded combination of the "purse and sword" uniting under the Constitution was a dangerous and distinct possibility. Their objections to the power of Congress to increase taxes without limits, therefore, stemmed in large measure from their fears that the revenues would be used to fund a permanent army and navy.⁸

"Brutus"⁹ feared the power given to the government in order to create and maintain an army: "The power to raise armies, is indefinite and unlimited, and authorizes the raising [of] forces, as well in peace as in war."¹⁰ "An Old Whig"¹¹ anticipated that the federal revenues would be channeled into military spending: "*The unlimited power of taxation will give them the command of all the treasures of the continent; a standing army will be wholly at their devotion.*" He forewarned his fellow countrymen that if the new government were permitted unlimited taxing power, military despotism would soon follow.¹²

"Centinel" cautioned that a standing army would not only be an expensive burden, but would be used by the central government to enforce collection of its taxes.¹³ Both he and "Cato"¹⁴ worried that under the

⁸ Jackson Turner Main, *The Antifederalists: Critics of the Constitution, 1781-1788* (New York: W.W. Norton, 1974), pp. 147-48.

⁹ Probably Robert Yates, a New York delegate to the Constitutional Convention. See *Doc. Hist.* 3, p. 412n.

¹⁰ *Doc. Hist.* 15, p. 336.

¹¹ "An Old Whig" is believed to have been written "by a club" that included George Bryan, John Smilie and James Hutchinson (see *Doc. Hist.* 13, p. 376n). George Bryan was a Pennsylvania judge and father of Samuel Bryan, who was the author of the Centinel essays. John Smilie immigrated from Ireland to Lancaster County, Pennsylvania in 1760. As a delegate to the Constitutional Convention, he voted against ratification. Earlier in his career he demonstrated his opposition to statism as he lobbied against the re-chartering of the Bank of North America. James Hutchinson was a physician and Surgeon General of Pennsylvania from 1777 to 1784 and later opposed ratification of the Constitution. See *Doc. Hist.* 2 pp. 727-34.

¹² *Doc. Hist.* 13, p. 540.

¹³ *Ibid.*, pp. 465-66.

¹⁴ Believed to be New York Governor George Clinton. See *ibid.*, p. 255n.

Constitution the chief executive and Congress could maintain an army for a period of up to two years. Centinel argued that the new country was going farther towards militarism than its former colonial ruler, Great Britain, where the army could only be commissioned by Parliament for one year at a time.¹⁵

William Symmes observed that the newly designed Congress was insulated from any check on its authority, and he questioned the acumen of those who trusted that the legislative body would always design its tax policy for the public good: "This body is not amenable to any tribunal, and therefore, this Congress can do no wrong. It will not be denied that they may tax us to any extent; but some gentlemen are fond of arguing that this body never will do any thing but what is for the common good."¹⁶ Symmes asserted that if the new government were allowed discretionary taxing power, it would undoubtedly make use of the privilege and subjugate the very people who granted it such largesse. He pleaded strongly to the representatives at the Massachusetts Ratifying Convention not to acquiesce in delegating greater sovereignty to the state:

The paragraph in question is an absolute decree of the people. The Congress *shall* have power. It does not say that they shall *exercise* it; but our necessities say they *must*, and the experience of ages say that they *will*; and finally, when the expenses of the nation, by their ambition are grown enormous, that they will oppress and subject; for, sir, they may lay taxes, duties, imposts and excises! . . . Here sir, I raise two objections; first, that Congress should have this power. It is a universal, unbounded permission; and as such, I think, no free people ought ever to consent to it, especially in so important a matter as that of property.¹⁷

Seething with contempt, Symmes described the type of tax collectors that would harass and burden the people if Americans granted Congress unrestricted taxing power:

¹⁵ *Doc. Hist.* 14, p. 184, and 13, p. 463.

¹⁶ Symmes was a graduate of Harvard and a lawyer (*Doc. Hist.* 14, p. 107n). The quote is from his speech at the Massachusetts Ratifying Convention, in Jonathan Elliot, ed., *The Debates in the Several State Conventions, on the Adoption of the Federal Constitution*, second edition (Philadelphia: J.B. Lippincott Company, 1936), vol. 2, p. 71.

¹⁷ *Ibid.*, pp. 72–73.

For, sir, I also disapprove of the power to collect, which is here vested in Congress. It is a power, sir, to burden us with a standing army of ravenous collectors,—harpies, perhaps, from another state, but who, however, were never known to have bowels for any purpose, but to fatten on the life-blood of the people. In an age or two, this will be the case; and when the Congress shall become tyrannical, these vultures, their servants, will be the tyrants of the village, by whose presence all freedom of speech and action will be taken away.¹⁸

Symmes' protestations against the unlimited tax-gathering prerogative of the newly designed Congress derived from the deep distrust of government that he and most of the other Antifederalists held. Symmes and his fellow libertarians knew from their own experiences and the historical record that governments have an insatiable tendency to expand. To the Federalists and historians like Kenyon, such thinking was negative and counterproductive. The Antifederalists and those who were suspicious of government, however, saw the state as a destructive force, and the allowance of such a feature as unbounded confiscatory taxation was intolerable. Although Symmes reluctantly agreed to support the Constitution after a number of amendments were attached to it, the following passage is a cogent reflection of the fear and distrust that he, and the Antifederalists, felt not only for the newly proposed state, but for governments in general: "In short, we know that all governments have degenerated, and consequently have abused the powers reposed in them; and why we should imagine better of the proposed Congress than of myriads of public bodies who have gone before them, I cannot at present conceive."¹⁹

Despite the checks and balances built into the federal system, the Federal Farmer claimed that the individual states would provide a superior bulwark to Congress's tax-raising ability. To his dismay, however, the Constitution left no room for the states to thwart the national government from confiscating wealth and raising an army:

[T]he state governments then we are told will stand between the arbitrary exercise of power and the people: true they may, but armless and helpless, perhaps, with the privilege of making a noise when hurt—this is no more than individuals may do. Does the Constitu-

¹⁸ *Ibid.*, pp. 73–74.

¹⁹ *Ibid.*, p. 72.

tion provide a single check for a single measure, by which the state governments can constitutionally and regularly check the arbitrary measures of Congress? Congress may raise immediately fifty thousand men, and twenty millions of dollars in taxes, build a navy, model the militia, etc. and all this constitutionally. Congress may arm on every point, and the state governments can do no more than an individual, by petition to Congress, [to] suggest their measures are alarming and not right.²⁰

Many Antifederalists, including Brutus, opposed the large delegation of taxing authority that the central government would receive because it would ultimately destroy the sovereignty of the individual states.²¹ They adroitly reasoned that the taxpayers would be better able to monitor a local government than a distant one. If state sovereignty were infringed upon, Americans would then find themselves back to their colonial status where they had little control over the imperial government.

Pennsylvania's Antifederalists raised concerns about taxation and state sovereignty similar to those raised by Brutus. They charged that under the new regime the states would be unable to prevent the central government from expropriating its inhabitants' property. Under the Articles of Confederation, the states could negate any confederate government levy, but the Constitution rendered them helpless to resist similar federal intrusions.²²

The ambiguity of the "necessary and proper" and "general welfare" clauses in the Constitution was attacked by "A Federal Republican."²³ He complained that since the states would be unable to erect tariffs they would be left with only unavoidable direct taxes which he described as "egregiously abusive." On top of negating the states' power to raise income through the impost, the federal government would determine for itself what revenues were "necessary":

²⁰ *Letters from the Federal Farmer*, p. 64.

²¹ For Brutus's comments on this issue see *Doc. Hist.* 15, p. 112.

²² Those Pennsylvanians who refused to vote for ratification agreed to sign a document voicing their objections to the Constitution entitled "The Address and Reasons of Dissent of the Minority of the Convention of the State of Pennsylvania to their Constituents." The document is believed to have been written by Samuel Bryan (Centinel). For the dissenting members' fear of the destruction of state's rights, see *Doc. Hist.* 15, p. 31. For the authorship of the pamphlet see *Ibid.*, p. 9n.

²³ Authorship unknown. See *Doc. Hist.* 14, p. 255n.

To give them the power of laying taxes, duties, imposts and exise, by way of providing for the welfare of the United States, and then constitute them judges of what is necessary for these purposes, is giving them power to satisfy at the expence of the states, any whim which ambition or the love of ostentation might suggest to them. But yet every law thus made will be binding: For they have an additional power expressly granted them, "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all the powers vested by this constitution in the government of the United States, or in any department or office thereof."²⁴

The Federal Farmer was equally alarmed by the general welfare feature, predicting that it would be a convenient mechanism for legislators to justify additional taxation. While making it easier for the government to inflict taxation on its citizens, the Constitution and its general welfare clause provided no safeguard from abuse, with only revolution as a viable alternative: "[A]nd if they misjudge of the general welfare, and lay unnecessary oppressive taxes, the Constitution will provide, as I shall hereafter shew, no remedy for the people or states—the people must bear them, or have recourse, not to any Constitution checks or remedies, but to that [of] resistance which is the last resort, and founded in self-defense."²⁵

Many Federalists believed that the general welfare clause would limit Congressional taxation to cover only those purposes that served the common good. Brutus trenchantly responded that the nebulous wording of the general welfare clause would allow the government to interpret for itself what the public good was, and how much taxation would be needed to serve it:

I would ask those, who reason thus, to define what ideas are included under the terms, to provide for the common defense and general welfare? Are these terms definite, and will they be understood in the same manner, and to apply to the same cases by every one? No one will pretend they will. It will then be matter of opinion, what tends to the general welfare; and the Congress will be the only judges in the matter.²⁶

²⁴ *Ibid.*, p. 269.

²⁵ *Letters from the Federal Farmer*, p. 62.

²⁶ *Doc. Hist.* 15, pp. 114–15.

He recognized that since everyone has different value scales, the general welfare could never be defined without necessarily infringing on someone's rights. He argued that the most despotic government could claim that its tyrannical actions were for the public good: "The government would always say, their measures were designed and calculated to promote the public good; and there being no judge between them and the people, the rulers themselves must, and would always, judge for themselves."²⁷

The magnitude by which the government could manipulate the general welfare clause to expand taxation was apparent to Centinel: "Whatever taxes, duties, and excises that the Congress may deem necessary to the *general welfare* may be imposed on the citizens of these states and levied by their officers."²⁸ And like Brutus and A Federal Republican, Centinel pointed out that the Congress itself would determine what was necessary for the general welfare without any interference from the states:

The Congress [is] to be the absolute judges of the propriety of such taxes, in short [it] may construe every purpose for which the state legislatures now lay taxes, to be for the *general welfare*, [it] may seize upon every source of taxation, and thus make it impracticable for the states to have the smallest revenue, and if a state should presume to impose a tax or excise that would interfere with a federal tax or excise, congress may soon terminate the contention, by repealing the state law.²⁹

The legitimate function of government, and how much revenue it should be allowed, was contemplated by "Philadelphiensis."³⁰ Applying liberal Jeffersonian principles to the subject, Philadelphiensis maintained that the sole purpose of government was to protect the lives and property of its subjects. Any action beyond such a function was unnecessary: "The only thing in which a government should be efficient, is to protect the *liberties, lives, and property* of the people governed, from foreign and domestic violence. This, and this only is what every government should do effectually. For any government to do more than this is impossible,

²⁷ *Ibid.*, p. 115.

²⁸ *Doc. Hist.* 14, p. 344.

²⁹ *Ibid.*, pp. 344–45.

³⁰ Probably Benjamin Workman, a mathematics tutor at the University of Pennsylvania. *Doc. Hist.* 13, p. 573n.

and every one that falls short of its is defective." Under this paradigm of government, taxes should be kept to a minimum. The Constitution, however, violated the bounds of what Philadelphiensis thought the state should do, for it allowed the government a claim on a large amount of wealth and provided no guarantee of individual liberty.³¹

II. MONEY

The bulk of Antifederalist opinion on monetary policy revolved around the issue of paper money. The Federalists believed that adoption of the Constitution would put an end to the reckless monetary practices pursued by many of the states since the Revolution. The perception that the Constitution would curtail inflation was a key factor in swinging popular support for ratification. Throughout the Confederation period, Americans had suffered through a painful series of booms and busts. The Federalists understood that portraying their opponents as wild inflators would give them a great advantage in securing ratification. Shrewder Antifederalists who favored paper money were aware of the Federalists' tactics and wisely toned down their views on money in their debates over the Constitution.³² Hard-money Antifederalists, however, did not see the adoption of the Constitution as a panacea for the eradication of monetary ills. This contingent was skeptical of granting the central government sole monopoly power over the money supply, recognizing that the Federalists were exploiting individual states' destructive monetary policies for their own political advancement.

The Antifederalists were not a monolithic group of inflationists. Instead, their stance on money differed according to each person's financial condition, his understanding of monetary theory, and the constituency he represented. Positions on monetary issues were not rigidly divided along socioeconomic lines: Hard-money advocates could be found among agrarians, while some proponents of inflation were members of commercial enterprises. Taking this into consideration, Antifederalist monetary thought can be roughly divided into three categories: (1) hard-money theorists; (2) those who favored paper money to relieve debt; and (3) those who sought the use of monetary expansion to alleviate depressions.

³¹ *Doc. Hist.* 14, pp. 351-52.

³² Main, *The Antifederalists*, pp. 166-167.

The expositions by the hard-money wing of Antifederalism demonstrated that these libertarians had a solid understanding of the theory of money and its role in the market economy. They saw the pernicious effects of paper money and argued against the continuation of its use.

Centinel realized that for the colonists to avoid paying direct taxes, paper money had to be used to conduct the war against Britain. He noted the ill effects that the inflation had on the young country's economy:

[W]hen we engaged in the expensive contest with Great Britain, the Congress sensible of the difficulty of levying the monies necessary to its support, by *direct* taxation, had recourse to . . . emitting bills of credit, and thus postponed the necessity of taxation. . . . [T]he bills of credit had suffered such a depreciation from the excessive quantities in circulations, that they ceased to be useful as a medium. The country at this period, was very much impoverished and exhausted; commerce had been suspended for near six years; . . . the evils of the depreciation of the paper money, which fell chiefly upon the patriotic and virtuous part of the community, had all concurred to produce great distress throughout America.³³

The Federal Farmer also pointed to wartime inflation as the culprit for the country's economic woes. Contrary to many Federalists who boasted that the Constitution would lead to prosperity, the Federal Farmer believed that post-Revolutionary America was well on the way to recovery:

It was the war that disturbed the course of commerce, introduced floods of paper money, the stagnation of credit, and threw many valuable men out of steady business. From these sources our greatest evils arise; men of knowledge and reflection must perceive it;—but then, have we not done more in three or four years past, in repairing the injuries of the war, by repairing houses and estates, restoring industry, frugality, the fisheries, manufactures.³⁴

The Federal Farmer was acutely aware that his opponents were using the states' inflationary policies as ammunition to persuade the public to adopt the Constitution. He blamed the state legislators for irresponsible monetary programs that provided this opportunity for the Federalists:

³³ *Doc. Hist.* 14, p. 318.

³⁴ *Letters from the Federal Farmer*, p. 116.

Our governments have been new and unsettled; and several legislatures, by making tender, suspension, and paper money laws, have given just cause of uneasiness to creditors. By these and other causes, several orders of men in the community have been prepared, by degrees, for a change of government; and this very abuse of power in the legislatures, which, in some cases, has been charged upon the democratic part of the community, has furnished aristocratical men with those very weapons, and those very means, with which, in great measure, they are rapidly affecting their favorite object.³⁵

He anticipated that if a despotic government emerged, the blame should be placed on those who pursued currency expansion: “[S]hould an oppressive government be the consequence of the proposed change, posterity may reproach not only a few overbearing unprincipled men, but those parties in the states which have misused their powers.” The Federal Farmer concluded that the many who opposed the Constitution as being too statist might be swayed to support the document if it were perceived as anti-inflationary: “The conduct of several legislatures, touching paper money, and tender laws, has prepared many honest men for changes in government, which otherwise they would not have thought of—when by the evils, on the one hand, and by the secret instigations of artful men, on the other, the minds of men . . . [will] become sufficiently uneasy.”³⁶

To combat the inflation problem, the Federalists recommended that the central government be awarded sole monopoly power to issue currency. Naturally, hard-money Antifederalists resisted such an autocratic solution. “Deliberator”³⁷ displayed typical libertarian suspicion of such a scheme and asked what would prevent the national government from an overissuance of money if it were granted complete control:

Though I believe it not generally so understood, yet certain it is, that Congress may emit *paper money*, and even make it legal tender throughout the United States, and, what is still worse, may, after it shall have depreciated in the hands of the people, call it in by taxes, at any rate of depreciation (compared with gold and silver)

³⁵ *Doc. Hist.* 14, p. 22.

³⁶ *Ibid.*

³⁷ Authorship unknown. See Storing, *Complete Anti-Federalist*, vol. 3, p. 176.

which they may think proper. For though no state can emit bills of credit, or pass any law impairing the obligation of contracts, yet the Congress themselves are under no constitutional restraints on these points.³⁸

On debtor relief, "Agrippa"³⁹ warned that tender laws and stay legislation would lead to the disruption of lending and discourage the savings that are essential for business expansion:

The credit of our merchants is, therefore, fully established in foreign countries. . . . We ought, therefore, to be exceedingly cautious about diverting or restraining it. Every day produces fresh proofs, that people, under the immediate pressure of difficulties, do not, at first glance, discover the proper relief. The last year, a desire to get rid of embarrassments induced many honest people to agree to a tender act, and many others, of a different description, to obstruct the courts of justice. Both these methods only increased the evil they were intended to cure.⁴⁰

Agrippa added that instead of bailing out debtors, the sanctity of contracts should be upheld. He rejected the notion that credit transactions were advantageous to only one side:

Experience has since shown, that, instead of trying to lessen an evil by altering the present course of things, every endeavor should have been applied to facilitate the course of law, and thus to encourage a mutual confidence among the citizens, which increases the resources of them all, and renders easy the payment of debts. By this means one does not grow rich at the expense of another, but all are benefited.⁴¹

Antifederalist advocacy of paper money was closely related to the issue of debtor relief. For the most part the demand for money creation was

³⁸ *Ibid.*, pp. 179–80.

³⁹ Most scholars believe that James Winthrop, a Harvard librarian, and John Winthrop, the son of a mathematics professor, were the authors of the Agrippa essays. See *Doc. Hist.* 15, p. 51n, and 160n; Cecilia M. Kenyon, ed., *The Antifederalists* (Indianapolis: Bobbs-Merrill, 1966; reprinted, Boston: Northeastern University Press, 1985), p. 131; and Storing, *Complete Anti-Federalist*, vol. 4, p. 68.

⁴⁰ Storing, *Complete Anti-Federalist*, vol. 4, p. 81.

⁴¹ *Ibid.*

supported to mitigate the increased burden of debt and taxes, rather than any misguided notion that inflation could lead to prosperity. Agitation for paper money did not solely originate from depressed agrarians or the yeomanry. Many of its exponents were found among commercial groups and the political elite.⁴² Moreover, the complaints voiced at the crushing burden of debt was mostly directed at public debt rather than that held by “private” owners.⁴³ Maryland’s financial condition during this period provides an insight into why some Antifederalist leaders supported paper money.

A number of Maryland’s prominent paper-money advocates were among the state’s Antifederalist leadership. Luther Martin, Samuel Chase, William Paca, and Charles Ridgely had all supported state money emission and were opponents of the Constitution.⁴⁴ Although Luther Martin eventually voted for ratification, he continued to call for the use of paper money. Samuel Chase, who had led a number of unsuccessful statewide campaigns to create additional currency, refrained from discussing monetary matters in his opposition speeches at the ratifying convention. Instead, he focused his criticism on the potentiality of a powerful and uncontrollable central government that adoption of the Constitution would entail.⁴⁵ A proposed bill of rights attached to the Constitution was not enough to mitigate Chase’s fear of aristocratic control of the new government at the expense of the “middling sort.”⁴⁶ Chase’s refusal to broach the subject of money was a wise political tactic, since one of the supposed virtues the Federalists trumpeted about the Constitution was that it would eliminate the various states from pursuing ill-advised inflations. As a protagonist of paper money, Chase would undoubtedly damage his chances of convincing delegates to refuse constitutional ratification if he discussed monetary policy.

⁴² Main, *The Antifederalists*, pp. 69–71.

⁴³ Philip A. Crowl, *Maryland During and After The Revolution* (Baltimore: Johns Hopkins Press, 1943), p. 89.

⁴⁴ *Ibid.*, p. 96.

⁴⁵ Jane Shaffer Elsmere, *Justice Samuel Chase* (Muncie, Indiana: Janevar Publishing Co., 1980), pp. 32–33.

⁴⁶ James Haw et al., *Stormy Patriot: The Life of Samuel Chase* (Baltimore: Maryland Historical Society, 1980), p. 146.

Victory over the British Empire left Marylanders with a considerable financial debt to repay. On top of wartime obligations, there were pre-war liabilities owed to British lenders that had to be reimbursed according to the terms of the peace treaty. The Maryland government increased the burden of its inhabitants by funding construction of two state colleges despite the remonstrances from lower-income groups.⁴⁷ The principal catalyst in the establishment of state-funded colleges was ex-governor Samuel Chase.⁴⁸ Opposition to tax-supported higher education and to government largesse in general emanated from Maryland's northern and western counties. Led by Charles Ridgely, the protestors saw little benefit of increased spending on higher education. Although the Ridgely faction opposed Chase on this issue, many of his supporters would align with the former governor in the debate over paper money, as did Ridgely himself.⁴⁹

To further exacerbate Maryland's debt problem, the post-war monetary deflation increased the real value of existing obligations. One petition addressed to the Governor pointed to the root cause of the people's financial difficulties:

We were unhappily involved in debt before the late war, some of us to British and others to domestic creditors. The state and continental debt incurred during the late war is enormous. The expenses of our civil government are heavy. We are not able to pay the present taxes, and satisfy our creditors. We are really in a most deplorable situation. . . . The very great number of suits for debts in the general court, and in the county courts, prove the melancholy truth. . . . Our property is at the mercy of sheriffs and collectors and [when] sold, will not bring one third its real value.⁵⁰

The solution offered by the petition's authors was money creation by fiat.

Instead of reducing its expenditures and cutting revenues, the state continued to collect taxes and foreclose on property. With little hope of a

⁴⁷ Crowl, *Maryland During and After the Revolution*, pp. 84–86.

⁴⁸ Haw et al., *Life of Samuel Chase*, p. 132.

⁴⁹ *Ibid.*, p. 134.

⁵⁰ Quoted in Crowl, *Maryland During and After the Revolution*, p. 90.

much-needed tax cut, Marylanders sought relief via the printing press.⁵¹ Samuel Chase took the lead in calling for additional currency. The future Supreme Court Justice would certainly benefit from an inflation since he owed a considerable sum to the Maryland treasury, mostly from his holdings of confiscated British property.⁵² Although Chase's financial plight played a part in his support of fiat money, he was not alone among the many Marylanders seeking relief.⁵³

In 1786, there was enough popular pressure that the House of Delegates passed two resolutions calling for money emission. These and later attempts by paper forces to pass legislation were successfully blocked in the Senate. Although there certainly were widespread demands for debt

⁵¹ *Ibid.*, p. 89. Most historians have mistakenly concurred with Chase and his faction that paper money should have been used to help combat the depression and relieve Marylanders of their debt woes. An example of such thinking can be seen in Haw et al., who support inflation as a cure for the consequences of a depression: "Chase and his allies made a strong case for an emission of currency. Stagnating trade, unemployment, low prices for farm produce, unpaid debts and taxes, property sold under execution for debt at a fraction of its true value—all these conditions were caused in part by a shortage of currency. Increasing the money supply to an adequate level would stimulate trade, help raise prices, make money available for loans, and give the distressed sorely needed help in paying debts and taxes. Paper money had served the colony of Maryland well; surely it would succeed again" (*Life of Samuel Chase*, p. 136). The authors, along with Maryland's paper-money forces, fail to understand that the reason for the "stagnating trade," "low prices," and "unemployment" was due to an earlier inflation that generated a boom and required an unavoidable and necessary bust. Falling prices are a feature of a bust (depression) and are the necessary adjustments that the market undergoes to cleanse itself of an earlier increase in the supply of money. Further increases in paper money "to an adequate level" would only bring about further booms and busts. For the definitive works on the theory of business cycles, see Ludwig von Mises, *The Theory of Money and Credit*, trans. H.E. Batson (London: Jonathan Cape Ltd., 1934; reprinted, Indianapolis: LibertyClassics, 1981); idem, *On the Manipulation of Money and Credit*, (Dobbs Ferry, N.Y.: Free Market Books, 1978); and Murray N. Rothbard, *America's Great Depression* (Kansas City: Sheed & Ward, 1963).

⁵² Elsmere, *Justice Samuel Chase*, p. 26; Haw et al., *Life of Samuel Chase*, p. 134.

⁵³ The high-water mark for debt relief came in the depressed years 1786–87. Included in the movement for more money creation was a contingent calling for repudiation. Chase refused to be a part of such a scheme, since he was in the process of negotiating a settlement with British bank officials over the ownership of disputed state of Maryland bank stock. See Elsmere, *Justice Samuel Chase*, p. 29.

relief in the form of money creation, it is believed that the majority of Marylanders were not in favor of further currency increases.⁵⁴

Defeated in his attempt to forge a paper money bill through the House of Delegates, Chase turned his sights on blocking the ratification of the Constitution. He, and Luther Martin who likewise supported paper money, urged Marylanders to refuse “unconditional” ratification unless the document were first amended.⁵⁵ Chase echoed a popular political tenet of the era concerning a distant and far removed central authority when he declared that “a national or general government however constructed over so extensive a country as America must end in despotism.”⁵⁶ Martin, a more profound political theorist than Chase, argued against the Constitutional provision that prohibited states from emitting bills of credit. He believed his state had benefitted from the printing of money and thought that it was an effective weapon to combat depressions.⁵⁷

A glimpse at Maryland’s Antifederalists shows that support for paper money emanated from both the financial and political elite and the less well-to-do. Although some wanted to retain state control of currency in the hope of alleviating their own financial misfortunes, there were others who believed that money creation could be used as a weapon to curb economic downturns.

III. DEFICITS

One of the supposed advantages repeatedly trumpeted by the Framers about the Constitution was that its more “efficient” taxing methods would make it easier to pay off the deficit. Antifederalists were similarly concerned with this problem, but were highly skeptical of their opponents’ solutions. “John Dewitt” expressed reservations about adopting the scheme wholeheartedly.⁵⁸ “A Friend to the Rights of the People”⁵⁹ was certain

⁵⁴ Crowl, *Maryland During and After the Revolution*, pp. 102–104, 109; Haw et al., *Life of Samuel Chase*, pp. 142–43.

⁵⁵ Crowl, *Maryland During and After the Revolution*, p. 120.

⁵⁶ Quoted in Haw et al., *Life of Samuel Chase*, p. 152.

⁵⁷ Crowl, *Maryland During and After the Revolution*, p. 131.

⁵⁸ Storing, *Complete Anti-Federalist*, vol. 4, pp. 19–20. The identity of “John Dewitt” is not known, but “that he was one of the best stylists of the Antifederalists is certain.” Kenyon, *Antifederalists*, p. 89.

⁵⁹ Probably Thomas Cogswell, who also wrote the essays of “A New Hampshire Farmer.” Storing, *Complete Anti-Federalist*, vol. 4, p. 234.

the new government's taxing power would be used to cancel the deficit. He anticipated that the proposed system would plunge the country into further debt:

How idle then is the notion that some entertain, that the establishment of this plan of government will speedily extricate us out of debt, and make us a rich and flourishing people. My opinion is the reverse, that in the complete operation and effect of it, it will be an insupportable burden, that will sink us the deeper under our present embarrassments.⁶⁰

Using libertarian reasoning, A Friend chided the unsuspicious for failing to see that once government was delegated power, that power would invariably be used to crush liberty:

It may be objected by the friends of the Constitution, that this is all conjecture, and we have no reason to think or even suggest, that Congress will make such a use of their power to enslave the people. I would answer: Have we any reason to think they will not—they are to take a solemn oath to administer the Constitution faithfully, or according to the spirit of it, and if they do, the effect must necessarily be arbitrary government; this has always been pleasing to rulers—and there is no doubt, but they will make use of it, when it is voluntarily given them by the people.⁶¹

Virginia's great radical orator, Patrick Henry, likewise questioned whether a new form of government was the answer for reducing the national debt. He correctly saw that only the market, and not the political process, could produce the wealth to alleviate the deficit:

Will the adoption of this new plan pay our debts? This, Sir, is a plain question. It is inferred, that our grievances are to be redressed, and the evils of the existing system to be removed by the new Constitution. Let me inform the Honorable Gentleman, that no nation ever paid its debts by a change of Government, without the aid of industry. You never will pay your debts but by a radical change of

⁵⁹ Probably Thomas Cogswell, who also wrote the essays of "A New Hampshire Farmer." Storing, *Complete Anti-Federalist*, vol. 4, p. 234.

⁶⁰ *Ibid.*, p. 240.

⁶¹ *Ibid.*

domestic economy. . . . The evils that attend us, lie in extravagance and want of industry and can only be removed by assiduity and economy.⁶²

Asking whether the Constitution would promote the necessary conditions for wealth formation, Henry warned that if the proposed plan failed to encourage industry or shrink the debt, then the people would eventually suffer:

Will this new system promote manufactures, industry and frugality? If instead of this, your hopes and designs will be disappointed; you relinquish a great deal, and hazard infinitely more, for nothing. Will it enhance the value of your lands? Will it lessen your burdens? Will your looms and wheels go to work by the act of adoption? If it will in its consequence produce these things, it will consequently produce a reform, and enable you to pay your debts. Gentlemen must prove it. I am a skeptic—an infidel on this point. I cannot conceive that it will have these happy consequences.⁶³

The same objections the Antifederalists voiced against the unlimited power to tax vested in Congress by the Constitution were repeated in their discussions of the national debt. A Federal Republican realized that Congress had no restrictions on the amount of deficit it could incur: "But on the other hand, the government of the United States has an enormous power of raising money in every way as well as that of contracting debts at *pleasure*."⁶⁴ A state's rights advocate, A Federal Republican was concerned that the debt would be used to erode state sovereignty vis-à-vis the central government. Moreover, he understood that an increased deficit would necessarily mean a heavier tax burden.⁶⁵

The "necessary-and-proper clause" in the Constitution and its potential effect on the public debt caused considerable alarm among Antifederalist commentators. A Federal Republican believed that the necessary-and-proper clause would allow the government's budget to expand infinitely. Like A Federal Republican, Brutus was disturbed that the ambig-

⁶² *Doc. Hist.* 9, pp. 1055–56.

⁶³ *Ibid.*

⁶⁴ *Doc. Hist.* 14, p. 269.

⁶⁵ *Ibid.*, pp. 269–70.

uous wording of the phrase would be interpreted in such a way as to expand both the deficit and state power.⁶⁶ He was also worried that the deficit could be used as a convenient tool to support and fund a standing army—the Antifederalists' most hated institution.

The lack of a check on the debt-making power of the central government drew an incisive response from Brutus, who perceptively predicted that the new Congress would spend the nation into economic ruin:

The power to borrow money is general and unlimited. . . . Under this authority, the Congress may mortgage any or all the revenues of the union. . . . By this means, they may create a national debt, so large, as to exceed the ability of the country ever to sink. I can scarcely contemplate a greater calamity that could befall this country, than to be loaded with a debt exceeding their ability ever to discharge. If this be a just remark, it is unwise and improvident to vest in the general government a power to borrow at discretion, without any limitation or restriction.⁶⁷

He pointed out that the much-criticized Articles of Confederation provided a superb check on the government's deficit-making capacity and saw that the new system could be vastly improved if it incorporated some of the latter's features:

The constitution should therefore have so restricted, the exercise of this power as to have rendered it very difficult for the government to practise it. The present confederation requires the assent of nine states to exercise this, and a number of the other important powers of the confederacy—and it would certainly have been a wise provision in this constitution, to have made it necessary that two thirds of the members should assent to borrowing money.⁶⁸

To avoid the creation of a powerful new government, a number of Antifederalists urged the selling of public lands to reduce the debt. Agrippa believed that the individual states were more than capable of disposing of the lands and managing their own commerce. In regard to the states' internal trade and the dispersal of the public domain, he did not see where

⁶⁶ *Doc. Hist.* 15, p. 335.

⁶⁷ *Ibid.*

⁶⁸ *Ibid.*, pp. 335–36.

the newly proposed regime would be of any advantage and disapprovingly called it both “useless and burdensome.”⁶⁹ “Candidus”⁷⁰ believed that the sale of land, rather than the Constitution, could effectively relieve the foreign and domestic debt without endangering the individual states’ sovereignty.⁷¹

“A Gentleman in a Neighbouring State” wanted to obtain accurate figures on the extent of the nation’s indebtedness and an estimate of the projected costs of the new government. He warned that the people should be aware of the exact magnitude of the deficit before they agreed to “so liberal and extensive a grant of *power* and *property* to any body of men in these United States.” The writer contended that without sufficient knowledge of the facts it would be extremely dangerous to delegate to a government such a tremendous authority: “To grant therefore such an ample power of taxation, and the right of soil, to the amount of millions, upon the recommendation of this hon. Convention, without either knowing the amount of the national debt, or the annual expences of government, would not argue, in my opinion, the highest degree of prudence.”⁷²

Outright repudiation was voiced by some Antifederalists as a solution to the problem of the national debt. In one Boston newspaper, *The American Herald*, “A Non-Impost Man” radically asserted that an impost should not be levied to pay off the deficit. The debt should remain unfunded instead of inflicting an impost on the people. He apparently saw no problem in not paying the imbalance: “The debt *need not be paid*; national credit is a proud fancy; funds are the means to *betray* our liberties; a revenue *impoverishes* the people; and the wisdom of Congress is the ambition of despots.”⁷³

IV. BUREAUCRACY

The creation of a new central government meant an increased bureaucracy and an additional expense for the nation’s taxpayers. This did not

⁶⁹ Storing, *Complete Anti-Federalists*, vol. 4, p. 76.

⁷⁰ Either Samuel Adams or Benjamin Austin, Jr. See *Ibid.*, vol. 4, p. 124.

⁷¹ *Ibid.*, pp. 133–34.

⁷² *Ibid.*, p. 11.

⁷³ *American Herald*, April 24, 1786.

escape the Antifederalists, who criticized both the projected costs and the personnel who would staff the state apparatus.

The Federal Farmer's discussion of bureaucracy contained some of the keenest insights on government and its effect on society that the era ever produced. His was an embryonic class analysis of society that later became systematized by John C. Calhoun.⁷⁴ In *A Disquisition on Government*, Calhoun succinctly explained how the state through its taxing power necessarily divides society into two distinct classes. One class consists of tax producers—individuals who pay taxes.⁷⁵ Under Calhoun's and the later Austrian economists' frameworks, the tax producers are those productive members of society who engage in the activities of homesteading, production, and exchange which leads to the creation of wealth. The German sociologist Franz Oppenheimer has called this type of human action the "economic means." The (naturally much smaller class) supported by taxes is the tax consumers. Oppenheimer labels the method by which this group acquires income as the "political means."⁷⁶

The Federal Farmer recognized the distinction between tax producers and tax consumers. Although he thought government was necessary, he understood that it was a drain on the productive sector: "Military, and especially civil establishments, are the necessary appendages of society; they are deductions from productive labor, and substantial wealth, in proportion to the number of men employed in them; they are oppressive where unnecessarily extended and supported by men unfriendly to the people."⁷⁷

By contrast, the Federal Farmer spoke in affectionate terms of those engaged in wealth formation: "The honest, the modest, and the indus-

⁷⁴ John C. Calhoun, *Disquisition on Government and Selections from the Discourse*, edited, with an introduction by C. Gordon Post (New York: Liberal Arts Press, Inc., 1953), pp. 16–19. Murray N. Rothbard's *Power and Market* (Kansas City: Sheed Andrews and McMeel, 1970), pp. 14–16, contains an early recognition of Calhoun's analysis. For an insightful exposition of class analysis from a similar perspective see Hans-Hermann Hoppe, "Marxist and Austrian Class Analysis," *JOURNAL OF LIBERTARIAN STUDIES* 9 (Fall 1990): 79–93.

⁷⁵ The contention that bureaucrats pay taxes is refuted in Rothbard, *Power and Market*, p. 142.

⁷⁶ Franz Oppenheimer, *The State*, translated by John M. Gitterman (Bobbs-Merrill, 1914; reprinted, New York: Free Life Editions, 1973), p. 12.

⁷⁷ *Letters from the Federal Farmer*, p. 84.

trious part of the community content themselves, generally, with their private concerns; they do not solicit those offices which are the perpetual source of cabals, intrigues, and contests among men of the former description, men embarrassed, intriguing, and destitute of modesty." He contemptuously categorized office seekers with army staffs: "We all agree, that a large standing army has a strong tendency to depress and enslave the people; it is equally true a large body of selfish, unfeeling, unprincipled civil officers has a like, or a more pernicious tendency to the same point."⁷⁸ On those who would attain jobs in the newly formed government, he harshly added: "[B]ut as to those who expect employments under the new Constitution; as to those weak and ardent men who always expect to be gainers by revolutions, and whose lot it generally is to get out of one difficulty into another, they are very little to be regarded: and as to those who designedly avail themselves of this weakness and ardor, they are to be despised."⁷⁹

The Federal Farmer voiced concerns about the plans that Congress had for establishing a federal city that would house the new government. Applying his class analysis, he understood that unlike other cities, the proposed capital would be fundamentally different. While most cities were dynamic centers of commercial activity and trade, the federal capital would only produce taxes and regulations, and attract power-hungry knaves from all over:

This city, and the government of it, must indubitably take their tone from the characters of the men, who from the nature of its situation and institution, must collect there. This city will not be established for productive labor, for mercantile, or mechanic industry; but for the residence of government, its officers and attendants. If hereafter it should ever become a place of trade and industry, in the early periods of its existence, when its laws and government must receive their fixed tone, it must be a mere court, with its appendages, the executive, congress, the law courts, gentlemen of fortune and pleasure, with all the officers, attendants, suitors, expectants and dependents on the whole, however brilliant and honourable this collection may be, if we expect it will have any sincere attachments to simple and frugal republicanism, to that liberty and mild govern-

⁷⁸ *Ibid.*

⁷⁹ *Doc. Hist.* 15, p. 21.

ment, which is dear to the laborious part of free people, we most assuredly deceive ourselves.⁸⁰

Bureaucratic growth and those who would seek privileges troubled the dissenting members of Pennsylvania's Constitutional Ratifying Convention. They fearfully realized that the tendency of government was to expand, and they predicted that a future horde of federal revenue officers would plague and plunder the people:

As this government will not enjoy the confidence of the people, but be executed by force, it will be a very expensive and burthensome government. The standing army must be numerous, and as a further support, it will be the policy of this government to multiply officers in every department: judges, collectors, tax-gatherers, excisemen and the whole host of revenue officers will swarm over the land, devouring the hard earnings of the industrious. Like the locusts of old, impoverishing and desolating all before them.⁸¹

Evoking the memory of the country's triumph against Britain, "A Columbian Patriot"⁸² stressed that one of the Revolution's objectives was to do away with the kind of arbitrary and distant revenue officials that under the Constitution would reappear: "[N]or can we be so ungrateful to the memory of the patriots who counteracted their operation, as so soon after their manly exertions to save us from such a detestable instrument of arbitrary power, to subject ourselves to the insolence of any petty revenue officer to enter our houses, search, insult, and seize at pleasure."⁸³

One feature of the new Constitution that did not escape the Antifederalists' watchful eyes was that members of Congress could vote their

⁸⁰ *Letters from the Federal Farmer*, p. 130. For a similar interpretation of the ways in which ancient Rome was the exploitative center of the Roman Empire, see Lewis Mumford, *The City in History: Its Origins, Its Transformations, and Its Prospects* (New York: Harcourt Brace Jovanovich, 1961), pp. 227–35.

⁸¹ *Doc. Hist.* 15, p. 33.

⁸² Mercy Warren of Massachusetts, sister of revolutionary leader James Otis and wife to James Warren, an Antifederalist leader and speaker of the Massachusetts House of Representatives. Mercy Warren was a playwright, poet, and author of a three-volume history of the American Revolution. For Warren's background see *Doc. Hist.* pp. 272n, 273n, and 274n.

⁸³ *Ibid.*, p. 281.

own salaries and pay increases. A Columbian Patriot maintained that such a provision would lead to a bloated and uncontrollable bureaucracy: "As the new Congress [is] empowered to determine [its] own salaries, the requisitions for this purpose may not be very moderate, and the drain for public moneys will probably rise past all calculation."⁸⁴

In the discussion of Congressional salaries, the Antifederalists, as they had done with nearly every aspect of the political economy, employed their most enduring criticism of the new government: There were no limits to its power. A Friend to the Rights of the People applied this staple of Antifederalist political thought in his analysis of Congressional salaries, and deducing that such an arrangement would be ripe for abuse, leaving the people with little room for remonstrances. "Here, it is plain, that the salaries of the members of Congress are to be ascertained and fixed by law. It must then be a law of their own making, by which their salaries will be ascertained. How far Congress will extend this power . . . there is no man alive can tell. It is left without bound or limitation—and we may be sure, from the craving appetites of men for gain, it will be stretched as far as the patience, and abilities of the people will bear."⁸⁵ He used the courts of Europe as examples of extravagance and waste, pleading to Americans not to follow a similar path:

European fashions have been transplanted into America. The high taste of foreign Courts will be relished by Congress. They must live in all the splendor of equipage and attendance. Their revenue must be equivalent. . . . It appears to me therefore, it would be very imprudent, in the United States to let Congress go to the continental Chest, and take out as much money as they please for their services. . . . No wise householder will let her servants make a law to fix their own wages. . . . Nor will any wise community give a greater liberty to the ruling servants of the state. Some bounds ought to be set, otherwise there is no safety.⁸⁶

A Friend was not only concerned with Congressional representatives' right to increase their own income; he also wanted restrictions placed on state-level bureaucrats from doing the same: "For my part, I think

⁸⁴ *Ibid.*, p. 280.

⁸⁵ Storing, *Complete Anti-Federalist*, vol. 4, p. 238.

⁸⁶ *Ibid.*

here is a wide door open for great abuse; and it will be the wisdom of the states to shut it, by setting some bound to the salaries of their own officers—and this seems to be the more necessary.”⁸⁷

V. MONOPOLY

A number of Antifederalists expressed fears that the Constitution would give the central government the power to grant exclusive monopolies. Opposition to state-created and -imposed monopoly privilege had a long and healthy tradition in America. Among the Antifederalists, Agrippa was the most outspoken critic of this prerogative vested in the new Congress. He questioned why Americans should allow the federal government the very same privileges that they had just fought a revolution to end: The new Congress would “have very nearly the same powers claimed formerly by the British parliament. Can we have so soon forgot our glorious struggle with that power, as to think a moment of surrendering it now?”⁸⁸

Agrippa considered a government vested with the power to grant monopolies a symbol of empire, correctly realizing that the main threat to competition came from government, not the market:

In most countries of Europe, trade has been confined by exclusive charters. Exclusive companies are, in trade, pretty much like an aristocracy in government, and produce nearly as bad effects. . . . [I]n the British islands all these circumstances together have not prevented them from being injured by the monopolies created there. Individuals have been enriched, but the country at large had been hurt . . . because they consequentially defeat the trade of the out-ports, and are also injurious to the general commerce, by enhancing prices and destroying that rivalry which is the great stimulus to industry.⁸⁹

Like Agrippa, “A Son of Liberty”⁹⁰ in his criticisms of the “preposterous”

⁸⁷ *Ibid.*, p. 239.

⁸⁸ *Ibid.*, p. 97.

⁸⁹ *Ibid.*, pp. 104, 80, and 81. Like Agrippa, modern Austrian writers such as Rothbard see monopolies as creatures of government privilege and licensing practices that outlaw competition by fiat. See Rothbard, *Man, Economy, and State: A Treatise on Economic Principles*, 2 vols. (Los Angeles: Nash, 1970), pp. 560–660.

⁹⁰ Authorship unknown. *Doc. Hist.* 13, pp. 480–83.

and “new-fangled” system of government being foisted upon the country, was apprehensive about Congressional monopoly-making power, fearing “monopolies in trade, granted to the favorites of government, by which the spirit of adventure will be destroyed, and the citizens subjected to the extortion of those companies who will have an exclusive right, to engross the different branches of commerce.”⁹¹

To prevent a mercantilistic economic system from developing in America, Agrippa called for severe restrictions to be placed on the government’s ability to grant monopolies:

There ought, then, to have been inserted a restraining clause which might prevent the Congress from making any such grant. . . . The unlimited power over trade, domestic as well as foreign, is another power that will more probably be applied to a bad than to a good purpose. . . . The freedom that every man, whether his capital is large or small, enjoys of entering into any branch that pleases him, rouses a spirit of industry and exertion, that is friendly to commerce. It prevents that stagnation of business which generally precedes public commotions. Nothing ought to be done to restrain this spirit. The unlimited power over trade, however, is exceedingly apt to injure it.⁹²

In his exhortations to his fellow countrymen, the Federal Farmer spoke in similar terms: “As monopolies in trade perhaps, can in no case be useful, it might not be amiss to provide expressly against them.”⁹³ Agrippa, using The Federal Farmer’s class analysis, anticipated that if Congress were allowed monopoly-making power, America would become divided into classes—those who received privilege and those who did not:

In a republic, we ought to guard, as much as possible, against the predominance of any particular interest. It is the object of government to protect them all. When commerce is left to take its own course, the advantages of every class will be nearly equal. But when exclusive privileges are given to any class, it will operate to the weakening of some other class connected with them.⁹⁴

⁹¹ *Ibid.*, p. 482.

⁹² Storing, *Complete Anti-Federalist*, vol. 4, pp. 81, and 104.

⁹³ *Letters from the Federal Farmer*, p. 131.

⁹⁴ Storing, *Complete Anti-Federalist*, vol. 4, p. 105.

VI. CONCLUSION

This essay has presented a sample of Antifederalist opinions and ideas on a number of topics relating to political economy. One overriding theme from these passages stands out: The Antifederalists wanted to *limit* the scope and power of the federal government. Limits and controls would prevent intervention by the state in the economic activity of Americans. The Constitution, Antifederalists believed, lacked sufficient mechanisms to prevent such intervention; without such checks, they cautioned, the new government would be able to tax, spend, and regulate without limit.

The Antifederalists' repeated calls for stronger checks on the new government sprang from the deep distrust of power that had been a dominant feature of America's revolutionary ideology. They anticipated, accurately, that ratification would eventually bring about a powerful national state, both distant and uncontrollable. Their writings demonstrated a sophisticated understanding of the economic consequences of government intervention in the economy that has been previously neglected. Though underrated and unappreciated, the Antifederalists' economic thought has proven to be far more durable and relevant than the works of their more celebrated and politically successful Federalist opponents.

THE INTELLECTUAL STANDARDS OF ADAM SMITH'S DAY

Salim Rashid

In reviewing the contributions of Adam Smith to the growth of economics Hans Brems writes that “[m]uch of what Smith had to say had been said before—but in French. Academic etiquette of his day demanded no acknowledgements, and he offered none.”¹ This is an unusually clear statement of a point of view that appears to circulate through much of the economics profession. Adam Smith, it would appear, borrowed much without acknowledgement. Nonetheless, it is not fair to dig deeply into this issue because the mid-eighteenth century was not an age much concerned with scholarly courtesies. I am not aware, however, of any study of the nature of scholarly expectations in this period. It has also been suggested that much of the earlier literature may have been so hard to obtain that it was simply not reasonable to expect Adam Smith to hunt out such material. This note aims to examine the view extant in the literature that academic etiquette of Smith’s day “demanded no acknowledgements.” We find indignant charges of plagiarism raised against John Asgill in 1696 and against one M’Arthur by

¹ Hans Brems, “Frequently Wrong But Rarely in Doubt,” *Challenge* (November–December 1987). It is certainly striking that all the “second-generation” Scottish economists—Dugald Stewart, Francis Horner, and Henry Brougham—as well as Thomas Robert Malthus showed a preference for the Physiocrats. I have alluded briefly to the evidence presented here in Salim Rashid, “Adam Smith’s Acknowledgements: Neo-Plagiarism and the Wealth of Nations,” *JOURNAL OF LIBERTARIAN STUDIES*, 9, no. 2 (Fall 1990): 1–24.

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