

Jeffersonian Alternatives

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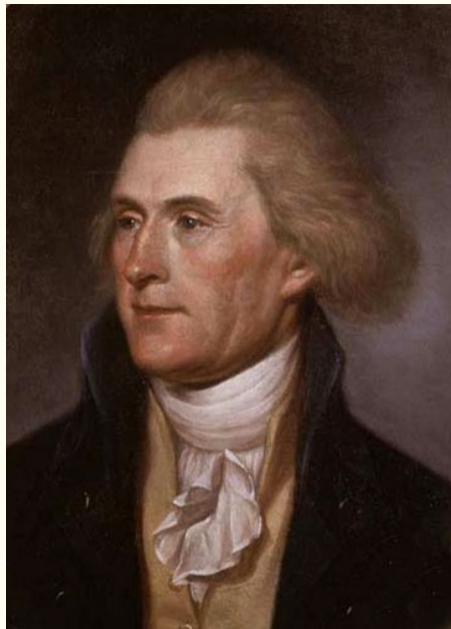
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An introduction to Thomas Jefferson

Andrew Jackson to Joseph Guild (April 24, 1835)

I have long believed, that it was only by preserving the identity of the Republican party as embodied and characterized by the principles introduced by Mr. Jefferson that the original rights of the states and the people could be maintained as contemplated by the Constitution.



#1 NEW YORK TIMES
BESTSELLER

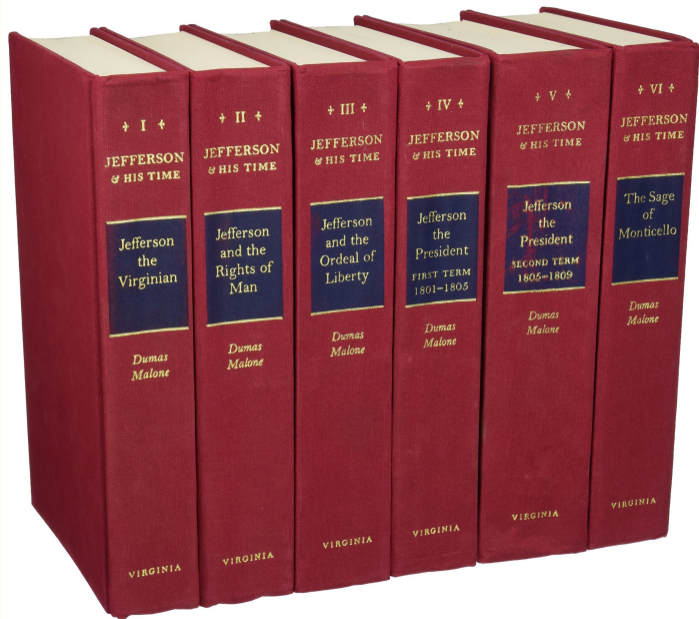
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Thomas
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"Probably the best single-volume
biography of Jefferson ever written."
—GORDON S. WOOD







the Elusive
Republic

POLITICAL
ECONOMY IN
JEFFERSONIAN
AMERICA

DREW R. McCOY

Jefferson's alternative to Hamilton's program

- In contrast with Hamilton and the Federalist view of a modern, diversified economy, Thomas Jefferson (1743-1826) believed in a republican nation of independent small farmers, where government power is limited and highly decentralized.
- In Jefferson's view, economic policy should foster responsibility, independence, honesty, and other worthy moral qualities.
- Philosophically opposed to Federalist economic policy, which emphasizes self-interest.
- A more general point: Jefferson believes that men can be "habituated to think for themselves, and to follow reason as their guide."
- Of course, all these ideas stand in stark contrast with Jefferson's complicated views (and practices) regarding slavery.

Jefferson and government

A Jeffersonian role for government

- Government should provide public instruction in order to enlighten.
- Influenced greatly by utilitarianism: Jean-Jacques Rousseau, Jeremy Bentham, and later John Stuart Mill.
- According to utilitarians, the best actions are the ones that maximize society's utility by producing the greatest well being to the greatest number of people. The morality of an action depends on its effects and actions are deemed morally good if they produce good results that benefit the populace.
- Jefferson's utilitarianism went beyond education to the belief that the environment had to be controlled to produce good results.
- However, Jefferson does not share the belief of many utilitarians that in order to do good, government must have great powers with wide powers over the economy.
- In practice, utilitarianism justified the extension of the British governments economic influence in the 19th century.

Human perfectibility

- Government should not take individuals as it finds them, but improve upon them.
- In particular, government should persuade individuals that they are free and equal.
- This a diametrically different view than then one espoused by Madison and Hamilton in the Federalist papers.

Federalist Paper 51 on Checks and Balances, Madison

'If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself. A dependence on the people is, no doubt, the primary control of the government, but experience has taught mankind the necessity of auxiliary precautions."

- This shows how, often, political-economic choices are predicated on anthropological commitments.

Agrarian societies as a path to human perfectibility

Thomas Jefferson to James Madison

“I think our governments will remain virtuous for many centuries as long as they are chiefly agricultural; and this will be as long as there shall be vacant lands in any part of America. When they get plied upon one another in large cities, as in Europe, they will become corrupt as in Europe.”

- The best way to improve human is in a democratic, agricultural society where almost everyone is a small farmer.
- Thus, Jefferson did not believe that economic policy should be vigorous and extensive, but should encourage independent agriculture, which required little government intervention.
- By letting agriculture develop on its own, many independent homesteads would be formed .

- Jefferson believes that land policies can help redistribute wealth more evenly.
- He supports abolishing primogeniture and levying taxes on land in “geometric progression.”
- Give free land to immigrants.
- A strong motivation for the Louisiana purchase.
- Believes that each generation should leave the next unencumbered.

Manufacturing and trade

- Therefore, Jefferson is initially opposed to any state assistance to manufacturing.
- His view of manufacturing was that of small scale manufacturing perhaps attached to family farms.
- Jefferson did not think that foreign trade should be a fundamental economic concern.
- Also, he supports reciprocity, trading freely with those who do not impose sanctions on the U.S., and restricting trade with those who do.
- Similar to the economics advanced by physiocrats: the most productive use of labor was in agriculture and in free domestic and international trade. Imports should not be taxed. Instead, revenue should be raised by taxing agriculture.

- While acknowledging that power can be abused, Jefferson believed that in favorable conditions good would prevail.
- Jefferson is more trusting of the majority than either Hamilton and Madison.
- Jefferson believed in the restraining power of state governments.
- Consistent with his views expressed in the Virginia and Kentucky Resolutions (1798).

Jefferson the president

- Jefferson's views evolve in the Presidency, where he comes to appreciate somewhat more the value of trade and production for the market.
- After 1805, he no longer believes that agriculture can be the sole foundation for the economy, that a manufacturing sector was essential as well, and that trade policy should be directed toward supporting domestic interests.
- Nonetheless, Jefferson's ideal economy was always premised on small self-sustaining farms with little need for a vibrant exchange economy.

A Jeffersonian puzzle?

- It is puzzling how Jefferson could ascribe to an economic organization that has never existed before or since his time.
- Perhaps in part polemical, as self-sufficient farms can be less impaired by government policies, thus guaranteeing their political liberty.
- Still, his economics is fanciful at best; deeply flawed at worst.
- These well documented beliefs are also inconsistent with some of his later policies. Better to think of them as goals and not ones that would entirely interfere with policy such as when he enacts a boycott of British goods.
- But, he believes that any encouragement of manufacturing should be done at the state level. And he believes only in small scale manufacturing.
- Nonetheless, Jeffersonian tradition is a major thread in American politics until today: Andrew Jackson, Harry Truman, ...