In the history of the progress of human knowledge, out and out myths accompany the first stage of empiricism; while "hidden essences" and "occult forces" mark its second stage. By their very nature, these "causes" escape observation, so that their explanatory value can be neither confirmed nor refuted by further observation or experience. Hence belief in them becomes purely traditionary. They give rise to doctrines which, inculcated and handed down, become dogmas; subsequent inquiry and reflection are actually stifled.[**John Dewey**][407]

CHAPTER 10

THE RISE OF POLITICAL ECONOMY AND FALL OF MERCANTILISM

The search for a *closed system* of political economy began in earnest during the eighteenth century. John Locke, James Harrington and other English political and moral philosophers established the intellectual framework within which existing socio-political arrangements and institutions came into question—on both moral and practical grounds. For Locke the main concern was one of compatibility with the natural (and, for him, just) order of things. Harrington looked at structure from a more utilitarian perspective and argued the case for checks and balances, a distribution of power that allowed no one faction to oppress others. Neither of these individuals or their contemporaries were prepared, however, to challenge the most entrenched privileges that tradition and vested interest continued to sanction. Colonials in North America, on the other hand, actually experienced *freedom* and understood that a proper degree of constraint was needed if criminal and economic license were not to reign supreme. Enough land for all did not mean that all were willing to labor honestly for wealth. The temptation to take from others by fraud or force was an ever-present part of their existence. For many reasons, they continued to look toward Old World intellectuals to corroborate what experience and their own moral sense told them was acceptable behavior. Although they found in the writings of Locke, Harrington and others a considerable foundation on which to build, in the end they were very much advancing into uncharted waters. As the decades came and passed, Old World involvement in their day-to-day lives became more troublesome and was increasingly resisted as unwarranted intrusions on the distinct form of common law that evolved over time to govern local communities. Conflict was inevitable.

War continued to bleed the Old World states of people, resources and financial reserves throughout the first half of the eighteenth century. Even in Holland—pillar of the Mercantilist commercial system—the combination of defaulted loans made to warring monarchs and intense protectionist trade policies brought down the Dutch financial empire. Disenchanted and opportunistic Dutch (and many Germans) left to found a new society in southern Africa. The national wealth acquired by trade and commerce was absorbed in Holland as elsewhere by a relative few whose monopolistic power served to crush individual initiative, delivering the Dutch into the hands of an incompetent autocracy. Weakened internally, the Dutch were easily overrun by the French during the 1740s and challenged by the British on the open seas. Dreams of a vast, colonial empire dissolved and Holland relinquished its position at the core of European powers.

The French had themselves only narrowly avoided a disastrous defeat in 1713 at the hands of a British, Dutch and German alliance forged to decide whether Spain or France would control the Pyrenees Mountains. This conflict also determined which European family would succeed to the Spanish throne. Although the alliance fell apart before the French suffered total defeat, the outcome was important for the immediate balance of power in Europe as well as the long-term future of the Americas. Britain expanded its territory in North America with the addition of Newfoundland and Nova Scotia. Philip of Anjou became King of Spain and the Pyrenees were denied to the French.

A major socio-political factor contributing to the faltering of French ambitions was the stagnation prevalent within an increasingly centralized state. This process had advanced during the tenures of Cardinals Richelieu and Mazarin as leading ministers to the king and continued when Jean Baptise Colbert (1619-1683) became economic minister to Louis XIV. Under Colbert mercantilist policies were carried to destructive extremes, and French commerce suffered under the heavy hand of government controls. Despite Colbert's efforts to improve France's physical infrastructure, therefore, the process of wealth production was impeded and commerce discouraged. Colbert's mercantilistic belief that the source of strength and power was a treasury filled with gold and silver also resulted in the oppression of an already impoverished society of peasants and middle class under centralized planning that attempted to turn France into an export economy (primarily of agricultural products). To make matters worse, Louis XIV's government tolerated no criticism, so that the French people entered a very dark period of economic stagnation and political repression. The spirit of the Renaissance and the Enlightenment were in these ways crushed by the heavy hand of the State. Books and newspapers were subject to censorship, so that "*[a] book-seller...oftener than not...found himself haled away to prison in the ark of the early morning lucky indeed if he could be soon released to hazard another try at his dangerous business.*"[408] Here, then, was the embodiment and practical example of the *Leviathan* state championed by Hobbes.

Not only was Louis XIV's reign dominated by an unrelenting imposition of force, his adherence to Catholicism dominated even his fervent nationalism. Protestant schools and *academies* were ordered closed, and many French scholars sought refuge in Holland or Britain. Writers and philosophers advocating tolerance, such as Pierre Bayle (1647-1706), who left for Rotterdam in 1681, never returned to France. They lived as expatriates and served as *voices in the wilderness*, ministers without portfolio exerting tremendous influence on a growing transnational community of moral and practical philosophers, scholars and activists. Bayle's contribution appeared as a direct attack on the intolerance of Louis XIV,[409] presented in a manner so well-reasoned that his treatise spread throughout Europe and beyond. The work for which he is most highly praised, however, was his ***Historical and Critical Dictionary***, which George Havens describes as a ground breaking effort and one that opened the door for a true science of political economy to evolve:

> Bayle's *Dictionary*...is *historical* and *critical*. Although the titles of its articles are most frequently biographical, the chief subjects actually dealt with are history, philosophy, and religion... In this broach sense, the *Dictionary* is *historical*. It is *critical* in that the author takes nothing on trust. He confronts authorities one with another, exposes their contradictions and discrepancies, estimates their relative value, and often suspends conclusions where a final judgment would be doubtful or theologically dangerous.[410]

Bronowski and Mazlish describe Bayle less glowingly as a "*pioneer without real originality or genius...unable, or unwilling, to distinguish the* *significant from the insignificant fact.*"[411] In the same breadth, they cite what I conclude is Bayle's most profound and courageous accomplishment: "*As Machiavelli had freed politics, and Galileo physics, so Bayle freed history from the shackles of theology.*"[412]

Bayle's work was, as one would expect, prohibited from distribution in France and circulated through the underground network of dissident scholars who regarded the king as a despot and tyrant. Although the French state could not eliminate attacks from the intellectual community, the regimes of Louis XIV and his successors were successful at imposing stagnation and an atmosphere of hopelessness on the majority of the French people. In one important respect, France was in fact less able to absorb the combination of domestic tyranny and military adventurism than Spain up to this point. There were few, if any, treasure ships departing under the French flag from the Americas or elsewhere; Colbert could not depend on foreign conquests to fill his treasury. For reasons related to the form of mercantilism adopted, France also failed to capitalize on the footholds actually established in the Americas.

After Samuel de Champlain's expeditions to North America in 1663, only a small number of French settlers migrated to *New France*. Their first significant settlement, at Port Royal on the coast of Nova Scotia, thrived under a monopoly charter. Several years later, Quebec arose on the St. Lawrence as a trading center. Fishing, trade with the indigenous tribes and conversion of some of the tribes to Christianity by Jesuit missionaries characterized the French presence in North America. Colbert urged Louis XIV to consolidate this French foothold. Toward this objective, Jean Talon, the *Intendant* assigned responsibility to subdue the Great Lakes region for France, sent a large force against the Iroquois League, defeating them in 1666. The diminished power of the Iroquois allowed many less numerous and powerful tribes to return to the area in relative safety and trade with the French. For their trouble, the French also gained the allegiance of these tribes and were encouraged to build a chain of fortresses and trading posts deep into the North American interior and down the Mississippi River. One important distinction between the French and their other European competitors was that many of those Frenchmen who came to trade adopted the lifestyle of the indigenous North Americans and often married into the tribes. The population of New France, then, gradually became less and less European in culture and behavior, less interested in the development of agriculture and industry than in the life of the woodsman; in the end, this prevented them from thwarting the onslaught of British colonial settlement.

Beginning in the early seventeenth century, some ten thousand British citizens migrated each year from their homeland to North America. By the beginning of the next century the total European born and European-American population was still only something close to two hundred thousand. Dutch migrants settled in the colony of New York (mostly before the British takeover in 1664), Germans were attracted by the religious toleration of William Penn to Pennsylvania and French Huguenots arrived after 1685,[413] establishing small settlements in several colonies.

Despite this mixture of ethnic groups, the culture, traditions and law of Britain dominated everyday life. Where English common law (inconsistently applied and often totally misunderstood) did not rule, the law of one church or another did. As the decades passed, however, subtle changes occurred in how the rule of law was applied. For, as James Truslow Adams observed, "*both the law and those institutions from which in part it sprang and which in turn it molded and conserved, where bound to be strongly influenced by the conditions of colonial life.*"[414]

What the experience of the colonials contributed was an acceleration of critical thinking on the part of transnationals engaged in the development of moral and practical philosophy into a scientific endeavor. Learned European-Americans, such as the Massachusetts minister John Wise, studied what John Locke and other political philosophers had to say, then reached their own conclusions about the proper relationship between the individual and the State. Wise was himself involved in a late seventeenth century protest against arbitrary taxation and power exercised by the colonial governor, Sir Edmond Andros. An anonymous writer recounted that "*[i]t was...plainly affirmed...that the people in New England were all slaves, and the only difference between them and slaves is their not being bought and sold.*"[415] Not only did Wise and his fellow colonials recognize the government's actions as attacks on their freedom, they found their property—both landed and produced—under attack:

> [T]here was a notable discovery made of we know not what flow in all our titles to our lands; and, though besides our purchase of them from the natives, and besides our actual peaceable unquestioned possession of them for near threescore years...
>
> Yet we were every day told that no man was owner of a foot of land in all the colony. Accordingly, writs of intrusion began everywhere to be served on people, that after all their sweat and their cost upon their formerly purchased lands, thought themselves freeholders of what they had.[416]

During this same period, Wise wrote what James Truslow Adams described quite matter-of-factly as "*a non-religious sanction for government and a belief in democracy.*"[417] Adams misses the point. In reality, Wise ventured deeply into the issues that directed relations between the individual and the State and far beyond the limits reached by Locke and Harrington. The experience of colonial life made the difference. "*The end of all good government,*" writes Wise, "*is to cultivate humanity, and promote the happiness of all and the good of every man in all his rights, his life, liberty, estate, honor, etc., without injury or abuse done to any.*"[418] Such a government must, then, be one based on voluntary association, achieved by unanimous consent, and constituted as a moral democracy guided by the sanction of just principles:

> A democracy is…erected when a number of free persons do assemble together in order to enter into a covenant for uniting themselves in a body; and such a preparative assembly has some appearance already of a democracy. It is a democracy in embryo, properly in this respect, that every man has the privilege freely to deliver his opinion concerning the common affairs. Yet he who dissents from the vote of the majority is not in the least obligated by what they determine, till by a second covenant a popular form be actually established, for not before then can we call it a democratic government, viz., till the right of determining all matters relating to the public safety is actually placed in a general assembly of the whole people, or by their own compact and mutual agreement determine themselves the proper subjects for the exercise of sovereign power. …[419]
>
> It is certainly a great truth that man's original liberty, after it is resigned (yet under due restrictions), ought to be cherished in all wise governments, or otherwise, a man in making himself a subject, he alters himself from a freeman into a slave, which to do is repugnant to the law of nature. Also, the natural equality of men among men must be duly favored, in that government was never established by God or nature to give one man a prerogative to insult over another. Therefore, in a civil as well as in a natural state of being, a just equality is to be indulged so far as that every man is bound to honor every man, which is agreeable both with nature and religion.[420]

Although his words would eventually inspire the generation of *rabble in arms*, he had been among the Puritan's who in 1688 arose against Andros, appointee of the deposed king, Charles II. With the arrival of William of Orange on the throne, however, religious orthodoxies in all forms were quickly subordinated to a universally applied civil authority. "*Even…Harvard, founded to educate pastors and to be a sanctuary of pure religion, forsook its traditions more and more.*"[421]

Harvard, the first college established in British America, was followed by William and Mary (Virginia) in 1694 and Yale (Connecticut) in 1701. In this era, only a very small number of colonials ventured even to these havens of formal learning. People lived in small communities and largely in isolation from one another. There were not yet any newspapers, and correspondence sent across the ocean was frequently lost. A new generation would be comprised of a rapidly increasing population of European-Americans; and, leaders such as Benjamin Rush and Benjamin Franklin would bring to the Colonials a profoundly utilitarian educational perspective.

Benjamin Franklin arose to become one of the eighteenth century's great practical philosophers and political economists. Although receiving only a minimal formal education, Franklin devoutly pursued self-improvement. At the age of only twenty-four, he was instrumental in establishing a public library in Philadelphia, the circumstances of which he included in his ***Autobiography***:

> At the time I establish'd myself in Pennsylvania, there was not a good bookseller's shop in any of the colonies to the southward of Boston. ...Those who lov'd reading were oblig'd to send for their books from England; the members of the Junto [a debating society started by Franklin] had each a few. We had left the alehouse, where we first met, and hired a room to hold our club in. I propos'd that we should all of us bring our books to that room, where they would not only be ready to consult in our conferences, but become a common benefit, each of us being at liberty to borrow such as he wish'd to read at home. This was accordingly done, and for some time contented us.
>
> Finding the advantage of this little collection, I propos'd to render the benefit from books more common, by commencing a public subscription library. ...So few were the readers at that time in Philadelphia, and the majority of us so poor, that I was not able, with great industry, to find more than fifty persons to pay down for this purpose forty shillings each, and ten shillings per annum. On this little fund we began. The books were imported; the library was opened one day in the week for lending to the subscribers, on their promissory notes to pay double the value if not duly returned. The institution soon manifested its utility, was imitated by other towns, and in other provinces. The libraries were augmented by donations; reading became fashionable; and our people, having no publick amusements to divert their attention from study, became better acquainted with books, and in a few years were observ'd by strangers to

> be better instructed and more intelligent than people of the same rank generally are in other countries.[422]

Other significant lending libraries were established throughout Virginia, Maryland and the Carolinas under the auspices of the Anglican Church. South Carolina established a provincial library in 1700. The gradual proliferation of libraries harmonized with the founding of additional colleges throughout the colonies. There was not yet a distinct American *intelligentsia* to whom the colonials looked to for philosophical direction; in fact, despite eighty years of settlement in North America, the realm of ideas had not yet become significantly influenced by the experiences of life on the frontier:

> The intellectual colonist, closely linked as he was with the movement of thought in Europe through practically every book upon his shelves, was to duplicate in the movement of his own thought that rationalizing tendency which was to be characteristic of eighteenth-century Europe.[423]

One reason for this circumstance was that until the early years of the eighteenth century, the colonial governors in combination with religious leaders enforced a high degree of censorship over what was published or what came into the colonies from Europe. Perhaps more important than censorship, the absence of an inter-colony system of roads or even regular commerce over the sea routes kept communications between the colonies minimal until the 1740s. Those who could afford to do so sent their children to England to be educated. There was little opportunity for most others to acquire formal education.

The England the wealthier colonials returned to was a society in which over half the population lived in squalor and misery, plagued by crime, alcoholism, prostitution and beggary. Historian Page Smith relates that visitors to the major North American settlements discovered a very different world. For example, an English clergyman named Andrew Burnaby, visiting the colonies in 1759, recorded of Boston that "*the whole has much of the air of some of our best country towns in England*,"[424] and commented further on the superiority of the cultural and educational institutions of Massachusetts over the other colonies. Curiously, Burnaby also attributed the relative absence in Rhode Island of any interest in classical learning to the colony's "*democratical*" methods of government. What he more likely observed and missed was the fact that the widespread access to good land had up to that point prevented the creation of a landlord (i.e., a rent-seeking, leisure) class. Most Colonials survived by their own productive efforts rather than by the labor of others.

The Colonials were gradually losing their identity as transplanted European migrants and becoming European-Americans. How quickly and in what specific ways this change would manifest itself differed in each colony and was strongly influenced by whether one remained in the coastal cities or ventured into the more sparsely populated and isolated interior:

> The physical environment made the interests, the ideas, the ideals, and the mode of living of most Americans very different from their European contemporaries. The common people were less influenced by the European tradition than were the upper classes. The well-to-do merchants of the northern and middle colonies and the great planters of the South were closely bound to their English counterparts so far as their intellectual, political, and social views and activities were concerned, but their economic interests were different from, and often adverse to, the capitalist and landlord classes of the mother country.[425]

In this divergence of interest over economic interests, highlighted above by Virgle Wilhite, we find the impetus for the critical debate that transformed moral and practical philosophy into the search for a closed system of political economy.

EARLY ATTACKS ON MERCANTILISM

The transition of European societies from decentralized feudal estates into more centrally-controlled sovereign states institutionalized both old and new forms of monopoly and privilege. The Old World state purchased loyalty at home with grants of land abroad and by the issuance of monopolistic charters that restricted trade and commerce to a small number of favored courtiers. From the standpoint of the European monarchs and, where parliaments possessed real power, the landed and merchant hierarchies, a primary objective of national policies was to simultaneous enrich the national treasury and the individual fortunes of those aligned with the government. To the extent that exchange was necessary, surplus agricultural and manufactured goods should seek foreign markets in exchange for bullion.

Prosperity in the minds of those who controlled power and wealth had nothing to do with the well-being of the citizenry; rather, when more goods flowed out than in, a favorable *balance of trade* was viewed as putting the State in sound financial condition. In this quest to accumulate monetary reserves, the mercantilist states—with Spain and France as ready examples—hampered the initiative of individuals to produce wealth or engage in commerce. Adam Smith, who presented the late eighteenth century's most stinging attack on mercantilism, boldly challenged those who hid behind the interests of the State to advance their own interest:

> Consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer. The maxim is so perfectly self-evident, that it would be absurd to attempt to prove it. But in the mercantile system, the interest of the consumer is almost constantly sacrificed to that of the producer; and it seems to consider production, and not consumption, as the ultimate end and object of all industry and commerce.[426]

In his own time and in his own country, Smith's attack had little direct influence on policy. Assessing Smith's contribution after the passing of more than a century, Henry George would write:

> [T]he small class whom alone the "Wealth of Nations" could first reach were able to enjoy its greatness as an intellectual performance that widened the circle of thought. Few of them were disturbed by any fear of its ultimate effect on special interests. At that time a popular press was not yet in existence, and books of this kind were addressed only to the "superior orders." ...
>
> Adam Smith had avoided arousing antagonism from the landed interests. And in turning the aggressive side of the new science [of political economy] against the mercantile system, as he styled what has since been known as the protective system, he found favor with, rather than excited prejudice among, the cultured class—the only class to which such a book as his could at that time be addressed.[427]

Mercantilist policies had long been defended as patriotic and necessary for the preservation of national identity. One French writer, Antoine de Montchretien (1576-1621), went so far in his ***Treatise on Political Economy*** (1615) as to declare "*whatever is foreign corrupts us*" (particularly foreign books, the importation of which he urged be prohibited).[428] During the same period in England, Thomas Mun (1571-1641), a wealthy merchant and official of the East India Company, argued against the government's prohibition against the export of bullion as short-sighted and damaging to nationalist trade objectives. In this sense, his was an attack on conventional wisdom, of which he writes:

> [W]hen this weighty business is duly considered in this end, as all our humane actions ought well to be weighed, it is found much contrary to that which most men esteem thereof, because they search no further than the beginning of the work, which mis-informs their judgments, and leads them into error. ...[429]

Yet Mun, too, measured success in terms of a surplus of exports over imports. Individual merchants, for their part, concerned themselves very little that their quest for personal fortunes might or might not also enrich the nation.

A generation later, Sir William Petty stirred considerable debate with the publication of his ***Treatise of Taxes and Contributions*** (1662). The contribution of Petty's work to political economy as a scientific endeavor is appropriately summarized by William Letwin, who also affirms that the resort to revealed truth and attachment to conventional wisdom was breaking down under the scrutiny of more thoroughly objective scientific work:

> The unity of analysis in the *Treatise* qualifies it as a scientific work, even though the analytical principles themselves are, in the light of modern economic theory, partly erroneous. ...It is not the correctness of its analysis, but the method of analysis that defines a work as scientific. One of the chief elements of the scientific method is a taste for economy in analysis, an abhorrence of *ad hoc* explanations, a determination to explain as wide as possible a range of phenomena in terms of a few simple principles. The *Treatise* meets this measure brilliantly, for the principles...are applied repeatedly throughout the work, sometimes with surprising results.[430]

Opening a door that has yet to be fully appreciated, Petty also attempted an objective and scientific calculation of *rent* on agricultural land; that is, a method of quantifying the titleholders' claim against wealth. Petty writes that "*the 'natural and true rent' of a plot of land is the surplus of corn that would be left after a man cultivated the land and used as much of the crop as need be to pay for the expenses of cultivation, including the costs of his own subsistence.*"[431] Petty observes, without raising questions of justice, that *rent* equates to surplus and that this surplus will under existing socio-political arrangements accrue to the titleholder. In this sense, Petty abandoned the political economist's charge to identify moral principles and advance the cause of justice in favor of the role of economist, whose concerns end with reporting distributional results and postulating aggregate and incremental changes associated with changes in law and public policy desired by those who govern.

A major debate among English mercantilists arose during the second half of the seventeenth century over the role played in the expansion of national wealth by the costs of temporarily acquiring the purchasing power of others. These costs to the borrower and income to the lender have come to be described by the term *interest.* John Locke, among others, expressed the view that the division of return between lender and merchant-borrower was of no importance to the national economy, declaring, "*this neither gets or loses to the Kingdom in the trade, supposing the merchant and usurer to be both Englishmen.*"[432] Common sense also suggested to Locke the existence of a *natural rate of interest* as determined by the market (i.e., a supply / demand equilibrium for specie). His understanding of economic affairs was recognized in his appointment in 1673 to the Council for Trade and Plantations. After only two years, however, the Council was dissolved; Locke, along with other Whigs, eventually left for exile in Holland where he remained until William and Mary ascended to the throne of England. Once back in England, renewed debate over the realm's monetary health stimulated a book on the subject by Locke.[433] Countless other writings on trade issues appeared during the early eighteenth century, many of which were collected by the Royal Society. A number of individuals also built large private collections. Robert Massie, a contemporary of Adam Smith, accumulated "*some 2,500 tracts and manuscripts on trade.*"[434]

The extravagance of Louis XIV left the French in even worse financial troubles. To help resolve these problems, the new Regent, Philippe Orleans (the second Duke of Orleans), invited the Scottish financier John Law[435] into the government. A new Banque Generale was established under Law's direction that flourished and contributed to economic recovery until nationalized in 1718, after which the government expanded the supply of bank notes without regard to market reaction. The addition of such a large quantity of bank notes into an already speculative situation fueled the general rise in prices and made the recession that followed that much deeper and prolonged.

After the death of Philippe Orleans in 1723, direction over French affairs of state fell into the hands of the Abbe (later, Cardinal) Fleury. He was already in his seventies, faced a socio-political system corrupt beyond imagination and drained by almost continuous warfare; yet he attempted to raise sufficient revenue above what Louis XV was spending to reduce the national debt. Most controversial of all, Fleury subjected the aristocracy and other privileged factions to taxation. Despite these measures, the government of Louis XV was forced to borrow extensively from Europe's financiers. Chaos reigned after Fleury's death in 1743, continuing on in this fashion until the French state eventually collapsed under the weight of its own failed institutions.

The ultimate demise of the *Ancien Regime* was far from certain in the minds of even the most troubled of French statesmen and *men of ideas* who gave these matters serious consideration. Secondat, for example, journeyed to Holland, England and other states of Europe to ascertain first hand the workings of their governments and to learn more of their scientific endeavors. Returning to France in 1731, he began research for a book on the decline of the Roman empire, hoping to identify the underlying weakness of the Roman socio-political structure so that the French might learn from Rome's mistakes. What he found was the same type of entrenched privilege that had prevented the Republic of Rome from surviving its dependency on empire and the labor of others. With this explanation of the Roman decline he served a warning on the non-productive aristocracy and courtiers of France who lived off the labor of peasant farmers and the merchant class.

What Secondat had discovered in his reading and by his reasoning were essential principles governing human behavior; as had Locke, he came to recognize the distinction between *freedom* and *liberty*, *privilege* and *justice*::

> Man, as a physical being, is, like other bodies, governed by invariable laws. As an intelligent being, he incessantly transgresses the laws established by God, and changes those of his own instituting. ...Though a limited being, and subject, like all finite intelligences, to ignorance and error, he is left to his own direction. ...As a sensible creature, he is subject to a thousand impetuous passions. Such a being might every instant forget his Creator. God has therefore reminded him of his duty by the laws of religion. Such a being is liable every moment to forget himself; philosophy has provided against this by the laws of morality. Formed to live in society, he might forget his fellow creatures; legislators have therefore by political and civil laws confined him to his duty.[436]

Morever, one of the more important lessons he learned from Roman history was that "*[a]s men in all times have had the same passions, the occasions which produce great changes are different, but the causes are always the same*."[437] The state of liberty, according to Secondat, is one in which just law imposes constraints, so that the individual possesses "*the power of doing what we ought to will, and in not being constrained to do what we ought not to will*."[438] Whether by reason or by our innate moral sense, we come to an awareness of "*relations of justice*" which are "*antecedent to the positive law by which they are established*."[439] Taking this position, Secondat proceeds to attack slavery as a violation of Christian principles and stands with Harrington in defense of the separation of powers (i.e., the system of checks and balances) as necessary to the implementation of just law. To the practical philosophy of Locke and Harrington was now added that of Secondat; and, ironically, the influence of their writing was felt most in Britain's North American colonies, where individuals experienced a greater degree of *freedom* than Europeans in any number had enjoyed for many centuries:

> As early as 1750, hardly two years after its publication in France, the Library Society of Charleston, South Carolina, offered on its shelves an English translation of the *Spirit of Laws*. Benjamin Franklin possessed a copy...as also did the influential John Adams, James Wilson, and others. ...Thomas Jefferson...made an extensive abstract in French of the *Spirit of Laws* and evidently studied it closely. ...
>
> James Madison...was from his early days at Princeton a diligent student of Montesquieu.[440]

The seeds of a very different form of Enlightenment, one with direct socio-political overtones, were sprouting a generation of practical philosophers who were at the same time interested in the classics, in the law, in moral philosophy, in agriculture, in commerce and in the structure of government.

THE AGE OF FRANKLIN

The most celebrated of individuals exhibiting New World values sharpened by exposure to Old World transnational ideas was certainly Benjamin Franklin. As a young man he embarked on his first journey to the Old World and began his career as an apprentice to a London printer. Within a year Franklin had written and printed his first book[441], a philosophical defense of Deism that responded to a weakly reasoned attack from the pen of an Anglican minister. Although his fortunes were gradually improving, the decadence and poverty of London became too much for him at this stage of his life; offered the position of clerk to a Quaker businessman in Pennsylvania, he accepted and returned to North America in mid-1726. With him came "*the latest doctrines of the English Radicals*," writes Bernard Fay, "*which he was to adapt and vulgarize to suit the taste and practical cares of the bourgeoisie of the New World*."[442]

Chief among the "*radicals*" stood Richard Cantillon, a British banker of Irish birth, whose ***Essay on the Nature of Commerce*** (written in the 1720's but not published until 1755) made several major contributions to political economy as a science. One was in his recognition that to be useful, the terms used needed to be specifically defined, and their relationships to one another documented not only by reason but by empirical evidence.

Reason directed Cantillon to define *land* as "*the source or material from which wealth is extracted*" and the *labor* of the individual as "*the form that produces wealth*."[443] His definition of *wealth*, which shifted gold and silver into the role of a medium of exchange rather than that of wealth itself, linked wealth directly to production; that is, the application of human labor to land, yielding "*the sustenance, conveniences, and comforts of life*."[444] He further identified land, labor and capital as distinct from one another as factors contributing to production, and introduced the model of distribution that would serve as the basis for classical political economy. The distribution of wealth, a closed system, involved returns to the titleholder (i.e., landlord), the capitalist and laborer. From these crucial insights, Cantillon was able to introduce an analysis of the *price mechanism* as a market clearing device. He came to the conclusion that under these circumstances, supply / demand relationships were self-regulating.

In his treatment of monetary theory, Cantillon explained the relationship between an expanding supply of specie and a general rise in the prices of goods and services. Responding to the earlier treatment of this subject by John Locke, he wrote:

> Mr. Locke has clearly seen that the abundance of money makes everything dear, but he has not considered how it does so. The great difficulty of this question consists in knowing in what way and in what proportion the increase of money raises prices.[445]

Cantillon was murdered shortly after translating his work into French, and his *Essay* was not published in Britain until some twenty years later. Although not widely circulated, Cantillon's ideas are reflected in the writing of Quesnay, Turgot and even Smith. In 1945, economic historian Eduard Heimann lifted Cantillon from relative obscurity, in a work that concluded:

> There is no doubt that the nearest rival to Smith—not to Quesnay—for the honor of being co-founder of economics is Cantillon, Smith's predecessor by at least forty years.[446]

Socio-political conditions in Britain during this period of the birth of political economy were anything but stable. Robert Walpole had become the *prime minister* within the cabinet. His major challenge was to somehow restructure the nation's debt while maintaining a delicate balance of support within the Whig and Tory elements of Parliament. Therefore, despite the national government's budget and debt problems, he quieted somewhat the landed interests by reducing the land tax. He also lessened duties and other mercantilist controls over trade. When these measures and other economies failed to stimulate wealth production or generate sufficient revenue, Walpole attempted to impose an excise tax on wines and tobacco—an effort to recover much of the port duties lost to smuggling. Widespread protest forced him to withdraw this proposal, and he had very few policy options left unless he (and the King) were prepared to use force and risk bloodshed. There seemed little that even a determined statesman such as Walpole could do to right things in the Britain of the early eighteenth century. Macaulay's assessment is sobering:

> The Parliament had shaken off the control of the Royal prerogative. It had not yet fallen under the control of public opinion. A large proportion of the members had absolutely no motive to support any administration except their own interest, in the

lowest sense of the word. Under these circumstances, the country could be governed only by corruption.[447]

Mercantilism then pulled Britain once more into war with Spain and France; Walpole was forced to resign from office and he died in 1745. On the continent, Frederick II chose this moment to expand the territorial domain of Prussia and attacked Silesia (part of the Austrian empire). Britain and Holland joined with Austria to oppose this aggression. A weak Britain managed under the direction of the elder William Pitt to carry on a war of attrition that yielded control of Canada from the French. However, with a new generation of Colonial leaders coming to adulthood in North America, the experience of self-government during Britain's rule by *salutary neglect* was to have a profound effect on their reactions. Discontent gradually evolved into formal protest, a process that brought widespread debate over both policy and principle among the Colonials. In coming to demand what they initially accepted as inherited rights of Englishmen, closer scrutiny revealed that the state of liberty existed to a far greater degree in the colonies than in the mother country. To preserve this state of liberty, the Colonials would be forced to take up arms.

Common men were drawn to an uncommon struggle; and, in the process they combined the ideas and principles of Old World transnationals with practical solutions to their specific problems. Although Benjamin Franklin played a crucial role in the events leading up to rebellion and in bringing French assistance to the Colonials, he was not of the generation of men who would implement post-colonial government. Samuel Adams, born in 1722, represented the generation of experienced Colonial merchants and gentlemen farmers. George Washington was born in 1732, John Adams in 1735, Patrick Henry in 1736, Thomas Paine in 1737, Thomas Jefferson in 1743, John Jay in 1745, James Madison in 1750, Alexander Hamilton and John Marshall in 1755. None of this group were philosophers or scholars in the classic sense. They participated in public affairs, studied the law and read the works of the Enlightenment, yet they were neither men of leisure nor tutors to the sons of the aristocracy. These men were all self-made, and some accumulated substantial personal fortunes while others, such as Tom Paine and Sam Adams, for different reasons lived often very close to the edge of poverty.

More than any other individual, Benjamin Franklin brought the most enlightening ideas of the Old World back to the New. During his long periods of residence in England and France his writings appeared in European and colonial periodicals and newspapers. He gradually came under the influence of Europe's first systematic *school* of political economists and its leading proponents, Francois Quesnay (1694-1774) and Anne-Robert-Jacques Turgot (1727-1781). Franklin brought to these Old World transnationals the perspectives of someone who possessed an intriguing blend of intellectual greatness and equalitarian morality associated with life in the New World. He had been where few Europeans dared or cared to travel. What lacked in formal education and training he more than made up for in inventiveness and an endless commitment to discover truth.

Quesnay, Turgot and Physiocracy

During an exchange of correspondence in 1768, Benjamin Franklin wrote to Pierre Samuel Du Pont de Nemours acknowledging receipt of the Frenchman's essay on "*Physiocratie*" (1768), and replying:

> There is such a freedom from local and national prejudices and partialities, so much benevolence to mankind in general, so much goodness mixed with the wisdom in the principles of your new philosophy that I am perfectly charmed with it, and wish I could have stayed in France for some time to have studied in your school, that I

> might, by conversing with its founders, have made myself quite a master of that philosophy. ...
>
> I am sorry to find that that wisdom which sees the welfare of the parts in the prosperity of the whole seems yet not to be known in this country; we are so far from conceiving that what is best for mankind, or even for Europe in general, may be best for us, that we are even studying to establish and extend a separate interest of Britain to the prejudice of even Ireland and our colonies. It is from your philosophy only that the maxims of a contrary and more happy conduct are to be drawn, which I therefore sincerely wish may grow and increase till it becomes the governing philosophy of the human species, as it must be of superior beings in better worlds.[448]

To have elicited such acceptance by Franklin, the philosophy of Du Pont de Nemours—*Physiocratie*—had to satisfy the demands of a most rigorous and practical mind. Physiocratic principles put agriculture at the center of importance in our relationship to the earth and the production of wealth; and, Franklin's experience of living in agrarian North America confirmed to him the fundamental truth in this assessment.

Du Pont de Nemours was among a minority of intellectuals and practical philosophers in the France of Louis XV who recognized the signs of decline and wished to bring change before the glory of France disappeared. First among these Physiocrats had been Jean-Claude Vincent de Gournay, a French merchant who as *intendant du commerce* promoted the virtues of the market and preached the dismantling of mercantilist regulation and monopolies. His ideas were put into written form and developed with specific application by Gournay's friend and colleague Turgot, in a short booklet titled ***Eloge de Gournay.***

Through Turgot, Quesnay met Gournay and was soon converted to the Physiocratic perspective. In an article contributed to the ***Encyclopedie*** edited by Denis Diderot, Quesnay advocated the removal of mercantilist restrictions over trade and recommended that the State concentrate its resources on the improvement of France's physical infrastructure. In 1758, with government approval, he published what became "*the basic manifesto of the physiocrats*,"[449] the ***Tableau Economique.*** Among Quesnay's more radical proposals was that all taxes be removed except a single tax, which he termed an "*impot unique*" upon the annual net profit of each parcel of land. Efficiency, rather than justice, directed Quesnay to this policy proposal. Letting others reach their own moral judgments, Turgot broadened the debate by an investigation into cultural and political anthropology. Secure access to land, he discovered, was a fundamental requirement to the advance of civilization. Land tenure must not, however, sanction land monopoly; for, as Turgot discovered, land monopoly permits those who do not themselves labor to claim the production of those who do:

> It is by the labour of those who have been the first to till the fields, and who have enclosed them, in order to secure to themselves the harvest, that all the lands have ceased to be common to all, and that landed properties have been established. Until the societies have been consolidated, and the public force, or law, now become superior to individual force, has been able to guarantee to each man the tranquil possession of his property against all invasion from without, a man could retain the ownership of a field only in the way he had acquired it and by continuing to cultivate it. It would not have been safe to get his field cultivated by somebody else, who, having taken all the trouble, would have had difficulty in understanding that the whole harvest did not belong to him. Moreover, in this early time, as every industrious man would find as much land as he wished, he could not be tempted to till the soil for others. It was necessary that every proprietor should cultivate his field himself, or give it up altogether. ...
>
> But the land filled up, and was more and more cleared. The best lands at length came to be all occupied. There remained for the last comers only the sterile soils rejected by the first. But in the end all land found its master, and those who could not have properties had at first no other resource than that of exchanging the labour of their arms, in the employments of the *stipendiary* class, for the superfluous portion of the crops of the cultivating Proprietor.[450]

Turgot brings up the delicate point that when given the choice, individuals do not willingly expend their labor for others at less reward than can be obtained on their own. The key variable becomes access to land that has the potential productivity sufficient to secure the goods required for a decent human existence. The level of technology and sophistication of capital goods available to labor is, in this sense, an externality that does not obviate the primary observation associated with human behavior. The same technologies and capital goods are (generally) available whether one applies labor to land titled to oneself or to another; only when there is no longer land of equal potential productive quality available, however, do individuals demonstrate there willingness to labor for less remuneration than what they actually produce.

X their

Although Turgot reserves judgment on the relationship between the control of large landed estates by the few and poverty among the landless, he does suggest that the market, even as affected by the privilege of titleholdings, provides an appropriate level of compensation to the tiller of the soil:

> By this new arrangement the produce of the land is divided into two parts. The one includes the subsistence and the profits of the Husbandman, which are the reward of his labour and the condition upon which he undertakes to cultivate the field of the Proprietor. What remains is that independent and disposable part which the land gives as a pure gift to him who cultivates it, over and above his advances and the wages of his trouble; and this is the portion of the Proprietor, or the *revenue* with which the latter can live without labour and which he carries where he will.[451]

Turgot explains, in effect, that a portion of what is produced often includes a surplus that exceeds the reasonable needs of the cultivator. When the Husbandman and Proprietor are one in the same person, this surplus contributes to a more luxurious existence. When the Husbandman is in the position of tenant and the Proprietor that of landlord, this surplus comes to the Proprietor in the form of *rent.*[452] By extension, then, when the Proprietor receives a large enough quantity of rent from either one or many tenants to meet subsistence needs or even luxury desires, the Proprietor is no longer troubled by the need to actually labor to produce wealth.

When Turgot examines these dynamics the conclusion he reaches is one more appropriate to societies governed by tribal socio-political arrangements. For, he sees surplus production as the vehicle to enable "*the class of Proprietors...[to] be employed for the general needs of the Society, such as war and the administration of justice.*"[453] Unfortunately for the Proprietors, however, Turgot is actually serious about requiring them to make a contribution equal in value to the wealth they obtain by reason of their titleholdings, "*either by a personal service, or by the payment of a part of their revenue with which the State or the Society may engage men to discharge these functions.*"[454] The essential principle is that rent ought to be treated as a fund to be utilized to provide public goods and services.

The extent to which Turgot and his fellow Physiocrats had been influenced by how Cantillon had defined the terms of political economy is alluded to by Kingsley Martin, who writes, "*Cantillon's* ***Essai du Commerce*** *did for economics what Voltaire's* ***Letters on the English*** *did for 'philosophy,' summarizing English political economy and introducing Locke's economics to a wider audience.*"[455] Cantillon provided the framework on which the Physiocrats applied reason and observation to identify the key natural processes operating to forge human civilization. The more difficult step was to then recommend changes to socio-political arrangements and institutions that promised to assist and guide us in the adoption and enforcement of just law.

The Physiocratic axiom that the *produit net* of land (i.e., that portion of wealth belonging not to any individual titleholder but to all citizens, equally) is consistent with the most fundamental moral principle upon which *cooperative individualism* rests; namely, that *the earth is the* *birthright of all persons, equally.* The encouragement of wealth production and efficiencies in the production process were Physiocratic objectives; their judgments were not moral. And still, their proposals were vigorously resisted in their own time and afterward because of the threat they presented to monopoly privilege.

Late in the next century, Henry George closely examined the works of these remarkable political economists in a different light. He considered their writings as groundbreaking, focusing scientific thought on the most fundamental of relationships. He was not particularly surprised, however, that in covering the same moral ground the Physiocrats had stopped short of following their own reasoning to what George argued were their logical conclusions:

> In grasping the real meaning and intent of the net product, or economic rent, there was opened to the Physiocrats a true system of political economy—a system of harmonious order and beneficent purpose. They had grasped the key without which no true science of political economy is possible ...
>
> But misled by defective observation and a habit of thought that prevailed long after them ..., the Physiocrats failed to perceive that what they called the net or surplus product, and what we now call economic rent, or the unearned increment, may attach to land used for any purpose. Looking for some explanation in natural law of what we then doubtless generally assumed to be the fact ..., that agriculture is the only occupation which yields to the landlord a net or surplus product, or unearned increment (rent), over and above the expenses of production, they not unnaturally under the circumstances hit upon a striking difference between agriculture, which grows things, and the mechanical and trading occupations, which merely change things in form, place or ownership, as furnishing the explanation for which they were in search. This difference lies in the use which agriculture makes of the generative or reproductive principle in nature.[456]

Turgot's writing does not reveal whether he saw that capturing *rent* via taxation would cause a reverse market capitalization, resulting in lower land prices as a function of the increased supply of land made available for use. Nor, apparently, did he realize that the market would not permit the titleholder to pass on these taxes in the form of higher prices for goods and services.[457]

Despite the incomplete nature of their analysis, the Physiocrats introduced scientific method to their investigations. They were practical philosophers, as was Locke, and urged on Louis XV elimination of privileges, monopolies and taxes on all but land as essential to reform of the French state. Turgot, enthused and guided by reason, was confident that wisdom would overcome all vested interest. "*I do not think that such useful plans would be opposed on the great principle of the respect due to property,*" he argued, for the simple reason that titleholdings and corporate property were "*almost all founded on usurpations.*"[458]

Turgot was, of course, quite incorrect; those who by conquest, aristocratic privilege and other monopolistic charters had accumulated great personal wealth and political power were hardly willing to stand for even an incremental assault on their favored positions. Although he underestimated the depth of the conflict brewing within French society, he nevertheless possessed a remarkable sense of the future. As a young priest, he delivered a sermon warning his countrymen that a far-flung colonial empire governed according to mercantilist policies could not last, and might even destroy the mother country. "*Colonies are like fruit, which clings to the tree only until it is ripe,*" he wrote. "*By becoming self-sufficient, they do what Carthage did, what America will sometime do.*"[459]

In 1750 Turgot left the Church and embarked on a career in public service. As a government official, he worked to introduce the reforms advocated by Gournay, Quesnay, Du Pont de Nemours and Victor Riqueti (the Marquis de Mirabeau). As Louis XV's appointed intendant in the region of Limoges, he embarked on an ambitious program of public building and petitioned the Council of State for reductions in taxes and restrictions on commerce in agricultural goods. After thirteen years of dedicated service, Louis XVI invited him in 1774 to join the central government as Minister of Marine; shortly thereafter he moved over to become Minister of Finance, where he made a futile attempt to introduce a Physiocratic program requiring a considerable reduction in frivolous government expenditures. Turgot's objectives were to retire the national debt and achieve a balanced budget.

The resistance Turgot faced was of a complex nature. Although the monarchy was far more powerful than its British counterpart, the landed aristocracy remained far less interested in commercial agriculture than the landed British lords. Nationalism under a strong, central bureaucracy had fostered a curious blend of mercantilism and lingering feudalism. Out of an estimated 23-24 million people, only 2 million resided in communities large enough to be considered cities. In the countryside, most peasant farmers owned land and many owned enough land to provide for their own subsistence. The majority of peasants, in fact, farmed cooperatively in order to achieve some economies of scale by sharing livestock and equipment. In Brittany and Lorraine, where about half the land was under lease to tenant farmers, the annual rent could be half of the crop or more, although part of this charge was not land rent but reimbursement for the value of seed and equipment provided by the landowners. On top of this, the peasant farmers carried a heavy burden of taxation. Thus, despite a widespread access to land, the socio-political conditions of the day made life for most who worked the land nearly intolerable. As French historian Henri See wrote of their circumstance:

> The methods of cultivation remained very primitive, and progress was very slow, except in the richest and most fertile regions. ...Intensive cultivation was practically unknown almost everywhere. ...
>
> The peasants, prompted by the spirit of routine and having but little capital, devoted no great care to cultivation. ...This explains the small crops. ...

> Carelessness on the part of the great proprietors, the indolence of the peasants, who were discouraged by the overwhelming taxes, insufficiency of the ways of communication and particularly of the main highways, in addition to obstacles placed in the path of the trade in agricultural commodities and in the path of free cultivation—all these things explain the slow development of agriculture.[460]

Turgot's plan included a provision to eliminate controls over the price of bread in the cities, which he reasoned would lead to a greatly expanded supply of grain and an improved standard of living for the farmers. Voltaire, his longtime friend, sent him words of congratulation and encouragement; others attacked him for allowing the price of France's food staple to rise beyond the price the poorer citizens could pay. Speculators began to hoard grain in anticipation of higher and higher prices, but Turgot successfully brought in foreign supplies to counter this maneuver and the price of bread stabilized.

By the end of 1775, his control over government expenditures yielded the needed result. The credit standing of the French government was restored and the budget was brought nearly in balance. Despite these accomplishments, Turgot was soon to lose his position; and, with his fall the promise of Physiocracy to effect a peaceful revolution would end. The remainder of Turgot's program was simply too radical for the wealthy nobility to accept. Peasants were to be relieved of taxation, the trades guilds were to be eliminated, foreign trade and investment were to be made free of restriction, and the privileges of aristocracy substantially reduced. He also proposed the creation of local and regional assemblies, with elected representatives from among the landed, to apprise the king of the conditions and needs of the regions. His vision also included the creation of an enlightened citizenry, key to which was his plan for universal education and freedom of conscience in religion. The pressure was too much for the young Louis XVI, and in May 1776 he ordered Turgot to submit his resignation. Fortune had, perhaps, smiled on Quesnay, who had died in

1774 shortly after Turgot had been brought into the government and so was spared the disappointments of his friend. The door was now opened for Rousseau and the pursuit of more radical solutions to the problems created by aristocracy, monarchy and mercantilism.

Across the Channel that separated France from Britain, Adam Smith had assessed Turgot "*as an excellent person, very honest and well-meaning, but so unacquainted with the world and human nature that it was a maxim with him, as he had himself told David Hume, that whatever is right may be done.*"[461] This is somewhat of an ironic statement about a man who so dedicated himself to matters of practical importance. Turgot was, to be sure, somewhat blinded by his own nationalism and the moral and intellectual support he received from other Physiocrats. His accomplishments were very real but all depended on his presence in the government for long-term support. The French were still too distracted by the affairs of state, of empire-building, to recognize the depth of their own domestic problems. Turgot and his colleagues had tried to achieve incrementally what history shows has never been possible without the terrible costs of rebellion.

Rebellion: In Experience, In Thought, and In Deed

By the mid-1750's the relationship between the Colonials in North America and the government and sovereign king in Britain had drifted from discontent to dissent. An increasing percentage of the Colonials had been born in North America and raised in an environment of self-sufficiency and considerable individual freedom. Corruption and incompetence within Britain's colonial administration prompted the Colonial assemblies to challenge and even ignore the direction of Royal governors, refusing to provide funds so that the governors had no means of exercising authority. Parliament, for its part, began to impose severe restrictions on the commercial activities of the Colonials. They were prohibited from establishing manufacturing, minting coinage or trading freely with each other or in foreign markets.

Adopting the British system of land tenure also imposed serious hardships on those who arrived after the coastal lands were sold off or monopolized. Historian Jackson Turner Main observes that *"[e]ven before 1700 good land in some coastal regions was unobtainable except by purchase from individuals. The price of land near the cities and along major waterways rose very rapidly."*[462] Even though the aggregate population of the colonies was low, some titleholders were able to secure personal wealth in the form of rent charged for the use of land, or were able to take advantage of the market, which capitalized imputed or actual rent into a selling price. The frontier was rapidly moving to the west; however, until French and Spanish claims were relinquished to Britain, westward settlement occurred with great loss of life and little protection by the British military or Colonial militia. Many farmers preferred to pay for land in areas where they felt safe than to venture into the frontier where the cost of free land might be their life and the lives of their family. By the mid-eighteenth century, however, much change was underway.

Many of those who migrated to North America after 1700 were either at odds with the British government or came from outside the empire. As the eighteenth century wore on, fewer and fewer individuals of education, skill or financial substance arrived from England; as a consequence, the Colonial population became less and less British. As poverty in the British Isles manifested itself in crime, an increasing number of offenders were sent off to the colonies as indentured servants. The incidence of crime had become so troublesome in Virginia by the 1750s that the ***Virginia Gazette*** declared:

> When we see our Papers fill'd continually with Accounts of the most audacious Robberies, the most cruel Murders, and infinite other Villanies perpetrated by Convicts transported from Europe, what melancholy, what terrible Reflections must

> it occasion! What will become of our Posterity? These are some of thy Favours, Britain! Thou are called our Mother country; but what good Mother ever sent Thieves and Villains to accompany her children; to corrupt some with their infectious Vices and murder the rest?[463]

Although many of the Colonial assemblies enacted measures to prohibit the admission of such criminals, the Privy Council disallowed these measures. After 1700 some forty to sixty thousand convicted felons, including murderers, were sent to the colonies (for the most part, to Virginia and Maryland). Even more upsetting to the Colonials, however, was the eventual decision by Parliament to impose direct taxation. Up until 1764 Parliament had not really interfered in Colonial affairs, in accord with the prerogatives of the Privy Council and the Board of Trade and Plantations. The royal governors were direct agents of the Crown (subject to the Privy Council) and, although they were given veto powers over Colonial legislation, they were as stated above also totally dependent on those same assemblies for their subsistence. As a consequence, even the few competent royal governors served with minimal effectiveness. Under this arrangement, a capable and vocal Colonial leadership evolved to eventually run the affairs of state.

The long period of *salutary neglect* that fostered freedom of action in the colonies was in part the result of conscious policy and of necessity, particularly under the Whig government of Robert Walpole:

> Walpole applied to the American colonies his practice of letting sleeping dogs lie. He refused to be drawn into schemes to tax them, remarking that he would leave that to a man bolder and less friendly than himself to the interests of British commerce. He left colonial affairs to his Secretary of State, [Thomas Pelham Holles] the Duke of Newcastle, who, in turn, seems to have entrusted them to Providence.[464]

Providence, it turned out, was directed by the energies and values of the Colonials themselves. Yet, there were transnational influences at work as well. Freemasonry, for instance, had appeared in England and embraced toleration as a humanist alternative to orthodox religious practice. From England, Freemason lodges spread to France, Germany and Sweden. They pledged themselves to assist one another, to work for socio-political reforms and to practice religious toleration. After 1730 Freemasonry grew among the Colonials and attracted many leading Colonial citizens to its lodges. Benjamin Franklin, who in 1727 had organized a debating society in Philadelphia, joined the Freemasons during the 1730s and worked diligently for the improvement of his community *and the British empire.* Gradually, his newspaper, the *Gazette*, became a source of hard political news and commentary; and, in 1744 he organized the American Philosophical Society.

During the war that erupted between France and Britain, Franklin rallied Philadelphians to the defense of their city, and in 1754 he put forward a plan to unite the colonies in defense against the French and their allied tribes. At the Colonial conference in Albany, New York, Franklin presented his plan in a manner designed to gain the most advantage with his reluctant counterparts:

> There is a writer of our day named Kennedy, who has written an intriguing work entitled *Importance of Gaining and Preserving the Friendship of the Indians.* I do not know Mr. Kennedy personally or what qualifications he has, but this is of little importance, for what he has to say makes good sense. He comments in detail on the strength of the League which has for centuries bound our friends the Iroquois together in a common tie which no crisis, however grave, since its foundation has managed to disrupt. Further, this League does not infringe upon the rights of the individual tribes. Gentlemen, I propose now that all of British America be federated under a single legislature and a president general to be appointed by the Crown. ...
>
> It would be a strange thing, would it not, if Six Nations of ignorant savages should be capable of forming a scheme for such a union, and be able to execute it in such a manner as that it has subsisted for ages and appears indissoluble, and yet that a like union should be impracticable for ten or a dozen English colonies?[465]

Franklin records that the plan was "*unanimously agreed to*" and then forwarded to the Board of Trade and the individual Colonial assemblies for consideration. The actual records of the conference show considerable opposition. Yet the proposal was included in the official records to be delivered to the Colonial assemblies and the Crown for consideration. Under Franklin's plan the domestic affairs of the colonies would be subject to an inter-colonial Parliament, in which each colony was to be represented in proportion to its contribution of financial resources. A governor-general appointed by the king would coordinate the colonial defense and relations with the indigenous tribes. Only William Shirley, the governor of Massachusetts, supported the idea of a union between the colonies. In Franklin's own words:

> Its fate was singular; the assemblies did not adopt it, as they all thought there was too much *prerogative* in it, and in England it was judg'd to have too much of the *democratic*.[466]

The conduct of the Seven Years' War in North America required instead the use of the army and navy of Great Britain at a huge expense to the empire's treasury. The royal governors and their councils accepted as appropriate empire policy that this expense was to be reimbursed by various taxes later imposed on the colonials. In Pennsylvania, however, the Penn family supported the war but were unwilling as proprietors and owners of much of the colony to be taxed to raise an army or provide for materials. The Quakers opposed involvement in the war on moral grounds. This resistance continued even after John Campbell (the fourth Earl of Loudoun) arrived from England to take command of the British force. At this crucial juncture, the Pennsylvania assembly decided to send Franklin to England to negotiate with the Penns.

In London, Franklin hoped to advance his plan for uniting the colonies and thereby ensure the expansion of an Anglo-Saxon empire across the American continent. His first opportunity to discuss these ideas and the relationship between Crown and colonies occurred in a meeting with John Carteret (the Earl of Granville), which Franklin recorded in his ***Autobiography***:

> [A]fter some questions respecting the present state of affairs in America and discourse thereupon, he said to me: "You Americans have wrong ideas of the nature of your constitution; you contend that the king's instructions to his governors are not laws, and think yourselves at liberty to regard or disregard them at your own discretion. But those instructions are not like the pocket instructions given to a minister going abroad, for regulating his conduct in some trifling point of ceremony. They are first drawn up by judges learned in the laws; they are then considered, debated, and perhaps amended in Council, after which they are signed by the king. They are then, so far as they relate to you, the *law of the land*, for the king is the *legislator of the colonies*." I told his lordship that this was new doctrine to me. I had always understood from our charters that our laws were to be made by our Assemblies, to be presented indeed to the king for his royal assent, but that being once given the king could not repeal or alter them. And as the Assemblies could not make permanent laws without his assent, so neither could he make a law for them without theirs. He assur'd me I was totally mistaken.[467]

There is much to be said about this exchange and the perspective brought by Franklin, as a Colonial; one senses the fundamental distance between the Colonials and those who sought to impose the arbitrary will of the sovereign. Where Britain's colonial subjects were concerned, Turgot was incorrect, in the sense that they considered themselves to already be free and independent; what they were now resisting was the imposition of an unwanted authority over their affairs. From this perspective, an interesting point that deserves mention is the use by Carteret (assuming Franklin's account is an accurate restatement) of references such as "*you Americans* and "*your constitution*" in his discussion with Franklin. Clearly, this conveys an attitude of distinguishing the Colonials from British (or, what is more likely, English) citizens and the mother country.

Franklin tried without success to meet with the elder William Pitt, the new Secretary of State (and, in essence, the *Prime Minister*). Seventeen years later the very same William Pitt (with Benjamin Franklin in attendance) would appeal to the Parliament to reconcile its differences with the Colonials. At this earlier date, however, the primary objective of Franklin on behalf of the Pennsylvania Colonials was, ironically, to convince the king to rescind the Penn family's charter and make Pennsylvania a royal colony. At Franklin's instruction, William and Richard Jackson wrote a stinging attack on the Penns[468] that was widely distributed within the circles of influential politicians in Britain. In the meantime, Franklin had submitted for the Crown's approval a number of laws passed by the Pennsylvania Assembly, including a measure permitting the issuance of one hundred thousand pounds sterling in notes, to be guaranteed by a *land tax* on all Pennsylvania properties—including those owned by the Penn family. The Privy Council dismissed Franklin's petition against the Penns without serious consideration; later in the year, however, Franklin successfully defended the issuance of Colonial notes secured by the land tax. In the interim, he had left for Scotland, returning to a much changed political climate. Events were moving to bring the Colonials and the mother country into direct conflict, and Franklin occupied a central and dangerous position.

Franklin's membership in the Royal Society of London had kept him in constant association with many of the most creative scientists and intellectuals in Britain. His involvement in the Freemasons, the Whig Club and many of London's coffeehouses also brought him into contact with men of all ranks. In Edinburgh he met and befriended the distinguished legal scholar and jurist Henry Home (Lord Kames) and philosophers David Hume and Adam Smith. Franklin finally returned to London in time for heated debates regarding the disposition of Canada, which had been taken from the French in battle. Many in

Britain and virtually all the Colonials urged that Canada be added to the empire and aggressively populated. Franklin set to work on an essay[469] addressing the question, which appeared in April 1760. Bernard Fay correctly assessed what was at stake—for the British empire and for their increasingly rebellious colonies:

> Franklin insisted that Canada be acquired in order to assure the future of the American colonies and of the new empire. His opponents answered that by taking Canada, they would be giving immense power to the colonies and by displacing the axis of the Empire, threaten the bankruptcy of England. Both of these propositions were true.[470]

Franklin's arguments were powerful and tended to support what the elder William Pitt already had in mind when he became Secretary of State. "*To the elder Pitt*," writes Philip W. Wilson, "*the salvation of England meant the conquest of Canada and the expulsion of the French from India*."[471] On the other side of the ledger, the national debt of Britain had passed 130 million pounds because of the war expenditures. Dealing with this debt promised little domestic tranquility for the Privy Council and the crown. Late in 1760, George II suddenly died and was succeeded by his grandson. George III insisted on pursuing a separate peace with France, and over this issue the elder William Pitt resigned from the ministry. With Britain poised to enter a new era of political stewardship, Franklin returned to North America where he received a heroes welcome and where a storm was quickly brewing.

Franklin and many members of the Pennsylvania Assembly continued to agitate for relief from the Penn family's autocratic mode of governing. And, once more, Franklin was called upon to represent the Colonial position in London. Philadelphia's merchants and other prominent citizens raised the funds necessary to send Franklin back to England to continue the fight for a royal charter. Early in November of 1764 Franklin returned to England. He did not have long to wait before governmental decisions affecting the colonies fueled the fires of rebellion. George Grenville, having replaced John Stuart (the third Earl of Bute) as Secretary of State thought it about time the colonies contributed to the cost of their own defense and proposed what became the infamous *Stamp Act.* This impost was to be applied to newspapers, legal instruments and other official documents. The Colonial reaction was immediate and virulent. From Boston came the following instruction delivered to Franklin in London:

> [O]ur greatest apprehension is that these proceedings may be preparatory to new taxes; for , if our trade may *be taxed*, why not our *lands*? Why not the products of our lands and every thing we possess or use? This, we conceive, annihilates our charter rights to govern and tax ourselves. It strikes at our British privileges, which, as we have never forfeited, we hold in common with our fellow subjects who are natives of Britain. If taxes are laid upon us, in any shape, without our having a legal representation where they are laid, we are reduced from the character of free subjects to the state of tributary slaves.
>
> We, therefore, earnestly recommend it to you to use your utmost endeavors to obtain from the general court all necessary advice and instruction to our agent at this most critical juncture. We also desire you to use your endeavors that the other colonies, having the same interests and rights with us, may add their weight to that of this province; that by united application of all who are aggrieved all may obtain redress.[472]

Opposition came not only from the Colonials but also from a number of prominent Members of Parliament, on the grounds that to impose taxes on the Colonials when their ability to engage in commerce was already heavily restricted was, in a very real sense, double taxation. Britain's merchants, as a group, prospered greatly under mercantilist policies that prohibited the Colonials from selling goods directly to non-British merchants or importing finished goods from places other than Britain. Imposing sales taxes on goods imported by the Colonials would certainly reduce the amount of goods imported and place pressure on Britain's merchants to pay more for raw materials and agricultural goods exported by the Colonials. In either case, profits would fall.

What the Crown and Parliament saw as a matter of principle and prerogative, the British classes most affected saw as a transfer of wealth from private to public hands. And, corrupt and inept public hands at that. On the side of the government stood Charles Townshend, who staunchly defended the right and appropriateness of the Crown to tax the colonials:

> And now these Americans, *planted* by our care, *nourished* up by our indulgence, and *protected* by our arms—will they grudge to contribute their mite to relieve us from the heavy burden we lie under?[473]

? might

In response, the Colonials advised the government that they would voluntarily contribute resources to the extent such resources could be raised by their own assemblies. Addressing Townshend's challenge directly, one of the Colonial defenders in Parliament, Col. Isaac Barre, attempted to put the Colonial experience in its proper historical perspective:

> They fled your tyranny to a then uncultivated and inhospitable country, where they exposed themselves to almost all the hardships to which human nature is liable;...and yet, actuated by principles of true English liberty, our American brethren met all the hardships with pleasure, compared with those they suffered in their own country from the hands of those that should have been their friends. ...
>
> They grew by your neglect of them. As soon as you began to take care about them; that care was exercised in sending persons to *rule* them...to prey upon them; ...
>
> The people, I believe, are as truly loyal as any subjects the King has; but [they are] a people jealous of their liberties, and who will vindicate them if ever they should be violated ...[474]

The dangers of imposing on the Colonials what they viewed as harsh and unconstitutional laws were acknowledged by many officials in the government, but both Parliament and King moved on the bill anyway. They held on principle that the colonies were fully subject to their prerogative. This elicited from the Virginia House of Burgesses a set of resolutions (drafted by Patrick Henry) setting forth the rights and privileges the Colonials enjoyed as granted by King James; and, further, declaring "*that the General Assembly of [Virginia] have the sole right and power to lay taxes and impositions upon the inhabitants of this colony*"—to which he added, for effect, that the Stamp Act had "*a manifest tendency to destroy British as well as American freedom.*"[475]

There was among the Colonials considerable differences of opinion and position, to be sure. Henry was supported by Richard Henry Lee and George Johnson, but vigorously opposed by George Wythe. Both Johnson and Wythe were, as much as anyone in the colonies, each expertly versed in British constitutional law. Patrick Henry had excited each of them in opposite ways when he exclaimed, "*Caesar had his Brutus, Charles I his Cromwell, and George III...*"[476] At which point he was interrupted by cries of "*Treason*" from Wythe and others; after which he continued, "*and George III may profit by their example; if this be treason, make the most of it.*" Thomas Jefferson, still a student under Wythe's tutelage, much later in life recalled his reaction to the debate:

> I attended the debate...at the door of the lobby of the House of burgesses, and heard the splendid display of Mr. Henry's talents as a popular orator. They were great indeed; such as I have never heard from any other man. He appeared to me to speak as Homer wrote. Mr. Johnson, a lawyer, and member from the Northern Neck, seconded the resolutions, and by him the learning and the logic of the case were chiefly maintained.[477]

Jefferson, by this time "*had absorbed and made his own the very whole of Coke and Locke*"[478] and was on his way to developing a first class legal mind of his own. Five years later he also became a member of the General Assembly.

When Franklin received copies of the Virginia resolutions and pronouncements against the Stamp Act by other Colonial assemblies, he wrote to his friend John Hughes in Philadelphia, expressing amazement at "*the Rashness of the Assembly in Virginia*" and included a grave warning:

> As to the Stamp-Act, tho' we purpose doing our Endeavour to get it repeal'd ..., yet the Success is uncertain. ...In the meantime, a firm Loyalty to the Crown and faithful Adherence to the Government of this Nation, which it is the Safety as well as Honour of the Colonies to be connected with, will always be the wisest Course for you and I to take, whatever may be the Madness of the Populace or their blind Leaders, who can only bring themselves and Country into Trouble, and draw on greater Burthens by Acts of rebellious Tendency.[479]

Early in October, 1765, representatives of the several Colonial assemblies met in New York to forge a unified front to the Crown and Parliament. Another prominent Colonial lawyer, William S. Johnson of Connecticut, drafted an address to George III; a similar petition was prepared for submission to Parliament. Commissioners from six of the colonies signed these documents, which were later approved by the assemblies of the remaining seven.

Although clearly opposed to the stamp tax, Franklin had endeavored to adhere to the ruling of the government until the law could be overturned. Conciliatory, he recommended John Hughes as the Pennsylvania agent to collect the stamp duties and hoped for the best. As events revealed themselves, however, both Hughes and Franklin's family were threatened by unruly citizens. Franklin reacted with indignation at what he felt were unwarranted assaults, but also launched into a determined effort to have the Stamp Act repealed. English merchants, concerned that the Act threatened the ability of

Colonial plantation owners and merchants to meet their debts, rallied to Franklin's side.

Again, the government in Britain staggered under the weight of factionalism. Charles Watson-Wentworth (the second Marquis of Rockingham) replaced George Grenville as Secretary of State in July 1765, a move that brought Edmund Burke into the government as well. Franklin was able to meet with William Legge (the Earl of Dartmouth), who had just been appointed to the Board of Trade; and, Franklin warned Legge that any attempted use of force against the Colonials would be both costly and damaging to the British empire. Franklin, in turn, requested that a Royal Commission be sent to North America to "*enquire into Grievances, hear Complaints, learn the true State of Affairs, giving Expectations of Redress where they found the People really aggriev'd, and endeavouring to convince and reclaim them by Reason, where they found them in the Wrong.*"[480]

Franklin also presented the Colonial arguments directly to the British public and received considerable support from the merchants who depended on the cross-Atlantic trade for their livelihood and profit. In January of 1766 he was able to present the *American* case before Parliament. Franklin's basic practical philosophy is revealed by his testimony, but so is his more recent adoption of principles of political economy—in this instance concerning the difference between *external* and *internal* taxation:

> An external tax is a duty laid on commodities imported; that duty is added to the first cost, and other charges on the commodity, and when it is offered to sale, makes a part of the price. If the people do not like it at that price, they refuse it; they are not obliged to pay it. But an internal tax is forced from the people without their consent, if not laid by their own representatives.[481]

The same issues were seen by the elder William Pitt, on the other hand, as involving fundamental considerations of the British constitution of government and the rights of the colonials as Englishmen:

> It is my opinion that this kingdom has no right to lay a tax upon the colonies. At the same time, I assert the authority of this kingdom over the colonies to be sovereign and supreme, in every circumstance of government and legislation whatsoever. They are the subjects of this kingdom; equally entitled with yourselves to all the natural rights of mankind and the peculiar privileges of Englishmen; equally bound by its laws, and equally participating in the constitution of this free country. The Americans are the sons, not the bastards of England! Taxation is no part of the governing or legislative power. The taxes are a voluntary *gift* and *grant* of the Commons alone. In legislation the three estates of the realm are alike concerned; but the concurrence of the peers and the Crown to a tax is only necessary to clothe it with the form of a law. The gift and grant is of the Commons alone. In ancient days the Crown, the barons, and the clergy gave and granted to the Crown. They gave and granted what was their own! At present, since the discovery of America, and other circumstances permitting, the commons are become the proprietors of the land. ...When, therefore, in this House, we give and grant, we give and grant what is our own. But in an American tax what do we do? "We, your Majesty's commons for Great Britain, give and grant to your Majesty"—what? Our own property! No.! "We give and grant to your Majesty" the property of your Majesty's commons of America! It is an absurdity in terms.[482]

Responding, George Grenville charged that "*[t]he seditious spirit of the colonies owes its birth to the factions in this House.*"[483] Among the Whigs were individuals who held very radical and democratic beliefs, as well as others who viewed democracy as subversive to the natural order of things. The Tories, for the most part, thought of the colonies in terms of their role in securing and protecting Britain's empire. Within the House of Commons, the debate turned to the very nature of those liberties claimed by the Colonials as subjects of the Crown. An important argument raised by the Colonials was the distinction between *virtual* and *actual* representation—a constitutional question which Franklin and other Colonials brought forward again and again. Resolving this question to the satisfaction of the Colonials would have required a much higher degree of statesmanship than Parliament was then capable of. After all, not only were the thirteen North American colonies not directly represented in the British Parliament, neither were British subjects in Canada or Ireland. An argument could also be made that the Scots were under-represented as well. Now was not the time for reform of the British constitution of government. Britain had come into being, had achieved moderate stability, only after an almost continuous history of ethnic and religious wars. Protestantism emerged victorious, and the Protestant nobles had gone to a foreign-born and Dutch-speaking prince to find a monarch who would reign while relinquishing much of the hereditary power of a sovereign king. Franklin and the Colonials were on the verge of directly challenging this delicate balance. Although many of those governing Britain realized the stamp tax was provoking a confrontation that promised only greater resistance, and possibly armed rebellion in the colonies, the government had no choice but to respond with as much strength as could be mustered. To do otherwise might rekindle resistance to English domination among the Scots, the Irish and, perhaps, even the Welch.

Within weeks the House of Commons voted to repeal the Stamp Act, and the King followed with his assent in March. This was done, however, only after passage of a strongly worded resolution affirming the supremacy of the Crown and Parliament, stating, in part:

> That government is founded in trust, and that this trust, wherever placed, was absolute and entire: that the *kingdom* and colonies composed one great political body; and, though the jealous language of liberty could not but be admired by all who loved the constitution, yet when that jealousy was carried so far as to tell the sovereign power we will not trust you unless you give up that power, it became alarming, and called for the exertion of wisdom and spirit. ...to preserve this sovereignty entire is

> then so essentially necessary for the advantage and happiness of both America and Great Britain that, if once abridged, or the entire dependency of the colonies given up, your power and authority as a great and respected kingdom and empire are gone; no friend will trust you, no enemy will fear you.[484]

Under the pressure of mounting internal disagreement over Colonial policy and over other domestic concerns, the government of George Grenville fell in July of 1766. The elder William Pitt found himself once again in office at the head of a coalition government. Pitt was, however, too ill to be effective and was absent when the Chancellor of the Exchequer, Charles Townshend, guided a new taxing bill through Parliament. The Colonial reaction was even less restrained than previously. By August of the following year, Franklin wrote to Joseph Galloway expressing his grave concern that Parliament was set on a course bound for conflict with their Colonial subjects:

> Every Step is taking to render the Taxing of America a popular Measure, by continually insisting on the Topics of our Wealth and flourishing Circumstances, while this Country is loaded with Debt, great Part of it incurr'd on our Account ...[485]

Franklin had spent much of his time traveling on the continent with William Petty (Lord Shelburne), gradually gaining Petty's support for two ideas Franklin considered extremely important—distribution by the Crown of paper money in the colonies and the establishment of several new colonies in the Northwest Territories. These were measures Franklin considered essential to the preservation of British America.

Near the end of August, 1767, Franklin also journeyed to France, where he met the central figure in the Physiocratic school of political economists, Francois Quesnay. During his visits at Quesnay's home, Franklin digested the Physiocratic doctrines of free trade and the supremacy of agriculture as the foundation of all wealth. Physiocracy represented a way of thinking about the world, about relationships between the individual and other individuals and the State that appealed to Franklin's moral sense of right and wrong:

> Franklin realized immediately how important their ideas could be to him. He reduced them to their simplest elements, saw how they could be utilized in the Anglo-American discussion, and to what point they supported the claims of the American farmers against the English merchants. ...
>
> This was a real revolution in his mind. The old English Whig system of Thomas Gordon, and the mercantile theories of William Petty, by which he had been guided since 1720, suddenly seemed old-fashioned. The constitutional discussion between England and America had already tired him, and he thought it was missing the main issue. His rich intelligence, made sharp by these new principles, worked more briskly. He adopted the principle that only agriculture is productive, believed that trade should be free for all, and that indirect taxation was absurd.[486]

Franklin returned to England to find renewed attacks on Colonial interests. The ascendancy of Townshend presented a new challenge to Franklin; although the new tax measures met the test of *external* taxes on goods—goods the Colonials could choose to purchase or not—the selection of paper, glass, paints and tea gave control over what the Colonials viewed as necessities to the Crown and Parliament. Colonial resistance was certain to escalate, and Franklin was now convinced that a full partnership for the individual colonies within Britain could no longer be achieved. The Colonials reacted to the so-called Townshend Act by forming a united front against importation of British goods. Within the year imports from Britain fell by one-half. As a result, another shake-up occurred within the cabinet of ministers. A new First Lord of the Treasury, Frederick North (the Earl of Guilford), introduced a measure to remove all the Townshend duties save that on tea—this lone tax retained to affirm the principle of the Crown's sovereignty over the colonies. Winston Churchill describes the effect:

> In America blood had not yet flowed, but all the signs of a dissolution of the Empire were there for those who could read them. But George III, after twelve years' intrigue, had at least got a docile, biddable Prime Minister. Lord North became First Lord of the Treasury in 1770. A charming man, of good abilities and faultless temper, he presided over the loss of the American colonies.[487]

Franklin thought Lord North had been pressured by others in the cabinet and Parliament to retain the duty on tea. Physiocracy gave him new insight into what could be expected by the continuation of mercantilist policies over the Colonials. Convinced that neither the King nor Parliament could be pulled back from their folly, Franklin added his voice to those who called for independence. In a letter to Samuel Cooper in June of 1770, he displayed a rather dramatic turnabout in his views, writing:

> That the Colonies were originally constituted distinct States, and intended to be continued such, is clear to me from a thorough Consideration of their original Charters, and the whole Conduct of the Crown and Nation towards them until the Restoration. Since that Period, the Parliament here has usurp'd an Authority of making Laws for them, which before it had not. We have for some time submitted to that Usurpation, partly thro' Ignorance and Inattention, and partly from our Weakness and Inability to contend. I hope when our Rights are better understood here, we shall, by prudent and proper Conduct be able to obtain from the Equity of this Nation a Restoration of them.[488]

His effectiveness in representing the interests of the colonies was beginning to wane. Age and his decades-long position as a moderate left him open to attack from both Tories in Britain and Radicals in the colonies. He toured Scotland and Ireland late in 1771 and was at once appalled and enlightened by the conditions that landlessness forced on the peasants. Again, Physiocracy provided the link between principles (of political economy) and experience. "*[I]f my Countrymen should ever* *wish for the honour of having among them a gentry enormously wealthy, let them sell their Farms & pay rack'd Rents,"* he wrote to Dr. Joshua Babcock. The conditions that Britain's absentee landowners imposed on the Irish peasantry were, he knew, in no way very different from those they would impose on European-Americans were they able to do so. In Ireland, Franklin observed first-hand the direct link between land monopoly and mass poverty:

> [T]he Scale of the Landlords will rise as that of the Tenants is depress'd, who will soon become poor, tattered, dirty, and abject in Spirit. Had I never been in the American Colonies, but was to form my Judgment of Civil Society by what I have lately seen, I should never advise a Nation of Savages to admit of Civilization: For I assure you, that, in the Possession & Enjoyment of the various Comforts of Life, compar'd to these People every Indian is a Gentleman: And the Effect of this kind of Civil Society seems only to be, the depressing Multitudes below the Savage State that a few may be rais'd above it.[489]

His return to England brought him into the eye of the storm building over the Atlantic, albeit a storm very different from the one faced by the indigenous people of the Americas at the very same moment. Franklin had obtained and passed on to the Massachusetts Assembly copies of correspondence between Massachusetts Governor Thomas Hutchinson and Thomas Whately, an undersecretary in the British cabinet. These letters, in which Hutchinson had recommended the use of force to subdue colonial resistance in Boston, evoked a storm of protest in Massachusetts. Franklin was eventually forced to admit he had been responsible for the disclosure of Hutchinson's private correspondence and was called before the Privy Council to answer charges that in doing so he violated his royal offices. As his penalty, the Crown removed Franklin from the service of the government and drove him into the camp of the Colonial radicals by making him very much a martyr in the eyes of his fellow Colonials.

Not long thereafter a group of Colonials committed their famous (or, infamous) act of defiance, dumping a shipload of tea into Boston Harbor, setting off a chain of events destined to bring on widespread rebellion. Franklin was invited by the elder William Pitt to the latter's country home for some serious discussions on how Pitt might yet save North America for the British empire. Franklin's counsel to Pitt and others called for establishment of a permanent Assembly housed in Philadelphia, one in which all the colonies were represented and subordinate only to the King. These ideas were too radical even for Pitt, but it was already too late.

The Principles Of Manifest Destiny

As hard as Benjamin Franklin worked to preserve for the British empire its North American colonies, the Sons of Liberty and other secret organizations throughout the colonies had long awaited the moment when the Colonials could be pushed to fight for full and total independence. In part, they were convinced by what they read from England that only independence would save the Colonials from the depth of corruption that pervaded British politics and commercial life. From the combination of their own experiences, reason and exposure to Enlightenment philosophers, many had come to adopt far more *libertarian* and anti-state positions than Franklin, for most of his life, ever contemplated. Interestingly, a continuous stream of radical literature found its way to the colonies during the early eighteenth century, contributing to an already ingrained suspicion of government as an instrument of tyranny.

A new philosophy of individualism was also being constructed out of the frontier experiences of freedom. Scottish philosopher Francis Hutcheson challenged the egocentricity of Hobbesian individualism, reasoning that we are generally capable of developing a *moral sense* through nurturing. In short, the individual so prepared for cooperative life within the structure of society would function responsibly and in accord with moral principles, but do so only if the coercive powers of the State were removed. Even if our instinctive or natural proclivity was to act aggressively toward one another, nurturing could counteract this tendency by reinforcing behavior that was both moral and cooperative. The majority could either banish or deal appropriately with whatever small number of individuals exercised license and violated the liberty of their fellow citizens. Some degree of voluntary association to protect each other from such aberrational behavior was, realistically, needed; but, the State, with its history of despotism, corruption and tyranny? The people were without doubt better off without the State.

Research by Bernard Bailyn shows that "*[b]y 1728,* ***Cato's Letters*** *had already been fused with Locke, Coke, Pufendorf, and Grotius to produce a prototypical American treatise in defense of English liberties overseas, a tract indistinguishable from any number of publications that would appear in the Revolutionary crisis fifty years later.*"[490] Franklin, as we have seen, was but one individual who promoted widespread reading and debate among the literate. What increasingly came from transnational writers in the Old World were warnings of the dangers posed by a concentration of power in the hands of despotic rulers. Radical literature continued to come from the pens of exiled transnationals—dissenting voices in the wilderness eager to attack the status quo. These writings became the source documents used by the Colonials to justify rebellion against what in reality was more a foreign power than a central government.

By 1772 public sentiment in Massachusetts supported establishment of a Committee of Correspondence under the direction of Samuel Adams, already marked by Tories on both sides of the Atlantic as guilty of subversion bordering on treason. The Committee was, according to historian Page Smith, "*a model of revolutionary organization, circulating a stream of information to Sons of Liberty in every community, and* *binding leaders together with ties of unusual strength and durability."*[491] Patrick Henry, Thomas Jefferson, and Richard Henry Lee were among the leaders of Virginia's Committee. Their expressed fear was that Britain was about to impose arbitrary and corrupt power over their lives, subordinating their just liberties to the whims of a distant Parliament to be enforced by appointees owing neither their position nor their loyalty to the people they were charged to govern rather than serve. Should the Colonials fail to rid themselves of rule by the British state, Samuel Adams warned, they would lose everything, for "*[such is] the depravity of mankind that ambition and lust of power above the law are...predominant passions in the breasts of most men.*"[492]

That power was feared for its capacity to generate tyranny was widely appreciated by those Colonials familiar with the histories of antiquity. That those Colonials who had benefited most under salutary neglect desired little more than a return to a state of freedom as previously experienced was understandable. That the frontiersmen and settlers and land speculators who wrestled the interior from the indigenous tribes wanted governmental support for their dubious land titles—but little else—is well-documented. That events would unite such a diverse population together under a significantly new system of positive law was an extraordinary outcome, nurtured by the synthesis of radical socio-political theory with conservative socio-political arrangements and institutions, augmented by a seemingly original if accidental experiment in political economy.

Laissez Faire, Laissez Aller

Benjamin Franklin—the world renowned scientist, practical philosopher and (after his European sojourn) determined Physiocrat—first met Adam Smith in Glasgow during 1759. Smith had read and been impressed by Franklin's essay on population, written in 1751, in which Franklin forecasted the rapid growth in colonial population ***and wealth,*** this parallel increase ascribed to one fundamental characteristic of the colonies:

> Land being thus plenty in America, and so cheap as that a labouring Man, that understands Husbandry, can in a short Time save Money enough to purchase a Piece of new Land sufficient for a Plantation, whereon he may subsist a Family; such are not afraid to marry; for if they even look far enough forward to consider how their Children when grown up are to be provided for, they see that more Land is to be had at Rates equally easy, all Circumstances considered. ...
>
> But notwithstanding this Increase, so vast is the Territory of North-America, that it will require many Ages to settle it fully; and till it is fully settled, Labour will never be cheap here, where no Man continues long a Labourer for others, but gets a Plantation of his own, no Man continues long a Journeyman to a Trade, but goes among those new Settlers, and sets up for himself, etc. ...[493]

Common interests and mutual respect suggest that Smith visited with Franklin (possibly at some length) during the Scottish philosopher's first stay in London in 1761. Smith and Franklin may have also debated the ideas presented by Francois Quesnay in his ***Essai Physique sur l'Economie Animale,*** published in 1748 (although Smith did not visit France until 1764 and John Rae's biography of Smith suggested he was not yet conversant in French). Whether or not he was competent in the literature of the French moral and economic philosophers, Smith's lectures at Edinburgh revealed he was contemplating a new and wholly scientific treatise in political economy. In 1755, he wrote that "*[l]ittle else is requisite to carry a state to the highest degree of opulence from the lowest barbarism, but peace, easy taxes and a tolerable administration of justice; all the rest being brought about by the natural course of things.*"[494]

Smith then spent more than two years on the continent between 1764 and 1766; and, although he did not meet with Quesnay until just before returning to England, he is reported to have dined frequently with Turgot and other leading Physiocrats. Moreover, his contact with what might be called the outer circle within this school of French practical philosophers and political economists was frequent. David Hume was instrumental in opening the salons of Paris to Smith and may have introduced Smith to Jean-Jacques Rousseau during this period. Smith's own work, ***The Theory of Moral Sentiments***, had been translated into French and been widely read by France's *men of ideas*. Smith also met with the Abbe Morellet,[495] whose own thinking on socio-political and economic issues was similar to those held by Smith. As to the degree of influence these French thinkers had on the development of Smith's scientific work, John Rae concludes:

> Smith would no doubt derive some assistance towards making his observations and analyses more complete from the different lights in which the matters under consideration would be naturally placed in the course of discussions with men like Morellet and his friends; but whatever others have thought, Morellet at least set up no claim, either on his own behalf or on behalf of his very old and intimate college friend Turgot, or of any other of the French economists, of having influenced or supplied any of Smith's ideas. The Scotch inquirer had been long working on the same lines as his French colleagues, and Morellet seems to have thought him...as being more complete in his observations and analyses than the others.[496]

Some insight into Smith's own sense of the possible in the political realm is revealed by his assessment that Turgot was unrealistic in his expectations, that even modest and incremental socio-political changes were difficult in the real world.[497] He nonetheless respected Turgot and Quesnay as visionaries; and, in ***The Wealth Of Nations***, he accords Quesnay the position of supreme theorist:

> The admiration of this whole sect for their master, who was himself a man of the greatest modesty and simplicity, is not inferior to that of any of the ancient philosophers for the founders of their respective systems.[498]

He returned to England convinced that many of the ills that caused France to be economically weak were the result of repressive government and oppressive taxation. Now that all of Canada was under British control, Smith applied his energies to an assessment of colonial administration and to the writing of his treatise on political economy. Armed with a much revised manuscript, Smith came to London in the spring of 1773 in pursuit of a publisher. Over the next three years the manuscript underwent major revision and expansion; and, one of the persons who provided Smith with important new insights was none other than Benjamin Franklin. "*A very circumstantial account of Smith's London labours at the book comes from America*," writes John Rae:

> Mr. Watson, author of the Annals of Philadelphia, says: "Dr. Franklin once told Dr. Logan that the celebrated Adam Smith when writing his Wealth of Nations was in the habit of bringing chapter after chapter as he composed it to himself, Dr. Price, and others of the literati; then patiently hear their observations and profit by their discussions and criticisms, sometimes submitting to write whole chapters anew, and even to reverse some of his propositions.[499]

That Smith would certainly benefit by Franklin's worldly observations and experiences is beyond doubt. The mark of his genius is shown by a willingness to put his ideas before others inclined to challenge what reason or experience found wanting. Present conditions, moreover, provided considerable food for thought. Britain was just then experiencing a deepening recession associated with the refusal of the Colonials in America to purchase British goods. The East India Company, in particular, was in serious financial trouble. Smith (apparently with input from Franklin and others more intimately familiar with the Crown's colonial administration) came to some striking conclusions in his assessment of empire. On the one hand, he acknowledged the benefit colonies provided to the mother country, writing, "*The surplus produce of America, imported into Europe, furnishes the inhabitants of this great continent with a variety of commodities which they could not otherwise have possessed, ...*"[500] The monopolistic licenses handed out under mercantilist policies, he condemned, on the other hand, as "*a dead weight upon the action of one of the great springs which puts into motion a great part of the business of mankind.*"[501] As a consequence, "*the exclusive trade of the mother country tends to render this source much less abundant than it otherwise would be.*"[502] Smith granted that in the short run, and for the privileged few, mercantilism brought great profits and personal wealth; Britain was, however, now experiencing the inevitable results of restraining trade, for "*whatever raises in any country the ordinary rate of profit higher than it otherwise would be, necessarily subjects that country both to an absolute and to a relative disadvantage in every branch of trade of which she has not the monopoly.*"[503]

The decision on the part of the Crown and Parliament to further restrict the commerce flowing into and out of North America, while simultaneously imposing taxes on Colonials already heavily in debt to English merchants, sparked the resistance that quickly turned into rebellion and the war for independence. The Colonials gathered in Philadelphia on September 1, 1774 for their first Continental Congress, declaring what they believed to be their rights and listing those violated by Parliament and the Privy Council. From the outset, their debate suggested the range of positions held by the Colonials themselves. Most sensed that considerable compromise would be demanded if they were to come together—first, to fight for independence, then to determine what sort of society was to emerge from subsequent proceedings. Patrick Henry proposed at the outset that consideration be given to weighing all votes based on each colony's relative population and size, a disadvantage immediately protested against by the delegates most negatively affected. Henry responded:

> Fleets and armies and the present state of things show that the government is dissolved. Where are your landmarks—your boundaries of colonies? We are in a state of nature! All distinctions are thrown down; all America is thrown into one mass. The distinctions between Virginians, Pennsylvanians, New Yorkers, and New Englanders are no more. I am not a Virginian, but an American.[504]

Henry's sentiments were shared by some but strongly resisted by others. Even before the Congress assembled, one of Franklin's close friends and supporters, Joseph Galloway, had prepared a pamphlet[505] calling for the union of the colonies on principles that adhered to the British constitution of government. Compared to the designs of Patrick Henry or Sam and John Adams, Galloway's resurrection of Franklin's *Albany Plan* still left the Colonials subject to the ultimate control of the British Parliament. To overcome this objection, Galloway proposed to his fellow Colonials that they declare themselves exempt from all laws passed by the British Parliament "*made since the Emigration of our Ancestors*,"[506] and submitted his plan as the basis for a new and formal relationship with Britain. Even at this late date there remained a sizable degree of support for such a compromise. However, led by the delegates from Massachusetts and Virginia, more immediate and in subtle ways more radical resolutions were adopted by the Congress. John Adams reminded the other delegates that in his own colony at that very moment, his and their fellow citizens were "*struggling in the common cause of American freedom*," a cause for which it was "*the indispensable duty of all the colonies to support them by every necessary means, and to the last extremity*."[507] Even a majority of the conservative delegates finally supported the resolution against further commerce with Britain and affirming colonial autonomy over taxation. From London, Franklin wrote to Thomas Cushing:

> All who know well the State of things here, agree, that if the Non Consumption Agreement should become general, and be firmly adhered to, this Ministry must be ruined, and our Friends succeed them, from whom we may hope a great Constitutional Charter to be confirmed by King, Lords, & Commons, whereby our Liberties shall be recognized and established, as the only sure Foundation of that Union so necessary for our Common welfare.[508]

extreme ?

Despite this expression of hope that a union on equitable terms might yet be achieved, by early 1775 even Franklin had almost wholly soured on the proposition, writing to Joseph Galloway that "*when I consider the extream Corruption prevalent among all Orders of Men in this old rotten State, and the glorious publick Virtue so predominant in our rising Country, I cannot but apprehend more Mischief than Benefit from a closer Union.*"[509] Franklin had been present when the elder William Pitt (now Lord Chatham) made one last attempt in a January speech before Parliament to gain equality for the colonials under the British constitution.

War was fast approaching. Franklin now knew he had to leave Britain before the conflict began or he stood a strong chance of being imprisoned. Parliament formally declared the Colonials in a state of rebellion. Edmund Burke was about to make a speech in Parliament on behalf of the Colonials destined to be read again and again throughout the colonies. "*To restore order and repose to an empire so great and so distracted as ours is merely in the attempt an undertaking that would ennoble the flights of the highest genius,*"[510] he declared, and then went on to state his proposition for reconciliation between his government and the colonies:

> I propose, by removing the ground of the difference, and by restoring *the former unsuspecting confidence of the colonies in the mother country*, to give permanent satisfaction to your people; and, far from a scheme of ruling by discord, to reconcile

> them to each other in the same act, and by the bond of the very same interest which reconciles them to British government.[511]

He also presented his fellow Members of Parliament with a dire warning:

> I do not look on the direct and immediate power of the colonies to resist our violence as very formidable. In this, however, I may be mistaken. But when I consider that we have colonies for no purpose but to be serviceable to us, it seems to my poor understanding a little preposterous to make them unserviceable in order to keep them obedient. It is, in truth, nothing more than the old and, as I thought, exploded problem of tyranny, which proposes to beggar its subject into submission. But remember, when you have completed your system of impoverishment, that nature still proceeds in her ordinary course; that discontent will increase with misery; and that there are critical moments in the fortunes of all states when they who are took weak to contribute to your prosperity may be strong enough to complete your ruin.[512]

Neither Pitt nor Burke could turn back the determination of the British aristocracy to enforce its will over those considered subjects of the empire. Franklin was still en route to Philadelphia when the Colonials and the British army clashed at the Battle of Lexington, April 19, 1775. As the fighting centered in and around Boston, a second Continental Congress opened in Philadelphia.

Within the colonies the sides were finally drawn. *Loyalists* —Tories— resisting the tide of sentiment, were harassed, their property confiscated or destroyed, their lives threatened. The *Patriots* lined up against them at the other extreme. And, many others among the Colonials were torn between the two factions or merely hoped the conflict would leave them alone. Chaos and disagreement initially prevented the colonies from forming an effective resistance. A generation of new leaders was, however, quickly emerging dominated by strong personalities from Massachusetts and Virginia. Franklin, although elected as a

Pennsylvania delegate to the Congress, brought with him very little measurable influence. His proposals were at once either too radical or too conservative for the times. His energies were nonetheless needed and requested in areas of practical consideration —improving communications between the colonies, providing for a system of supply to the Army, completing an exhausting but fruitless trip to Canada to solicit the involvement of French Canadians and other northern Colonials.[513] He returned in time to sign the Declaration of Independence, out of which came into history the famous comment attributed to Franklin as he applied his signature: "*We must all hang together, or we will all hang separately.*"[514]

Adam Smith sat impatiently in London as the policies of his government hastened the day when Turgot's prophesy would be proven. In ***The Wealth Of Nations*** he would raise for all to digest the lessons of fallen empire as they applied to Britain:

> In her present condition, Great Britain resembles one of those unwholesome bodies in which some of the vital parts are overgrown, and which, upon that account, are liable to many dangerous disorders scarce incident to those in which all the parts are more properly proportioned. ...
>
> The expectation of a rupture with the colonies, accordingly, has struck the people of Great Britain with more terror than they ever felt for a Spanish armada, or a French invasion. It was this terror, whether well or ill grounded, which rendered the repeal of the stamp act, among the merchants at least, a popular measure. In the total exclusion from the colony market, was it to last only for a few years, the greater part of our merchants used to fancy that they foresaw an entire stop to their trade; the greater part of our master manufacturers, the entire ruin of their business; and the greater part of our workmen, an end of their employment. ...
>
> To open the colony trade all at once to all nations, might not only occasion some transitory inconveniency, but a great permanent loss to the greater part of those whose industry or capital is at present engaged in it. ...Such are the unfortunate effects of all the regulations of the mercantile system! They not only introduce very

> dangerous disorders into the state of the body politic, but disorders which it is often difficult to remedy, without occasioning, for a time at least, still greater disorders. In what manner, therefore, the colony trade ought gradually to be opened; what are the restraints which ought first, and what are those which ought last to be taken away; or in which manner the natural system of perfect liberty and justice ought gradually to be restored, we must leave to the wisdom of future statesmen and legislators to determine.[515]

The time had, of course, passed for such incremental reforms as they might affect the relations between the British government and *the Patriots* of North America. Yet Smith saw in the future of the colonies as independent states a long period of turmoil and conflict he believed were "*inseparable from small democracies*."[516] He was correct, but not for the reasons he identified; independence from Britain did very little to resolve the fundamental conflicts between moral principle and vested interest. The breakdown in colonial administration opened the debate on issues of enormous importance concerning the future. Were the colonies to become sovereign states, loosely allied to one another for mutual protection? Or, was there to be a national government to which the states would be subordinate in matters affecting the whole? Was there to be a common definition of citizenship, of liberty, and of rights incorporated into the positive law of the states and the national government? Or, were such questions to be resolved, as had been the case throughout history to that point, by those who managed to gain and hold socio-political power?

Many of the more recent arrivals to North America had experienced first hand the oppression imposed on people of all modern states by their landed aristocracies, the monarchies and other monopolists of power and wealth. In his introduction to the works of Tom Paine, Howard Fast describes the conditions from which a relative few were fortunate enough to escape by leaving Britain:

> London of the latter eighteenth century was, for at least half its population, as close an approximation of hell as is possible to create on this earth. The enclosure laws of the previous two centuries had created a huge landless population that gravitated toward the urban centers, mostly toward London, to form a half-human mob, not peasants, not craftsmen—the first tragic beginnings of a real working class.[517]

Indeed, the attitude among middle and upper class Englishmen was, for the most part, hardly sympathetic to the plight of the landless poor. As one Englishman put it: "*[e]veryone but an idiot knows that the lower classes must be kept poor or they will never be industrious.*"[518] Paine, destined to be heard above all others as the voice of *the Patriot* cause, had migrated to North America from England in November of 1774, with no property to speak of and armed only with a letter of introduction from Benjamin Franklin. This, and the force of his own personality, eventually brought him to the editorship of ***The Pennsylvania Magazine***, a new periodical published in Philadelphia. He thereby came into contact with the leading *Patriots*, became convinced that something tangible was needed as a spark to ignite the fires of cooperation among the Colonials, and proceeded to write a pamphlet—***Common Sense***—that put the issues at stake into words and phrases the average person could grasp, take away as their own, and act on. And, more than any other eighteenth century writer, he expounded the moral principles at the heart of *cooperative individualism* as the only system of socio-political arrangements capable of thwarting the always-present plotting by some individuals to grab and hold positions of power and privilege over others. His doctrine was also what we would today describe as *libertarian*, in the sense that he called for the minimum amount of government necessary for "*restraining our vices*,"[519] a responsibility "*rendered necessary by the inability of moral virtue to govern the world.*"[520] Hutcheson might be wrong about the potential for moral nurturing to spread throughout society, but Paine agreed that a Leviathan state only institutionalized and sanctioned some of the worst crimes committed by individuals against others. The Old World had, Paine realized, long been plagued by the evils of strong, centralized and visibly corrupt government; the same thing must not be allowed to happen in North America. In forging a new society, the European-Americans of North America must learn from the past, from their own experience and that of their grandparents and great-grandparents:

> This new World hath been the asylum for the persecuted lovers of civil and religious liberty from *every part* of Europe. Hither have they fled, not from the tender embraces of the mother, but from the cruelty of the monster; and it is so far true of England, that the same tyranny which drove the first emigrants from home, pursues their descendants still.[521]

Of the future of the colonies as independent, democratic states, Paine was far more optimistic than Smith, but agreed with Jefferson that the time was fast dwindling before the "*vast variety of interests, occasioned by an increase of trade and population, would create confusion*"[522] and lessen the desire to unite. He issued a call to principles under a "*Continental Charter*" that secured "*freedom and property to all men*" and "*the free exercise of religion*."[523]

Many readers thought the work a collaboration between Paine, Franklin and John Adams, a compliment to the penetrating depth of Paine's writing, although Adams was critical of its substance if not its immediate effect of bringing public support to the Patriot cause. More specifically, the assessment of Paine offered by John Adams unfairly placed the author of ***Common Sense*** outside that narrow group of transnationals qualified as *men of ideas*:

> This writer seems to have very inadequate ideas of what is proper and necessary to be done in order to form constitutions for single colonies, as well as a great model of union for the whole. ...'Common Sense' by his crude, ignorant notion of a government

> by one assembly will do more mischief in dividing the friends of liberty, than all the Tory writings together. He is a keen writer but very ignorant of the science of government.[524]

Adams, in my view, was a victim of his own education and nurturing, far more concerned with order and security than with the securing and protection of individual liberty. Adams was among those fearful of an independence that brought freedom without constraint, a state of socio-political anarchy that abandoned time-tested practices and ushered in an era of relativism directed only by an undefined collective will. In an effort to combat any tendency of the colonial population to proceed in forming a government inconsistent with sound principles, Adams added his own ***Thoughts on Government*** to call for the creation of a republic; that is, government by laws, and not of men. Reflecting on his own work, he was keenly aware of the difficulties facing the Colonials should their struggle against Britain achieve the objective of independence, concluding:

> In New England, [they] will be disdained because [my proposals] are not popular enough; in the Southern colonies, they will be despised and insulted because too popular.[525]

Everywhere throughout the colonies war and debate raged. Eight of the newly-formed states drafted and adopted constitutions. The very nature of government and the relationship of the individual with government were examined to a degree never experienced before. And, as Bernard Bailyn observed, this process "*swept past boundaries few had set out to cross, into regions few had wished to enter.*"[526] From this point on, and for the next century, the boundaries between moral philosophy and political economy would disappear. Smith, in the vanguard of this movement, devotes long passages of his treatise to education and religious instruction, challenging the intellectual dishonesty and vested interest of those who blindly adhere to conventional wisdom:

> The improvements which, in modern times, have been made in several different branches of philosophy, have not, the greater part of them, been made in universities; though some no doubt have. The greater part of universities have not even been very forward to adopt those improvements, after they were made; and several of those learned societies have chosen to remain, for a long time, the sanctuaries in which exploded systems and obsolete prejudices found shelter and protection, after they had been hunted out of every other corner of the world. In general, the richest and best endowed universities have been the slowest in adopting those improvements, and the most averse to permit any considerable change in the established plan of education.[527]

By example of ancient Greece and Rome, Smith also championed the virtues of private versus public education:

> The masters who instructed the young people either in music or in military exercises, do not seem to have been paid, or even appointed by the state, either in Rome or even in Athens. ...
>
> In the early ages both of the Greek and Roman republics, the others parts of education seem to have consisted in learning to read, write, and account according to the arithmetic of the times. These accomplishments the richer citizens seem frequently to have acquired at home, by the assistance of some domestic pedagogue, who was generally, either a slave, or a freed-man; and the poorer citizens, in the schools of such masters as made a trade of teaching for hire. Such parts of education, however, were abandoned altogether to the care of the parents or guardians of each individual. It does not appear that the state ever assumed any inspection or direction of them.[528]

Smith was convinced by the historical evidence that competition and market forces produce a level of education considerably higher than when the State sponsors and administers public education. "*In modern times*," he writes, "*the diligence of public teachers is more or less corrupted by the circumstances, which render them more or less independent of their success and reputation in their particular professions*."[529] Smith goes on to demonstrate that by the necessity of circumstance, the poorer members of any society, if they are to receive any formal education at all, are generally afforded no luxury of choice in the matter of schooling. And, yet, he advises the powerful that some minimum level of public education must be provided for by the State because, "*[t]he more [citizens] are instructed, the less liable they are to the delusions of enthusiasm and superstition, which among ignorant nations, frequently occasion the most dreadful disorders*."[530] Here, Smith offers Machiavellian direction to those in whose interest maintenance of the status quo is most pronounced, but he does so from the perspective of a man who believes in the inherent wisdom of the constitutional monarchy under which he lived. As stated earlier, Britain by this time had moved beyond the long period of factional wars involving ethnic, tribal or religious competitions for geo-political power that began with the arrival of Norman knights. The struggle for power was now largely between an entrenched landed aristocracy, the merchant class and the landless. Ireland, and the Catholicism of its Celtic and Norman population, as well as the gradual opening of opportunities for the inclusion of Catholics in general within the civil government in Britain, would continue as a thorny problem for Pitt and his successors. Yet, few among even the most oppressed and impoverished subjects within Britain proper contemplated or sought the sweeping changes that would soon bring chaos, then tyranny, to the French. Thus, when viewed in the context of European history, the rebellion underway in the colonies across the Atlantic was wholly unintelligible to most Britons.

After France came to the assistance of the American states in 1778, the British statesman Charles James Fox called for the withdrawal of

Britain's forces from North America to be redeployed against France. Britain was, in North America, forced into a largely defensive struggle, in part because of the need to defend the property and lives of *Loyalists*. The British leadership greatly underestimated the size of the force ultimately required to carry the war to *the Patriots*. The British could not garrison every coastal city, and the needless destruction of many towns pushed more and more Colonials into the ranks of *the Patriots*. *The Patriots*, on the other hand, enjoyed considerable freedom of movement away from the coastal cities. George Washington and his Continental army were forced by a lack of men and supplies to fight war of attrition, meeting British forces on the battlefield only when the prospect of victory was thought to be in their favor. In calling for an end to the war in British America, Fox appealed to his colleagues not to act from emotion but on the basis of the a reasoned assessment of Britain's circumstance:

> The war of the Americans is a war of passion. It is of such a nature as to be supported by the most powerful virtues—love of liberty and love of country—and at the same time by those passions in the human heart which give courage, strength, and perseverance to man—the spirit of revenge for the injuries you have done them, of retaliation for the hardships you have inflicted on them, and of opposition to the unjust powers you have exercised over them. Everything combines to animate them to this war; and such a war is without end.[531]

Not long after Fox's speech before Parliament, the first serious overtures for a peaceful settlement were initiated by the British government, but tabled by the Continental Congress until Britain removed its fleet and armies or acknowledged the independence and sovereignty of the individual states. John Adams, representing the interests of the Continental Congress, refused to attend peace negotiations unless recognized as the legitimate minister of the independent and united states. Mercantilism managed to radicalize even Franklin, who for so long desired nothing more than to contribute to an enlightened British empire. By 1776, these same Colonials were attempting to forge a government limited in authority and potential for tyranny, yet sufficiently strong to defend the rights and freedoms the majority of Colonials had come to accept as their birthright. To William Petty, continuing to resist the inevitable, Thomas Paine directed a call to end the misery imposed on the English speaking peoples on both sides of the Atlantic:

> If you cast your eyes on the people of England, what have they to console themselves with for the millions expended? Or what encouragement is there left to continue throwing good money after bad? ...
>
> The British army in America care not how long the war lasts. They enjoy an easy and indolent life. They fatten on the folly of one country and the spoils of another; and, between their plunder and their pay, may go home rich.
>
> But the case is very different with laboring farmer, the working tradesman, and the necessitous poor in England, the sweat of whose brow goes day after day to feed, in prodigality and sloth, the army that is robbing both them and us. Removed from the eye of the country that supports them, and distant from the government that employs them, they cut and carve for themselves, and there is none to call them to account. ...
>
> Neither is it possible to see how the independence of America is to accomplish the ruin of England after the war is over, and yet not effect it before. America cannot be more independent of her, nor a greater enemy to her, hereafter, than she now is; nor can England derive less advantages from her than at present. ...
>
> That a nation is to be ruined by peace and commerce, and fourteen or fifteen millions a year less expenses than before, is a new doctrine in politics. ...
>
> The people of America have for years accustomed themselves to think and speak freely and contemptuously of English authority, and the inveteracy is so deeply rooted that a person invested with any authority from that country and attempting to exercise it here would have the life of a toad under a harrow. ...

AGAINST

> We have too high an opinion of ourselves ever to think of yielding again the least obedience to outlandish authority; and, for a thousand reasons, England would be the

> last country in the world to yield it to. She has been treacherous, and we know it. Her character is gone, and we have seen the funeral.[532]

The Age of Franklin was nearing an end. With Petty's resignation early in 1783, the way was cleared for independence and peace. A constitutional republic was on the horizon in the land of Franklin's birth; yet, Franklin himself remained concerned that factions within Britain would continue to harbor colonial designs. Writing to Thomas Mifflin, Franklin warned, "*we should I think be constantly on our guard and impress strongly on our minds that tho it has made peace with us it is not in truth reconciled to us or to its loss of us...*"[533]

Franklin would depart from France in July of the following year, stopping briefly in England before making his final journey back to Pennsylvania and the new Union of sovereign states. Rebellion and the thirst for vengeance was soon to bring a new, equally intolerant, despotism to France. Franklin would not live long enough to learn of the many atrocities committed; and, in one of his last letters, he sets forth the challenge and the promise of the age to come:

> The Convulsions in France are attended to with some disagreable Circumstances; but if by the Struggle she obtains and secures for the Nation its future Liberty, and a good Constitution, a few Years' Enjoyment of those Blessings will amply repair all the Damages their Acquisition may have occasioned. God grant, that not only the Love of Liberty, but a thorough Knowledge of the Rights of Man, may pervade all the Nations of the Earth, so that a Philosopher may set his Foot anywhere on its Surface, and say, "This is my Country."[534]

Indeed, although fully convinced in 1787 that the republic's new constitution compromised important principles, Franklin recommended the virtues of a European union and the holding of a convention to that end. The nation-states of Europe were, unfortunately, moving in another direction, one in which imperialism and a tenaciously guarded balance of power dominated policies and events. In the midst of Eurasia's early twentieth century empire struggles, a young economist named Peter F. Drucker, considered the role of Franklin's generation in determining the course of history:

> [T]he American Revolution...reversed—first in England and then in the rest of Europe—a trend which had appeared to be inevitable, natural, and unchangeable. It defeated the rationalist liberals and their pupils, the Enlightened Despots, who had seemingly been irresistible and within an inch of complete and final victory. The American Revolution brought victory and power to a group which in Europe had been almost completely defeated and which was apparently dying out rapidly: the anticentralist, antitotalitarian conservatives with their hostility to absolute and centralized government and their distrust of any ruler claiming perfection. It saved the autonomous common law from submersion under perfect law codes; and it re-established independent law courts. Above all, it reasserted the belief in the imperfection of man as the basis of freedom.[535]

There is among historians considerable debate over just how effective the reformers were who found the strength to challenge Old World political institutions. The time when kings and queens could reign and rule without having to answer to others was ending, to be sure. Yet, among the core powers only Britain experienced from this point on the benefits of relatively peaceful implementation of reforms. And even in Britain broad citizen participation in governing did not take hold until after the end of the Second W world War. Reforms introduced in Britain were pressed forward to prevent loss of the empire and Britain's competitive advantages in global commerce. First, however, the British had to come to terms with the fact that the Colonials in North America had beaten them on the battlefield and thereby secured their independence and status as sovereign states.

capital! ?

After the surrender by Lord Cornwallis of the British army at Yorktown, the government collapsed. Lord North resigned from the

House of Commons, and the opposition party led by Charles Watson-Wentworth (the second Marquis of Rockingham), William Petty (Lord Shelburne) and Edmund Burke took over. Britain had lost her thirteen North American colonies and was still at war with both France and Spain. Irish nationalists took this opportunity to press for the right to make their own laws without review by the British King or Parliament. An effort by Watson-Wentworth and Burke to form a party government dissipated with Watson-Wentworth's death in July of 1782, leaving Petty to form the new government. Petty brought the younger William Pitt in as Chancellor of the Exchequer but failed to forge an effective coalition government. Fortunately for Britain, neither France nor Spain were strong enough to take advantage of Britain's weakened condition and were more than anxious to reach a peaceful accord. Petty's cabinet dissolved in February of 1783, only a month after cessation of hostilities, replaced by a short-lived alliance between the Tory faction of Lord North and the Whigs led by Charles Fox. When this coalition fell apart after only several months, George III (to the general amazement of Britain's seasoned politicians) called upon the younger William Pitt to form a new government. Britain thereupon embarked upon the prolonged and incremental period of constitutional reform to which Drucker pointed as saving at least the British people from tyranny. The younger William Pitt proved more effective as an architect of the dismantling of mercantilism than as a socio-political reformer; his years in office were characterized by an era of experimentation with the *free trade* policies of Adam Smith. At the same time, the policy changes introduced by Pitt only aggravated the concentration of wealth in Britain that left more than half the population crushed by generational poverty. The benefits of expanding commerce were more than offset by a broad acceptance by the haves that poverty was the destiny of their inferiors. The talented, the driven, the disciplined could and would rise above their circumstances of birth. The Age of Franklin was ending; the Age of Social-Darwinism was about to begin.

In the months before taking office, Pitt was actively working for electoral reform, not to expand or make universal the franchise but to shift power to the landed gentry at the expense of Crown appointees and the inherited power of the Lords. Challenged by Edmund Burke, Lord North and most of those entrenched in Parliament, however, Pitt found himself at the center of what was becoming a larger reform movement. He did find time to visit France during these months, and while there the Abbe de Lageard questioned Pitt about his views on the British constitution; to which Pitt replied, "*The part of our constitution which will first perish is the prerogative of the King and the authority of the House of Peers.*"[536]

What Pitt sought was the structural means to achieve Harrington's vision of an equal and stable balance of power within the existing constitution of government. To the extent that Pitt's actions attacked entrenched privilege, this outcome was incidental to his objectives. To the extent that *laissez faire, laissez aller* as called for by the adherents of Physiocracy reached Britain by way of Smith, the impetus for change was practical, not philosophical. We are told by Churchill, in fact, that "*[t]he individualism of eighteenth-century England assumed no doctrinaire form.*"[537] While men of colonial heritage such as Franklin had gravitated from an almost wholly practical perspective to one at least abstractly embracing moral principles, Smith and even Hume went only so far and no farther in their adoption of transnational ideas. Adding to the above sentiment, Churchill concludes: "*The enunciation of first principles [had] always been obnoxious to the English mind.*"[538]

Smith's own writings, even if not his actions, demonstrate that he struggled with the moral dilemmas revealed by his powers of reason and observation (and, perhaps, by his frequent discussions with Franklin). He sensed the direction in which his society was headed, sent out a warning but could not bring himself to join with the radicals, such as Thomas Paine. One interesting example of his thinking comes out in his comparison of Rousseau with Arouet (i.e., Voltaire) and his prophesy of the influence Rousseau would enjoy:

> Voltaire set himself to correct the vices and follies of mankind by laughing at them, and sometimes by treating them with severity, but Rousseau conducts the reader to reason and truth by the attractions of sentiment and the force of conviction. His 'Social Compact' will one day avenge all the persecutions he suffered.[539]

Britain's *radicals* could empathize with the Colonials of North America in their rebellion against the aggressions of an opportunistic and unprincipled government. That was, after all, very much an action in defense of freedoms enjoyed and rights guaranteed. George III and his Lords had crossed over the limits to governmental authority as defined by Locke. Radicalism in Britain was incremental and very much related to the stresses of urbanization and industrialization. Mechanical inventions were quickly turning Britain's merchants and financiers into manufacturers, individuals of strong will ready to challenge the landed gentry and aristocracy for power. Catholics and Protestants outside the State religion also pressed for their full rights as British citizens. Even some of the landless workers, increasingly exposed to prolonged periods of unemployment, starvation wages and terrible living and working conditions, saw in the organization of trades unions a means to balance the scales somewhat. Many of the more thoughtful and educated within Britain had absorbed Smith and were pressing for reforms in Britain's commercial system. Pitt himself had become one of Smith's greatest admirers. Standing before the Commons, Pitt at one point went so far as to describe Smith as an "*author...whose extensive knowledge of detail and depth of philosophical research [would] furnish the best solution to every question connected with the history of commerce or with the systems of political economy.*"[540] Importantly, Smith provided the spark that turned Pitt into a powerful advocate for free trade and stimulated him to push through reductions in customs duties and to reorganize Britain's financial structure.

When the first phase of internal upheaval erupted in France, many British manufacturers foresaw a France devoid of mercantilist protections and the creation of a vast new market for British goods. Yet, among most thoughtful Britons the sentiment which found voice in Edmund Burke was that of fear, fear of anarchy and "*the excesses of an irrational, unprincipled, proscribing, confiscating, plundering, ferocious, bloody, and tyrannical democracy.*"[541] P.W. Wilson adds that Britain under the younger William Pitt another important stabilizing advantage: "*In one word, the reason was finance. It was arithmetic that saved Great Britain from revolution. It was arithmetic that condemned her neighbour.*"[542] Although Pitt's application of Smith's free trade prescription was inconsistent and little attached to what today might be called scientific benefit/cost analysis, the net political result was a broadened support for his government. His primary concerns were balancing Britain's budget, reducing the national debt, and dealing with the generally-accepted corruptions associated with government administration.

The fact that the British people as a whole repudiated the bloodletting that was taking place in France reduced the leverage Pitt sought against the entrenched privileges of the British nobles and the government bureaucracy. All discussion of reform of the British constitution became suspect. Moreover, a backlash developed against Pitt when his government brought charges of treason against two leading reformers of the day. Pitt's intrusions on the rights of Englishmen were equated to the tyranny of Robespierre, and a jury comprised of twelve Tories acquitted the defendants. Trevelyan assesses this spirited defense of free expression as a "*timely check sav[ing] England from a reign of terror and perhaps ultimately from a retributive revolution.*"[543]

A long series of Parliamentary acts nevertheless tightened the lid on dissent. Trades unions were prohibited and the seeds of *agrarian and industrial-landlordism* introduced as the heir to mercantilism. These were measures imposed during a time of great uncertainty and a war thought necessary to halt the spread of revolution beyond France. As war debts mounted and fighting on the continent dragged on with no result or end in sight, Pitt reconciled himself to a negotiated peace with the new French Republic. By early 1797, however, fear of defeat and an economic collapse stimulated a run against the gold reserves of the Bank of England; Pitt's war government was suddenly threatened not only with financial ruin, but by uprisings in Ireland and by the mutiny of the fleet in protest of low wages and horrible conditions. He managed to suppress Irish nationalism and satisfy the demands of Britain's seamen, but the government was now spending in the area of forty million pounds on the war.

Pitt's government introduced numerous new taxes and levied duties on goods and services of all types. Prices soared and food shortages occurred with increasing frequency throughout Britain. Nationalist zeal and the constant flow of anti-Jacobin rhetoric nevertheless held together the tenuous balance that composed the body politic in Britain.

Protestant-controlled Ireland, granted considerable autonomy during Pitt's tenure, developed during their own brief period of salutary neglect a taste for self-government and a surge of nationalism that, prompted by the leadership of Henry Grattan, showed some promise of transcending religious doctrine. Tory intolerance of Catholicism drove the Irish Catholics into French sympathies and an uprising that once more resulted in a bitter division between Protestants and Catholics in Ireland. Pitt managed to bring Ireland into the *United Kingdom*, but Catholics were denied the right to participate in the government.

Secret societies arose and fell apart throughout the British Isles as the eighteenth century came to a close. The attentions of leading Members of Parliament were still directed by expediency and the Jacobin threat to the British constitution. The socio-economic impact of the Industrial Revolution would redirect the energies of the reform-minded. Thomas Malthus (1766-1834), for one, recognized that great changes were in the works and questioned whether the socio-political institutions of his era would be able to cope with new and very different pressures. "*It has been said,*" he wrote, "*that the great question is now at issue, whether man shall henceforth start forwards with accelerated velocity towards illimitable, and hitherto unconceived improvement; or be condemned to a perpetual oscillation between happiness and misery.*"[544] In expounding a scientifically-derived relationship between advancing population and societal ills, Malthus appealed to moral responsibility—the individualism of the Enlightenment—as the missing ingredient. That his reason failed him, that he did not condemn the socio-political arrangements that prevented the impoverished and uneducated from planning their lives or even thinking of the future places him beside his eighteenth century counterparts. He was, however, an important transitional figure who at least recognized that a population increasing faster than the quantity of goods available for consumption is a population destined to experience misery on a large scale. He criticized his contemporaries and by his boldness invited criticism. Not until Charles Darwin challenged conventional wisdom with his theory of evolution would a scientist bring into open debate a subject that struck deeply into the very nature of our humanity. Malthus was more than ready to expose his conclusions to intimate scrutiny:

> He who publishes a moral code, or system of duties, however firmly he may be convinced of the strong obligation on each individual strictly to conform to it, has never the folly to imagine that it will be universally or even generally practised. But this is no valid objection against the publication of the code. If it were, the same objection would always have applied; we should be totally without general rules; and

to the vices of mankind arising from temptation would be added a much longer list than we have at present of vices from ignorance.[545]

Throughout six editions of his essay on population that appeared during his lifetime, Malthus modified and tempered his position. At first, for example, he straightforwardly defended the existing system of land tenure, writing: "*A man who is born into a world already possessed, if he cannot get subsistence from his parents on whom he has a just demand, and if the society does not want his labor, has no claim of right to the smallest portion of food, and, in fact, has no business to be where he is.*"[546] Political economists, social critics, utopians, industrialists, aristocrats and the landed would square off against one another during much of the nineteenth century over that very proposition.