

### SECTION THREE

## ON INTERNATIONAL TRADE AND COMMERCE



While *Federalist 2* through *Federalist 10* examine the political advantages of a stronger union, *Federalist 11* through *Federalist 14* explore the commercial benefits offered by the Constitution. In these essays, as in the 18th century in general, “commercial” and “economic” were not interchangeable terms. Commercial, at that time, meant international trade, while economic applied to the domestic economy. Thus, this set of essays focus on the potential benefits to international trade. Under the Articles of Confederation, each state determined its own commercial policy. This resulted in 13 different policies and approaches, some more successful than others. For Publius, the Constitution’s powers to establish uniform commercial policy and legislation would furnish widespread prosperity at home and respectability abroad.

*Federalist 11* argues that a stronger union would lead to foreign governments competing for American markets. A stronger, more unified government could leverage this desire by requiring foreign markets previously closed to American trade to open. Publius also notes that by creating a federal navy, the United States would become “respectable” to foreign nations. Having desirable markets backed by the strength of a federal navy, Publius argues, would lead European powers to seek American neutrality in conflicts.

*Federalist 12* and *Federalist 13* examine the economic benefits that derive from a union that controls commercial policy. The uniformity of commercial policy, Publius notes, lessens the need for direct taxation on American citizens as impost duties—taxes paid on foreign-made goods—become the primary form of governmental revenue. The result is more money in the pockets of Americans and more currency in economic circulation. Simplifying and centralizing commercial policy also strengthens the union by tearing down a source of animosity and jealousy between the states. Finally, the stronger union of the Constitution creates a single “civil list.” In other words, the

revenue generated through taxation and impost duties support the federal government directly, thereby removing its dependency upon the states. Disunion and the formation of regional confederations, Publius warned, would create the need for more taxation than that offered by a union of the states. As he notes near the end of *Federalist* 13: “Thirteen states will be able to support a national government better than one half, or one third, or any number less than the whole.”

In *Federalist* 14, Publius transitions from commercial and economic benefits and returns to the question of the extent of the republic. Here, he challenges critics of the extended republic by defining democracy and republics. Democracies are those in which “the people meet and exercise the government in person: in a republic, they assemble and administer it by their representatives and agents.” Thus, democracies must be small to function properly, while a republic can be geographically extensive. Publius charges critics with foisting the problems of democracy upon those of republics and notes that they make several mistakes when they state the Constitution creates too large a republic. First, they fail to acknowledge that representative bodies exist in large countries such as the Diet of the Holy Roman Empire and even the British Parliament. Next, critics fail to acknowledge that the “general government is not to be charged with the whole power of making and administering laws: its jurisdiction is limited to certain enumerated objects, which concern all the members of the republic, but which are not to be attained by the separate provisions of any.” Third, they fail to note that the Constitution’s purpose is to “secure” the union of the states and to welcome new states into that union when time and circumstances permit. Fourth, Publius points out that once the bonds of union grow and economic benefits begin, transportation and communication between the states will improve. Finally, a stronger union offers collective protection to those states bordering the imperial holdings of European empires. Publius thus uses this essay to explain that an extended republic offered more than just a theoretical defense against factionalism—it provided practical and immediate benefits.

Anti-Federalists, however, scoffed at the potential commercial benefits Publius prophesizes. Like so much else, they viewed the Constitution’s powers over commerce as a tool for consolidation. In particular, they believed the merchant class would reap the only benefit from this commercial consolidation. Centinel’s Essay VIII claims that merchants, driven by the “schemes of wealth,” would use this commercial consolidation for their own self-interests. Using their wealth to influence commercial policy, the general government would then grant “injurious monopolies” that benefited merchants at the expense of everyone else. A commercial consolidation, therefore, overlooks how commerce was a consequence, or the “hand-maid,” of liberty. In other words, proper commerce, which benefits everyone and not just a special class, emerges *after* a people are free. A people cannot claim to be free if a special group or class receives special privileges from the government.

Agrippa, in Essays VI and XIV, follows Centinel’s lead. Although he admits that the Constitution should have some power over commerce, the blanket grant of commercial

powers is “carried much too far.” The ability to grant monopolies, inherent in unchecked commercial powers, undermines the very nature of republican government, he says. The Constitution’s commerce power will benefit the merchants’ and trading companies’ interests rather than the public good. The result will be the stagnation of business and ascendancy of men of avarice who “have no bowels of compassion for the oppressed.” Instead, Agrippa argues, when commerce is “left to take its own course,” rather than controlled for the purposes of one group, “the advantages of every class will be nearly equal.”

## QUESTIONS FOR OUR TIME

1. Congress and the executive agencies today routinely regulate many aspects of the American economy. Examples include requiring the caloric count of food on restaurant menus, the regulation of food and medicinal drugs, and the national minimum wage. How does Publius’ discussion of the necessity of the Constitution’s power over commerce compare to the control the federal government exercises today?
2. In the 1942 case of *Wickard v. Filburn*, the Supreme Court held that Congress could regulate the internal commerce of a state because it affected the broader external economy. The court ruled that Congress could regulate economic activity that, on its face, was wholly local—growing and consuming wheat on one farm—because such activity could affect interstate commerce as the farmer could have purchased his wheat in the market. If the Anti-Federalists were correct in stating that commerce resulted from liberty, what implications, in turn, might Congress’ enhanced power over commerce have for liberty?
3. In recent years, Americans have begun debating (again) whether free trade or protectionism is the proper economic response to globalization. How can the arguments of both Publius (particularly *Federalist 12* and *Federalist 13*) and the Anti-Federalists be applied to our contemporary arguments for and against global free trade or protectionism?
4. Anti-Federalists feared that Congress’ unlimited authority over commerce would lead to unfair policies that benefited one group over the whole. During the Great Recession of 2008 and again in response to the pandemic of 2020, the federal government bailed out several major industries including banks, airlines, automotive, and cruise lines, among others. Do these actions legitimize Anti-Federalist fears of the government picking economic winners or losers, or do these actions represent a necessary concern for the common good?

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## FEDERALIST NO. 11

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### THE UTILITY OF THE UNION IN RESPECT TO COMMERCE AND A NAVY

The importance of the union, in a commercial light, is one of those points, about which there is least room to entertain a difference of opinion, and which has in fact commanded the most general assent of men, who have any acquaintance with the subject. This applies as well to our intercourse with foreign countries, as with each other.

There are appearances to authorize a supposition, that the adventurous spirit, which distinguishes the commercial character of America, has already excited uneasy sensations in several of the maritime powers of Europe. They seem to be apprehensive of our too great interference in that carrying trade, which is the support of their navigation, and the foundation of their naval strength. Those of them, which have colonies in America, look forward, with painful solicitude, to what this country is capable of becoming. They foresee the dangers, that may threaten their American dominions from the

neighbourhood of states, which have all the dispositions, and would possess all the means, requisite to the creation of a powerful marine. Impressions of this kind will naturally indicate the policy of fostering divisions among us, and depriving us, as far as possible, of an ACTIVE COMMERCE in our own bottoms. This would answer then the threefold purpose of preventing our interference in their navigation, of monopolizing the profits of our trade, and of clipping the wings on which we might soar to a dangerous greatness. Did not prudence forbid the detail, it would not be difficult to trace, by facts, the workings of this policy to the cabinets of ministers. If we continue united, we may, in a variety of ways, counteract a policy so unfriendly to our prosperity. By prohibitory regulations, extending at the same time throughout the states, we may oblige foreign countries to bid against each other, for the privileges of our markets. This assertion will not

appear chimerical to those who are able to appreciate the importance, to any manufacturing nation, of the markets of three millions of people, increasing in rapid progression; for the most part, exclusively addicted to agriculture, and likely from local circumstances to remain in this disposition; and the immense difference there would be to the trade and navigation of such a nation, between a direct communication in its own ships, and an indirect conveyance of its products and returns, to and from America, in the ships of another country. Suppose, for instance, we had a government in America, capable of excluding Great Britain (with whom we have at present no treaty of commerce) from all our ports; what would be the probable operation of this step upon her politics? Would it not enable us to negotiate, with the fairest prospect of success, for commercial privileges of the most valuable and extensive kind, in the dominions of that kingdom? When these questions have been asked, upon other occasions, they have received a plausible, but not a solid or satisfactory answer. It has been said, that prohibitions on our part would produce no change in the system of Britain; because she could prosecute her trade with us, through the medium of the Dutch, who would be her immediate customers and pay-masters for those articles which were wanted for the supply of our markets. But would not her navigation be materially injured, by the loss of the important advantage of being her own carrier in that trade? Would not the principal part of its profits be intercepted by the Dutch, as

a compensation for their agency and risk? Would not the mere circumstance of freight occasion a considerable deduction? Would not so circuitous an intercourse facilitate the competitions of other nations, by enhancing the price of British commodities in our markets, and by transferring to other hands the management of this interesting branch of the British commerce?

A mature consideration of the objects, suggested by these questions, will justify a belief, that the real disadvantages to Great Britain, from such a state of things, conspiring with the prepossessions of a great part of the nation in favour of the American trade, and with the importunities of the West India islands, would produce a relaxation in her present system, and would let us into the enjoyment of privileges in the markets of those islands and elsewhere, from which our trade would derive the most substantial benefits. Such a point gained from the British government, and which could not be expected without an equivalent in exemptions and immunities in our markets, would be likely to have a correspondent effect on the conduct of other nations, who would not be inclined to see themselves altogether supplanted in our trade.

A further resource for influencing the conduct of European nations towards us, in this respect, would arise from the establishment of a federal navy. There can be no doubt, that the continuance of the union, under an efficient government, would put it in our power, at a period not very distant, to create a navy, which, if it could not

vie with those of the great maritime powers, would at least be of respectable weight, if thrown into the scale of either of two contending parties. This would be more particularly the case, in relation to operations in the West Indies. A few ships of the line, sent opportunely to the reinforcement of either side, would often be sufficient to decide the fate of a campaign, on the event of which, interests of the greatest magnitude were suspended. Our position is, in this respect, a very commanding one. And if to this consideration we add that of the usefulness of supplies from this country, in the prosecution of military operations in the West Indies, it will readily be perceived, that a situation so favourable, would enable us to bargain with great advantage for commercial privileges. A price would be set not only upon our friendship, but upon our neutrality. By a steady adherence to the union, we may hope, ere long, to become the arbiter of Europe in America; and to be able to incline the balance of European competitions in this part of the world, as our interest may dictate.

But in the reverse of this eligible situation, we shall discover, that the rivalships of the parts would make them checks upon each other, and would frustrate all the tempting advantages, which nature has kindly placed within our reach. In a state so insignificant, our commerce would be a prey to the wanton intermeddlings of all nations at war with each other; who, having nothing to fear from us, would, with little scruple or remorse, supply their wants by depredations on our property,

as often as it fell in their way. The rights of neutrality will only be respected, when they are defended by an adequate power. A nation, despicable by its weakness, forfeits even the privilege of being neutral.

Under a vigorous national government, the natural strength and resources of the country, directed to a common interest, would baffle all the combinations of European jealousy to restrain our growth. This situation would even take away the motive to such combinations, by inducing an impracticability of success. An active commerce, an extensive navigation, a flourishing marine, would then be the inevitable offspring of moral and physical necessity. We might defy the little arts of little politicians to control, or vary, the irresistible and unchangeable course of nature.

But in a state of disunion, these combinations might exist, and might operate with success. It would be in the power of the maritime nations, availing themselves of our universal impotence, to prescribe the conditions of our political existence; and as they have a common interest in being our carriers, and still more in preventing us from becoming theirs, they would, in all probability, combine to embarrass our navigation in such a manner, as would in effect destroy it, and confine us to a PASSIVE COMMERCE. We should thus be compelled to content ourselves with the first price of our commodities, and to see the profits of our trade snatched from us, to enrich our enemies and persecutors. That unequalled spirit of enterprise, which signalizes

the genius of the American merchants and navigators, and which is in itself an inexhaustible mine of national wealth, would be stifled and lost; and poverty and disgrace would overspread a country, which, with wisdom, might make herself the admiration and envy of the world.

There are rights of great moment to the trade of America, which are rights of the union: I allude to the fisheries, to the navigation of the lakes, and to that of the Mississippi. The dissolution of the confederacy would give room for delicate questions, concerning the future existence of these rights; which the interest of more powerful partners would hardly fail to solve to our disadvantage. The disposition of Spain, with regard to the Mississippi, needs no comment. France and Britain are concerned with us in the fisheries; and view them as of the utmost moment to their navigation. They, of course, would hardly remain long indifferent to that decided mastery, of which experience has shown us to be possessed, in this valuable branch of traffic; and by which we are able to undersell those nations in their own markets. What more natural, than that they should be disposed to exclude from the lists such dangerous competitors?

This branch of trade ought not to be considered as a partial benefit. All the navigating states may in different degrees advantageously participate in it; and under circumstances of a greater extension of mercantile capacity, would not be unlikely to do it. As a nursery of seamen, it now is, or when time shall have more nearly assimilated

the principles of navigation in the several states, will become an universal resource. To the establishment of a navy, it must be indispensable.

To this great national object, a NAVY, union will contribute in various ways. Every institution will grow and flourish in proportion to the quantity and extent of the means concentered towards its formation and support. A navy of the United States, as it would embrace the resources of all, is an object far less remote than a navy of any single state, or partial confederacy, which would only embrace the resources of a part. It happens, indeed, that different portions of confederated America, possess each some peculiar advantage for this essential establishment. The more southern states furnish in greater abundance certain kinds of naval stores . . . tar, pitch, and turpentine. Their wood, for the construction of ships, is also of a more solid and lasting texture. The difference in the duration of the ships of which the navy might be composed, if chiefly constructed of southern wood, would be of signal importance, either in the view of naval strength, or of national economy. Some of the southern and of the middle states, yield a greater plenty of iron and of better quality. Seamen must chiefly be drawn from the northern hive. The necessity of naval protection to external or maritime commerce, and the conduciveness of that species of commerce to the prosperity of a navy, are points too manifest to require a particular elucidation. They, by a kind of reaction, mutually beneficial, promote each other.



An unrestrained intercourse between the states themselves, will advance the trade of each, by an interchange of their respective productions, not only for the supply of reciprocal wants, but for exportation to foreign markets. The veins of commerce in every part will be replenished, and will acquire additional motion and vigour from a free circulation of the commodities of every part. Commercial enterprise will have much greater scope, from the diversity in the productions of different states. When the staple of one fails, from a bad harvest or unproductive crop, it can call to its aid the staple of another. The variety, not less than the value, of products for exportation, contributes to the activity of foreign commerce. It can be conducted upon much better terms, with a large number of materials of a given value, than with a small number of materials of the same value; arising from the competitions of trade, and from the fluctuations of markets. Particular articles may be in great demand at certain periods, and unsaleable at others; but if there be a variety of articles, it can scarcely happen that they should all be at one time in the latter predicament; and on this account, the operation of the merchant would be less liable to any considerable obstruction or stagnation. The speculative trader will at once perceive the force of these observations; and will acknowledge, that the aggregate balance of the commerce of the United States, would bid fair to be much more favourable than that of the Thirteen States, without union, or with partial unions.

It may perhaps be replied to this, that whether the states are united, or disunited, there would still be an intimate intercourse between them, which would answer the same ends: but this intercourse would be fettered, interrupted, and narrowed, by a multiplicity of causes; which in the course of these papers have been amply detailed. An unity of commercial, as well as political interests, can only result from an unity of government.

There are other points of view, in which this subject might be placed, of a striking and animating kind. But they would lead us too far into the regions of futurity, and would involve topics not proper for newspaper discussion. I shall briefly observe, that our situation invites, and our interests prompt us, to aim at an ascendant in the system of American affairs. The world may politically, as well as geographically, be divided into four parts, each having a distinct set of interests. Unhappily for the other three, Europe, by her arms and by her negotiations, by force and by fraud, has, in different degrees, extended her dominion over them all. Africa, Asia, and America, have successively felt her domination. The superiority she has long maintained, has tempted her to plume herself as the mistress of the world, and to consider the rest of mankind as created for her benefit. Men, admired as profound philosophers, have, in direct terms, attributed to her inhabitants a physical superiority; and have gravely asserted, that all animals, and with them the human species, degenerate



in America; that even dogs cease to bark, after having breathed a while in our atmosphere.<sup>20</sup> Facts have too long supported these arrogant pretensions of the European: it belongs to us to vindicate the honor of the human race, and to teach that assuming brother moderation. Union will enable us to do it. Disunion will add another victim to his triumphs. Let Americans

disdain to be the instruments of European greatness! Let the Thirteen States, bound together in a strict and indissoluble union, concur in erecting one great American system, superior to the control of all transatlantic force or influence, and able to dictate the terms of the connexion between the old and the new world!

PUBLIUS

20 *Recherches philosophiques sur les Americains.*

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## FEDERALIST NO. 12

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### THE UTILITY OF THE UNION IN RESPECT TO REVENUE

The effects of union, upon the commercial prosperity of the states, have been sufficiently delineated. Its tendency to promote the interests of revenue, will be the subject of our present inquiry.

A prosperous commerce is now perceived and acknowledged, by all enlightened statesmen, to be the most useful, as well as the most productive, source of national wealth; and has accordingly become a primary object of their political cares. By multiplying the means of gratification; by promoting the introduction and circulation of the precious metals, those darling objects of human avarice and enterprise, it serves to vivify and invigorate all the channels of industry, and to make them flow with greater activity and copiousness. The assiduous merchant, the laborious husbandman, the active mechanic, and the industrious manufacturer . . . all orders of men, look forward with eager expectation, and growing alacrity, to this pleasing reward of their toils. The often

agitated question between agriculture and commerce, has, from indubitable experience, received a decision, which has silenced the rivalships that once subsisted between them, and has proved, to the entire satisfaction of their friends, that their interests are intimately blended and interwoven. It has been found, in various countries, that in proportion as commerce has flourished, land has risen in value. And how could it have happened otherwise? Could that which procures a freer vent for the products of the earth; which furnishes new incitements to the cultivators of land; which is the most powerful instrument in increasing the quantity of money in a state . . . could that, in fine, which is the faithful handmaid of labour and industry, in every shape, fail to augment the value of that article, which is the prolific parent of far the greatest part of the objects, upon which they are exerted? It is astonishing, that so simple a truth should ever have had an adversary; and it is one, among a multitude of proofs,

how apt a spirit of ill informed jealousy, or of too great abstraction and refinement, is to lead men astray from the plainest paths of reason and conviction.

The ability of a country to pay taxes, must always be proportioned, in a great degree, to the quantity of money in circulation, and to the celerity with which it circulates. Commerce, contributing to both these objects, must of necessity render the payment of taxes easier, and facilitate the requisite supplies to the treasury. The hereditary dominions of the emperor of Germany, contain a great extent of fertile, cultivated, and populous territory, a large proportion of which is situated in mild and luxuriant climates. In some parts of this territory are to be found the best gold and silver mines in Europe. And yet, from the want of the fostering influence of commerce, that monarch can boast but slender revenues. He has several times been compelled to owe obligations to the pecuniary succours of other nations, for the preservation of his essential interests; and is unable, upon the strength of his own resources, to sustain a long or continued war.

But it is not in this aspect of the subject alone, that union will be seen to conduce to the purposes of revenue. There are other points of view, in which its influence will appear more immediate and decisive. It is evident from the state of the country, from the habits of the people, from the experience we have had on the point itself, that it is impracticable to raise any very considerable sums by direct taxation. Tax laws have in vain been multiplied; new methods to enforce the collection have in vain been tried; the

public expectation has been uniformly disappointed, and the treasuries of the states have remained empty. The popular system of administration, inherent in the nature of popular government, coinciding with the real scarcity of money, incident to a languid and mutilated state of trade, has hitherto defeated every experiment for extensive collections, and has at length taught the different legislatures the folly of attempting them.

No person, acquainted with what happens in other countries, will be surprised at this circumstance. In so opulent a nation as that of Britain, where direct taxes, from superior wealth, must be much more tolerable, and, from the vigour of the government, much more practicable, than in America, far the greatest part of the national revenue is derived from taxes of the indirect kind; from imposts, and from excises. Duties on imported articles, form a large branch of this latter description.

In America, it is evident, that we must a long time depend for the means of revenue, chiefly on such duties. In most parts of it, excises must be confined within a narrow compass. The genius of the people will illy brook the inquisitive and peremptory spirit of excise laws. The pockets of the farmers, on the other hand, will reluctantly yield but scanty supplies, in the unwelcome shape of impositions on their houses and lands; and personal property is too precarious and invisible a fund to be laid hold of in any other way, than by the imperceptible agency of taxes on consumption.

If these remarks have any foundation, that state of things which will best enable

us to improve and extend so valuable a resource, must be the best adapted to our political welfare. And it cannot admit of a serious doubt, that this state of things must rest on the basis of a general union. As far as this would be conducive to the interests of commerce, so far it must tend to the extension of the revenue to be drawn from that source. As far as it would contribute to render regulations for the collection of the duties more simple and efficacious, so far it must serve to answer the purposes of making the same rate of duties more productive, and of putting it into the power of the government to increase the rate, without prejudice to trade.

The relative situation of these states; the number of rivers with which they are intersected, and of bays that wash their shores; the facility of communication in every direction; the affinity of language and manners; the familiar habits of intercourse; all these are circumstances that would conspire to render an illicit trade between them a matter of little difficulty; and would ensure frequent evasions of the commercial regulations of each other. The separate states, or confederacies, would be driven by mutual jealousy to avoid the temptations to that kind of trade, by the lowness of their duties. The temper of our governments, for a long time to come, would not permit those rigorous precautions, by which the European nations guard the avenues into their respective countries, as well by land as by water, and which, even there, are found insufficient obstacles to the adventurous stratagems of avarice.

In France, there is an army of patrols (as they are called) constantly employed

to secure her fiscal regulations against the inroads of the dealers in contraband. Mr. Neckar computes the number of these patrols at upwards of twenty thousand. This proves the immense difficulty in preventing that species of traffic, where there is an inland communication, and shows, in a strong light, the disadvantages, with which the collection of duties in this country would be incumbered, if by disunion the states should be placed in a situation with respect to each other, resembling that of France with respect to her neighbours. The arbitrary and vexatious powers with which the patrols are necessarily armed, would be intolerable in a free country.

If, on the contrary, there be but one government, pervading all the states, there will be, as to the principal part of our commerce, but one side to guard . . . the ATLANTIC COAST. Vessels arriving directly from foreign countries, laden with valuable cargoes, would rarely choose to expose themselves to the complicated and critical perils, which would attend attempts to unlade prior to their coming into port. They would have to dread both the dangers of the coast, and of detection, as well after, as before their arrival at the places of their final destination. An ordinary degree of vigilance, would be competent to the prevention of any material infractions upon the rights of the revenue. A few armed vessels, judiciously stationed and employed, might, at small expense, be made useful sentinels of the laws. And the government, having the same interest to provide against violations every where, the co-operation of its measures in each

state, would have a powerful tendency to render them effectual. Here also we should preserve, by union, an advantage which nature holds out to us, and which would be relinquished by separation. The United States lie at a great distance from Europe, and at a considerable distance from all other places, with which they would have extensive connexions of foreign trade. The passage from them to us in a few hours, or in a single night, as between the coasts of France and Britain, and of other neighbouring nations, would be impracticable. This is a prodigious security against a direct contraband with foreign countries; but a circuitous contraband to one state, through the medium of another, would be both easy and safe. The difference between a direct importation from abroad, and an indirect importation, through the channel of an adjoining state, in small parcels, according to time and opportunity, with the additional facilities of inland communication, must be palpable to every man of discernment.

It is, therefore, evident, that one national government would be able, at much less expense, to extend the duties on imports, beyond comparison further, than would be practicable to the states separately, or to any partial confederacies: hitherto I believe it may safely be asserted, that these duties have not upon an average exceeded in any state three per cent. In France they are estimated at about fifteen per cent. and in Britain the proportion is still greater. There seems to be nothing to hinder their being increased in this country, to at least treble their present amount. The single article of ardent

spirits, under federal regulation, might be made to furnish a considerable revenue. According to the ratio of importation into this state, the whole quantity imported into the United States may, at a low computation, be estimated at four millions of gallons; which, at a shilling per gallon, would produce two hundred thousand pounds. That article would well bear this rate of duty; and if it should tend to diminish the consumption of it, such an effect would be equally favourable to the agriculture, to the economy, to the morals, and to the health of society. There is, perhaps, nothing so much a subject of national extravagance, as this very article.

What will be the consequence, if we are not able to avail ourselves of the resource in question in its full extent? A nation cannot long exist without revenue. Destitute of this essential support, it must resign its independence, and sink into the degraded condition of a province. This is an extremity to which no government will of choice accede. Revenue therefore must be had at all events. In this country, if the principal part be not drawn from commerce, it must fall with oppressive weight upon land. It has been already intimated that excises, in their true signification, are too little in unison with the feelings of the people, to admit of great use being made of that mode of taxation: nor, indeed, in the states where almost the sole employment is agriculture, are the objects proper for excise sufficiently numerous, to permit very ample collections in that way. Personal estate, as before remarked, from the difficulty of tracing it, cannot be subjected to large contributions, by any other means than by

taxes on consumption. In populous cities, it may be enough the subject of conjecture, to occasion the oppression of individuals, without much aggregate benefit to the state; but beyond these circles, it must, in a great measure, escape the eye and the hand of the tax gatherer. As the necessities of the state, nevertheless, must be satisfied in some mode, the defect of other resources must throw the principal weight of the public burthens on the possessors of land. And as, on the other hand, the wants of the government can never obtain an adequate supply, unless

all the sources of revenue are open to its demands, the finances of the community, under such embarrassments, cannot be put into a situation consistent with its respectability or its security. Thus we shall not even have the consolations of a full treasury, to atone for the oppression of that valuable class of citizens, who are employed in the cultivation of the soil. But public and private distress will keep pace with each other in gloomy concert; and unite in deploring the infatuation of those counsels which led to disunion.

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## FEDERALIST NO. 13

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### THE SAME SUBJECT CONTINUED, WITH A VIEW TO ECONOMY

As connected with the subject of revenue, we may with propriety consider that of economy. The money saved from one object, may be usefully applied to another; and there will be so much the less to be drawn from the pockets of the people. If the states be united under one government, there will be but one national civil list to support: if they are divided into several confederacies, there will be as many different national civil lists to be provided for; and each of them, as to the principal departments, co-extensive with that which would be necessary for a government of the whole. The entire separation of the states into thirteen unconnected sovereignties, is a project too extravagant, and too replete with danger, to have many advocates. The ideas of men who speculate upon the dismemberment of the empire, seem generally turned towards three confederacies; one consisting of the four northern, another of the four middle, and a third of the

five southern states. There is little probability that there would be a great number. According to this distribution, each confederacy would comprise an extent of territory larger than that of the kingdom of Great Britain. No well informed man will suppose that the affairs of such a confederacy can be properly regulated by a government, less comprehensive in its organs or institutions, than that which has been proposed by the convention. When the dimensions of a state attain to a certain magnitude, it requires the same energy of government, and the same forms of administration, which are requisite in one of much greater extent. This idea admits not of precise demonstration, because there is no rule by which we can measure the momentum of civil power, necessary to the government of any given number of individuals; but when we consider that the island of Britain, nearly commensurate with each of the supposed confederacies, contains about



eight millions of people, and when we reflect upon the degree of authority required to direct the passions of so large a society to the public good, we shall see no reason to doubt, that the like portion of power would be sufficient to perform the same task in a society far more numerous. Civil power, properly organized and exerted, is capable of diffusing its force to a very great extent; and can, in a manner, reproduce itself in every part of a great empire, by a judicious arrangement of subordinate institutions.

The supposition, that each confederacy into which the states would be likely to be divided, would require a government not less comprehensive than the one proposed, will be strengthened by another conjecture, more probable than that which presents us with three confederacies, as the alternative to a general union. If we attend carefully to geographical and commercial considerations, in conjunction with the habits and prejudices of the different states, we shall be led to conclude, that, in case of disunion, they will most naturally league themselves under two governments. The four eastern states, from all the causes that form the links of national sympathy and connexion, may with certainty be expected to unite. New York, situated as she is, would never be unwise enough to oppose a feeble and unsupported flank to the weight of that confederacy. There are obvious reasons, that would facilitate her accession to it. New Jersey is too small a state to think of being a frontier, in opposition to this still more powerful combination; nor do there ap-

pear to be any obstacles to her admission into it. Even Pennsylvania would have strong inducements to join the northern league. An active foreign commerce, on the basis of her own navigation, is her true policy, and coincides with the opinions and dispositions of her citizens. The more southern states, from various circumstances, may not think themselves much interested in the encouragement of navigation. They may prefer a system, which would give unlimited scope to all nations, to be the carriers, as well as the purchasers, of their commodities. Pennsylvania may not choose to confound her interests in a connexion so adverse to her policy. As she must, at all events, be a frontier, she may deem it most consistent with her safety, to have her exposed side turned towards the weaker power of the southern, rather than towards the stronger power of the northern confederacy. This would give her the fairest chance to avoid being the FLANDERS of America. Whatever may be the determination of Pennsylvania, if the northern confederacy includes New Jersey, there is no likelihood of more than one confederacy to the south of that state.

Nothing can be more evident than that the Thirteen States will be able to support a national government, better than one half, or one third, or any number less than the whole. This reflection must have great weight in obviating that objection to the proposed plan, which is founded on the principle of expense; an objection however, which, when we come to take a nearer view of it, will appear in every light to stand on mistaken ground.

If, in addition to the consideration of a plurality of civil lists, we take into view the number of persons who must necessarily be employed to guard the inland communication, between the different confederacies, against illicit trade, and who in time will infallibly spring up out of the necessities of revenue; and if we also take into view the military establishments,

which it has been shown would unavoidably result from the jealousies and conflicts of the several nations, into which the states would be divided, we shall clearly discover that a separation would be not less injurious to the economy, than to the tranquillity, commerce, revenue, and liberty, of every part.

PUBLIUS

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## FEDERALIST NO. 14

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### AN OBJECTION DRAWN FROM THE EXTENT OF COUNTRY, ANSWERED

We have seen the necessity of the union, as our bulwark against foreign danger; as the conservator of peace among ourselves; as the guardian of our commerce, and other common interests; as the only substitute for those military establishments which have subverted the liberties of the old world; and as the proper antidote for the diseases of faction, which have proved fatal to other popular governments, and of which alarming symptoms have been betrayed by our own. All that remains, within this branch of our inquiries, is to take notice of an objection, that may be drawn from the great extent of country which the union embraces. A few observations, on this subject, will be the more proper, as it is perceived, that the adversaries of the new constitution are availing themselves of a prevailing prejudice, with regard to the practicable sphere of republican administration, in order to supply, by imaginary difficulties, the want of those solid objections, which they endeavour in vain to find.

The error which limits republican government to a narrow district, has been unfolded and refuted in preceding papers. I remark here only, that it seems to owe its rise and prevalence chiefly to the confounding of a republic with a democracy; and applying to the former, reasonings drawn from the nature of the latter. The true distinction between these forms, was also adverted to on a former occasion. It is, that in a democracy, the people meet and exercise the government in person: in a republic, they assemble and administer it by their representatives and agents. A democracy, consequently, must be confined to a small spot. A republic may be extended over a large region.

To this accidental source of the error, may be added the artifice of some celebrated authors, whose writings have had a great share in forming the modern standard of political opinions. Being subjects, either of an absolute, or limited monarchy, they have endeavoured to heighten the advantages, or palliate

the evils, of those forms, by placing in comparison with them, the vices and defects of the republican, and by citing, as specimens of the latter, the turbulent democracies of ancient Greece, and modern Italy. Under the confusion of names, it has been an easy task to transfer to a republic, observations applicable to a democracy only; and, among others, the observation, that it can never be established but among a small number of people, living within a small compass of territory.

Such a fallacy may have been the less perceived, as most of the popular governments of antiquity were of the democratic species; and even in modern Europe, to which we owe the great principle of representation, no example is seen of a government wholly popular, and founded, at the same time, wholly on that principle. If Europe has the merit of discovering this great mechanical power in government, by the simple agency of which, the will of the largest political body may be concentrated, and its force directed to any object, which the public good requires; America can claim the merit of making the discovery the basis of unmixed and extensive republics. It is only to be lamented, that any of her citizens should wish to deprive her of the additional merit of displaying its full efficacy in the establishment of the comprehensive system now under her consideration.

As the natural limit of a democracy, is that distance from the central point, which will just permit the most remote citizens to assemble as often as their public functions demand, and will

include no greater number than can join in those functions: so the natural limit of a republic, is that distance from the centre, which will barely allow the representatives of the people to meet as often as may be necessary for the administration of public affairs. Can it be said, that the limits of the United States exceed this distance? It will not be said by those who recollect, that the Atlantic coast is the longest side of the union; that, during the term of thirteen years, the representatives of the states have been almost continually assembled; and that the members, from the most distant states, are not chargeable with greater intermissions of attendance, than those from the states in the neighbourhood of Congress.

That we may form a juster estimate with regard to this interesting subject, let us resort to the actual dimensions of the union. The limits, as fixed by the treaty of peace, are, on the east the Atlantic, on the south the latitude of thirty one degrees, on the west the Mississippi, and on the north an irregular line running in some instances beyond the forty-fifth degree, in others falling as low as the forty-second. The southern shore of lake Erie lies below that latitude. Computing the distance between the thirty-first and forty-fifth degrees, it amounts to nine hundred and seventy-three common miles; computing it from thirty-one to forty-two degrees, to seven hundred sixty-four miles and an half. Taking the mean for the distance, the amount will be eight hundred sixty-eight miles and three-fourths. The mean distance from the Atlantic to the Mississippi, does not probably exceed seven hundred and fifty

miles. On a comparison of this extent, with that of several countries in Europe, the practicability of rendering our system commensurate to it, appears to be demonstrable. It is not a great deal larger than Germany, where a diet, representing the whole empire, is continually assembled; or than Poland before the late dismemberment, where another national diet was the depository of the supreme power. Passing by France and Spain, we find that in Great Britain, inferior as it may be in size, the representatives of the northern extremity of the island, have as far to travel to the national council, as will be required of those of the most remote parts of the union.

Favourable as this view of the subject may be, some observations remain, which will place it in a light still more satisfactory.

In the first place, it is to be remembered, that the general government is not to be charged with the whole power of making and administering laws: its jurisdiction is limited to certain enumerated objects, which concern all the members of the republic, but which are not to be attained by the separate provisions of any. The subordinate governments, which can extend their care to all those other objects, which can be separately provided for, will retain their due authority and activity. Were it proposed by the plan of the convention, to abolish the governments of the particular states, its adversaries would have some ground for their objection; though it would not be difficult to show, that if they were abolished, the general government would be compelled, by the principle of self preservation, to reinstate them in their proper jurisdiction.

A second observation to be made is, that the immediate object of the federal constitution, is to secure the union of the thirteen primitive states, which we know to be practicable; and to add to them such other states, as may arise in their own bosoms, or in their neighbourhoods, which we cannot doubt to be equally practicable. The arrangements that may be necessary for those angles and fractions of our territory, which lie on our north western frontier, must be left to those whom further discoveries and experience will render more equal to the task.

Let it be remarked, in the third place, that the intercourse throughout the union will be daily facilitated by new improvements. Roads will every where be shortened, and kept in better order; accommodations for travellers will be multiplied and meliorated; an interior navigation on our eastern side, will be opened throughout, or nearly throughout, the whole extent of the Thirteen States. The communication between the western and Atlantic districts, and between different parts of each, will be rendered more and more easy, by those numerous canals, with which the beneficence of nature has intersected our country, and which art finds it so little difficult to connect and complete.

A fourth, and still more important consideration, is, that as almost every state will, on one side or other, be a frontier, and will thus find, in a regard to its safety, an inducement to make some sacrifices for the sake of the general protection: so the states which lie at the greatest distance from the heart of the union, and which of course may partake least of the ordinary

circulation of its benefits, will be at the same time immediately contiguous to foreign nations, and will consequently stand, on particular occasions, in greatest need of its strength and resources. It may be inconvenient for Georgia, or the states forming our western or north-eastern borders, to send their representatives to the seat of government; but they would find it more so to struggle alone against an invading enemy, or even to support alone the whole expense of those precautions, which may be dictated by the neighbourhood of continual danger. If they should derive less benefit therefore from the union in some respects, than the less distant states, they will derive greater benefit from it in other respects, and thus the proper equilibrium will be maintained throughout.

I submit to you, my fellow citizens, these considerations, in full confidence that the good sense which has so often marked your decisions, will allow them their due weight and effect; and that you will never suffer difficulties, however formidable in appearance, or however fashionable the error on which they may be founded, to drive you into the gloomy and perilous scenes into which the advocates for disunion would conduct you. Hearken not to the unnatural voice, which tells you that the people of America, knit together as they are by so many chords of affection, can no longer live together as members of the same family; can no longer continue the mutual guardians of their mutual happiness; can no longer be fellow citizens of one great, respectable, and flourishing empire. Hearken not to the voice, which petulantly tells you, that

the form of government recommended for your adoption, is a novelty in the political world; that it has never yet had a place in the theories of the wildest projectors; that it rashly attempts what it is impossible to accomplish. No, my countrymen, shut your ears against this unhallowed language. Shut your hearts against the poison which it conveys. The kindred blood which flows in the veins of American citizens, the mingled blood which they have shed in defence of their sacred rights, consecrate their union, and excite horror at the idea of their becoming aliens, rivals, enemies. And if novelties are to be shunned, believe me, the most alarming of all novelties, the most wild of all projects, the most rash of all attempts, is that of rending us in pieces, in order to preserve our liberties, and promote our happiness. But why is the experiment of an extended republic to be rejected, merely because it may comprise what is new? Is it not the glory of the people of America, that whilst they have paid a decent regard to the opinions of former times and other nations, they have not suffered a blind veneration for antiquity, for custom, or for names, to over-rule the suggestions of their own good sense, the knowledge of their own situation, and the lessons of their own experience? To this manly spirit, posterity will be indebted for the possession, and the world for the example, of the numerous innovations displayed on the American theatre, in favour of private rights and public happiness. Had no important step been taken by the leaders of the revolution, for which a precedent could not be discovered; no government established of which an exact model did

not present itself, the people of the United States might, at this moment, have been numbered among the melancholy victims of misguided councils; must at best have been labouring under the weight of some of those forms which have crushed the liberties of the rest of mankind. Happily for America, happily we trust for the whole human race, they pursued a new and more noble course. They accomplished a revolution which has no parallel in the annals of human society. They reared the fabrics of governments which have

no model on the face of the globe. They formed the design of a great confederacy, which it is incumbent on their successors to improve and perpetuate. If their works betray imperfections, we wonder at the fewness of them. If they erred most in the structure of the union, this was the work most difficult to be executed; this is the work which has been new modelled by the act of your convention, and it is that act on which you are now to deliberate and to decide.

PUBLIUS



# THE ANTI-FEDERALIST PERSPECTIVE

## CENTINEL VIII

For the *Philadelphia Independent Gazetteer*

The merchant, immersed in schemes of wealth, seldom extends his views beyond the immediate object of gain; he blindly pursues his seeming interest, and sees not the latent mischief; therefore it is, that he is the last to take the alarm when public liberty is threatened. This may account for the infatuation of some of our merchants, who, elated with the imaginary prospect of an improved commerce under the new government, overlook all danger: they do not consider that commerce is the hand-maid of liberty, a plan of free growth that withers under the hand of despotism, that every concern of individuals will be sacrificed to the gratification of the men in power, who will institute injurious monopolies and shackle commerce with every device of avarice; and that property of every species will be held at the will and pleasure of rulers.

If the nature of the case did not give birth to these well-founded apprehensions, the principles and characters of the authors and advocates of the measure ought. View the monopolising spirit of the principal of them. See him converting a bank, instituted for common benefit, to his own and creatures emolument, and by the aid thereof, controuling the credit of the state, and dictating the measures of government. View the vassalage of our merchants, the thralldom of the city of Philadelphia, and the extinction of that spirit of independency in most of its citizens so essential to freedom. View this Collosus attempting to grasp the commerce of America and meeting with a sudden repulse, in the midst of his immense career, receiving a shock that threatens his very existence. View the desperate fortunes of many of his co-adjutors and dependants, particularly the bankrupt situation of the principal instrument under the *great man* in promoting the new government, whose superlative arrogance, ambition and rapacity, would need the spoils of thousands to gratify; view his towering aspect, he would have no bowels of compassion for the oppressed, he would *overlook* all their

sufferings. Recollect the strenuous and unremitted exertions of these men, for years past, to destroy our admirable constitution, whose object is to secure equal liberty and advantages to all, and the great obstacle in the way of their ambitious schemes, and then answer, whether these apprehensions are chimerical, whether such characters will be less ambitious, less avaritious, more moderate, when the privileges, property, and every concern of the people of the United States shall lie at their mercy, when they shall be in possession of absolute sway?

### AGRIPPA VI

For the *Massachusetts Gazette*

The idea of consolidation is further kept up in the right given to regulate trade. Though this power under certain limitations would be a proper one for the department of Congress; it is in this system carried much too far, and much farther than is necessary. This is, without exception, the most commercial state upon the continent. Our extensive coasts, cold climate, small estates, and equality of rights, with a variety of subordinate and concurring circumstances, place us in this respect at the head of the union. We must, therefore, be indulged if a point which so nearly relates to our welfare be rigidly examined. The new constitution not only prohibits vessels, bound from one state to another, from paying any duties, but even from entering and clearing. The only use of such a regulation is, to keep each state in complete ignorance of its own resources. It certainly is no hardship to enter and clear at the custom house, and the expense is too small to be an object.

The unlimited right to regulate trade, includes the right of granting exclusive charters. This, in all old countries, is considered as one principal branch of prerogative. We find hardly a country in Europe which has not felt the ill effects of such a power. . . . We are also to take into consideration the industry which the genius of a free government inspires. But in 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 has been hurt. Some valuable branches of trade being granted to companies, who transact their business in London, that city is, perhaps, the place of the greatest trade in the world. But Ireland, under such influence, suffers exceedingly, and is impoverished; and Scotland is a mere

bye-word. Bristol, the second city in England, ranks not much above this town in population. These things must be accounted for by the incorporation of trading companies; and if they are felt so severely in countries of small extent, they will operate with tenfold severity upon us, who inhabit an immense tract; and living towards one extreme of an extensive empire, shall feel the evil, without retaining that influence in government, which may enable us to procure redress. There ought, then, to have been inserted a restraining clause which might prevent the Congress from making any such grant, 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.

#### AGRIPPA XIV

For the *Massachusetts Gazette*

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. That our trade was for the last year much in favour of the commonwealth is agreed by all parties. 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. . . .

. . . 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.

This appears to be the universal effect of such establishments. A point of such magnitude ought, then, to be particularly guarded. In some respects it is beneficial that a system of commerce should be established by national authority. But if it is found, as it will upon examination, that most governments establish those companies, from occasional and temporal motives, and that they produce ill effects on government and on trade; the power ought in this respect to be restrained. As we are situated at one

extreme of the empire, two or three such companies would annihilate the importance of our seaports, by transferring the trade to Philadelphia. With the decay of trade is connected the depreciation of lands and estates for want of a market for the produce. At present our exports are great and our manufactures are every day rising in importance. It seems to be agreed on all sides, that from the port of Boston only the balance was last year as much as an hundred & fifty thousand pounds in favour of the state; a comparison of that and former years is far from proving the distressed state of commerce. Complaints in that respect are about as well founded as in most others. They are made to serve a present purpose, and when that is accomplished, there is no redress for the disappointment of the publick expectation. It becomes us then to consider well of the powers before we surrender them. There is no recovering them when once given. It is vain to flatter ourselves with the idea, that three quarters of the members of the new government will ever be for restraining their own power. If it was so easy as the federalists pretend to procure an alteration of the system after its adoption, I think, that it is a circumstance not much in its favour. In order to be perfect a constitution should be permanent. The new system sets out with a violation of the compact between the states. While it is in discussion, we ought to consider, that injustice never can be the basis of a good government. I have met with an account of one government uniformly supported by that principle, and I do not wish even my antagonists to become the subjects of that kingdom.