



Benjamin Franklin's principles of political economy: a speculative inquiry

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Abstract

Purpose – The purpose of this paper is to examine the extent to which Benjamin Franklin's understanding of political economy was shaped by his association with the French school of writers known as physiocrats.

Design/methodology/approach – The paper works from direct statements by Franklin in his published works and correspondence and biographical sources.

Findings – Franklin declared himself to embrace physiocratic principles and ideals but was not able to advance these ideals at home.

Research limitations/implications – Further details are undoubtedly available from sources not translated from French into English.

Practical implications – The course of history would have been significantly different had the physiocratic ideals become the basis for law and public policies.

Originality/value – The paper offers further evidence of the influence of the physiocratic school on Franklin, as one of the leading practical philosophers of his age.

Keywords Economic theory, Economic history, Political economy

Paper type Viewpoint

One would not be exaggerating too much to say that to the people of British North America, or Britain itself, and even in France, the four decades beginning in 1750 became the *Age of Franklin*. Few men of his time were as well-known or well-respected as Benjamin Franklin. Few men played a greater part in the major events of the period.

Born on January 17, 1706, into a large and reasonably well-off family, Franklin received only a few years of formal schooling, "where he was taught Latin, arithmetic and other useful knowledge" (Fay, 1929, p. 11). At age 12, he was apprenticed to his brother James, editor of the *New England Courant*.

Although the work was hard, Benjamin found diversion in reading. He had access to a small library of books kept at the offices of the newspaper, and one of the paper's supporters opened his personal library to him. Already, he thought writing would be key to his future accomplishments, and he worked diligently to improve his vocabulary and writing style. Recognizing as well his weakness in logic and reasoning, Franklin studied Locke's (1689) and other serious works. The young Franklin could not but be enthralled by the depth of Locke's speculations – or take lightly his advice:

Men may find matter sufficient to busy their heads and employ their hands with variety, delight, and satisfaction, if they will not boldly quarrel with their own constitution, and throw away the blessings their hands are filled with, because they are not big enough to grasp everything[1].



The emerging Franklin is well-described by biographer Fay:

[...] Franklin, provided with a few books, had been able to create practicable and unforgettable formulas which he used to infinite profit during his whole life and in the midst of a century which pushed intellectual and sentimental refinement to such extremes (Fay, 1929, pp. 41-2).

Troubled by the doctrines of conventional religion and what he found to be boring sermons delivered by his own Presbyterian Ministers, Franklin was drawn to the writings of the leading deists of his day. He stopped attending church services, preferring to spend the time reading and studying. And, within a short period he gathered up the courage to put his thoughts before the reading public. He began his writing career by creating an alter ego, Mrs Silence Dogood, and anonymously submitting letters to his brother's newspaper by sliding them under the door of the printing shop at night. He was now 16. Then, in July of 1723, he simply packed up and left without word to anyone.

Benjamin stopped briefly in New York City but was unable to find work in any of its printing houses, and he soon left for Philadelphia. There he quickly found employment in his chosen profession. Seemingly good fortune smiled on the young man. The governor of Pennsylvania happened to hear from another Bostonian of Benjamin's arrival in Philadelphia and decided to call on him at the printing office. After their relationship grew into something of a friendship, the Governor offered to direct the colony's printing business to the young Mr Franklin, encouraging him to start his own printing house. However, this venture required financial resources the young man did not possess. So, the Governor urged Franklin to go to England, where he could complete his training in the printer's trade and improve his prospects. Governor Keith promised to provide him with letters of introduction, but this turned out to cause Benjamin only problems. The Governor was deep in debt on both sides of the Atlantic and had fallen into disfavor with the Penn family. When Franklin arrived in London, he found he was on his own.

Settled in and gainfully employed, Benjamin Franklin felt he was ready to enter the public dialogue, to put his own beliefs into written form, testing his capacity to reason on an uncertain audience. He printed 100 copies of his own essay, "A dissertation on liberty and necessity, pleasure and pain", giving copies out to those who expressed a willingness to read it and engage him in discussion on the questions raised. Out of this effort grew an important friendship with a Dr Lyon, who brought Franklin – into "that curious intellectual society of brilliant, dissolute men who met in the shadowy taverns and who sometimes slipped into the salons of the great" (Fay, 1929, p. 95).

After completing his apprenticeship and returning to Philadelphia, Franklin concentrated on achieving personal and financial success. Of great importance to his future, as well, he "was taking back the latest doctrines of the English Radicals" (Fay, 1929, p. 106). After only a year in Philadelphia, he started a discussion group, The Junto, bringing together others who shared his thirst to expand their knowledge and "to give mutual aid and protection."

One of the pressing issues for the colony in those days was the shortage of currency, which made business difficult and interest charged by creditors high. Franklin entered the debate with an essay expressing his views on the proper role of paper currency. He challenged the assertion that a nation's wealth is best measured by the quantity of gold and silver possessed. He argued, instead, that "the riches of a country are to be

valued by the quantity of labour its inhabitants are able to purchase.” To facilitate economic growth, he concluded that a significant issuance of currency would “beneficially raise the value of land and wages.” In this paper, I will not explore whether Franklin is correct or incorrect in his argument. Rather, what is revealing is Franklin’s sense that he had something important to say on the subject. Fay observes that:

Benjamin studied the question carefully and considered the various arguments in the light of what he had seen in England and what he had learned in the books of the greatest economist of the time, the head of the mercantile school, William Petty. [...] The essential theme of Franklin was that a new issue of banknotes would give prosperity to the needy classes as well as to the wealthy and the Government itself, as the State and capitalists drew direct profit from a condition of general well-being (Fay, 1929, pp. 131-2).

Remarkably, the Pennsylvania Assembly followed his advice; and, when the results he forecasted occurred, his reputation advanced. His influence also increased by becoming a Freemason, which helped to open doors for him when he later arrived in France. As biographer Van Doren wrote: “In France it [Freemasonry] was freethinking and opposed to absolutism [...] The Masons of the most eminent lodge in France became his informal colleagues in the service of the new republic” (Van Doren, 1938, p. 656). His mother wrote with some concern over Franklin’s involvement with the controversial Freemasons, to which he responded: “I assure you that they are in general a very harmless sort of people, and have no principles or practices that are inconsistent with religion and good manners” (Van Doren, 1938, p. 136). He was now 24.

His business firmly established, his position in the community rising, Franklin seemed never to tire of new initiatives. He proposed establishing an American Philosophical Society, observing that “there are many in every province in circumstances that set them at ease and afford leisure to cultivate the finer arts and improve the common stock of knowledge” (Van Doren, 1938, p. 139). He was fast coming to the point in his own affairs where he could devote more time to such endeavors.

In 1748, he was elected to the Pennsylvania Assembly, where his primary concerns became the status of the indigenous tribes, the issuance of paper currency, and the taxation of the Penn family’s proprietary lands. Reflecting on his life to that point, Franklin wrote to his mother: “I enjoy, through mercy, a tolerable share of health. I read a great deal, ride a little, do a little business for myself, more for others, retire when I can, and go into company when I please; so the years roll round, and the last will come, when I would rather have it said ‘He lived usefully’ than ‘He died rich’” (Van Doren, 1938, p. 177).

Already at an age beyond the normal lifespan of men of his generation, the 1750s were incredibly productive years for Franklin. He wrote an essay on population that eventually came to the attention of Adam Smith in Scotland. One of his keen observations was that wages tend to be higher in a territory where there is an abundance of free land. Looking into the future, he also questioned the wisdom of permitting non Anglo-Saxons to settle in British North America. The long-term loyalty of the colonials required, he concluded, the presence of shared cultural and political values with the mother country.

Late in the decade, in 1757, Franklin returned to London, where much of his time was devoted to scientific and intellectual pursuits. In 1759, he was awarded an honorary Doctor of Laws degree by the University of St Andrews in Scotland.

While there, he met Adam Smith and dined with him at the Edinburgh house of William Robertson. What they discussed is not recorded; however, Franklin's interest in and knowledge of political economy was, as we have seen, already well developed. A year later, he wrote an essay on the relation between Britain and its colonies, in which he emphasized the principle of the division of labor and offered his explanation of why the introduction of manufacturing is difficult where agriculture remains a profitable activity. He also observed that the broad ownership of property brings political stability. "While the government is mild and just," writes Franklin, "while important civil and religious rights are secure, such subjects will be dutiful and obedient. The waves do not rise but when the winds blow" (Van Doren, 1938, p. 289). Perhaps, he sensed the winds were already gathering force and wanted to sound an alarm to those who might share his concerns for the empire.

Also during this period, Franklin entered into correspondence with David Hume, the great philosopher and political economist. They discussed the virtues of America and exchanged views on scientific matters.

Franklin received yet another recognition of his accomplishments, an honorary Doctor of Civil Laws degree from Oxford. He was from that point on recognized throughout the Old World as "Doctor Franklin." By 1762, Franklin expressed to David Hume his intention to return to Philadelphia, prompting the following response from Hume:

I am very sorry, that you intend soon to leave our Hemisphere. America has sent us many good things, Gold, Silver, Sugar, Tobacco, Indigo &c.: But you are the first Philosopher, and indeed the first Great Man of Letters for whom we are beholden to her: it is our own Fault, that we have not kept him: Whence it appears that we do not agree with Solomon, that Wisdom is above Gold: For we take care never to send back an ounce of the latter, which we once lay our Fingers upon[2].

Events took over, however, and Franklin found it impossible to return to North America. His abilities as statesman were soon to be tested. The British nation incurred a huge national debt as a result of the Seven Years' War, and many in the government argued the colonials should be taxed in return for the military protection they enjoyed. Pennsylvania's Assembly enlisted Franklin, hoping he could convince the British government that imposing taxes on the colonies would have serious repercussions. Despite Franklin's efforts, the Stamp Act was passed in 1765 and so began the chain of events leading open rebellion.

Despite the pressure of his new responsibilities, Franklin made time during 1767 to travel to France, for what he later described as one of the most sought after meetings of his life – with Quesnay, leader of the French school of political economists known as physiocrats. He did not leave a record of their conversations, but his later writings suggest he embraced the principles and scientific approach to political economy taken by these French intellectuals. Even so, Franklin's writing during this period revealed had not come to a full understanding of the fundamental reasons why Old World poverty was so much more widespread than in the New World. Britain's landed class, at least, accepted some responsibility for the poorest of their fellow citizens:

In justice then to this country, give me leave to remark, that the condition of the poor here is by far the best in Europe, for that, except in England and her American colonies, there is not in any country of the known world, not even in Scotland or Ireland, a provision by law to

enforce a support of the poor. Everywhere else necessity reduces to beggary. This law was not made by the poor. The legislators were men of fortune. By that act they voluntarily subjected their own estates, and the estates of all others, to the payment of a tax for the maintenance of the poor, incumbering those estates with a kind of rent charge for that purpose, whereby the poor are vested with an inheritance, as it were, in all the estates of the rich.

If it be said that their wages are too low, and that they ought to be better paid for their labour, I heartily wish any means could be fallen upon to do it, consistent with their interest and happiness; but as the cheapness of other things is owing to the plenty of those things, so the cheapness of labour is, in most cases, owing to the multitude of labourers, and to their underworking one another in order to obtain employment. How is this to be remedied?[3]

From the writings of the French physiocrats, Franklin would eventually discover why wages tended to fall as population increased and how this outcome might be remedied.

The physiocrats: turning political economy from alchemy into scientific investigation

Quesnay, the man Franklin so eagerly sought out during his 1765 visit to France, was born in 1694 in a small rural community. He received little formal education yet pursued the study of medicine and at the height of his profession was appointed court physician to Louis XV. In mid-life, Quesnay became increasingly interested in finding solutions to many of the societal issues of his time. In 1750, he contributed several articles for Diderot's *Encyclopedie* and began to develop his views on the responsibilities of government, on the nature of property and on the promotion of trade and commerce. From his friend, Victor Riqueti, the Marquis de Mirabeau[4], Quesnay received a copy of Richard Cantillon's *Essay on the Nature of Commerce*, first published in French 21 years after Cantillon's death. The two men met, and Quesnay convinced Riqueti that Cantillon had made a number of key mistakes in his analysis. Yet, Cantillon and Quesnay clearly shared many insights. "The Land," observed Cantillon, "is the source or Matter from whence all Wealth is produced. The Labour of man is the Form which produces it: and Wealth in itself is nothing but the Maintenance, Conveniences, and Superfluities of Life" (Robbins, 1998). This observation became central as well to Quesnay's principles of political economy.

Cantillon also set the stage for much of the subsequent debate over the connection between population growth and worsening poverty. He asserted: "Men multiply like Mice in a barn if they have unlimited Means of Subsistence; and the English in the Colonies will become more numerous in proportion in three generations than they would be in thirty in England, because in the colonies they find for cultivation new tracts of land from which they drive the [inhabitants]." As we look at history, we find that our behavior turned out to be rather more complicated than Cantillon understood. The world's highest rates of increase in population often occur where landlessness is epidemic and poverty widespread. In North America, large families were welcomed by largely self-reliant farmers in an era when hiring laborers was often difficult.

Riqueti set out to bring others to the physiocratic school and wrote his own book on population. Influenced by Quesnay, he condemned the holding of large estates by the wealthy, arguing that these lands should be made into productive farms. From Quesnay came the physiocrats' most heralded contribution to political economy as a science – the publication of his *Tableau Economique*, in 1758. With this tool, Quesnay was the first to inject a degree of quantitative analysis into political economy.

His influence is appropriately gauged by the fact that in 1765 Adam Smith came to France specifically to visit and learn from him. One can speculate that a copy of the *Tableau Economique* found its way to Franklin, sparking his own desire to travel to France to meet with this great Frenchman.

Another member of the new physiocratic school was Pierre-Paul Mercier, appointed intendant of the colony of Martinique in 1759, where he incurred the anger of his superiors by removing restrictions against trade. He is joined by Pierre-Samuel Du Pont de Nemours, whose writing on finance had come to Quesnay's attention. Du Pont soon took over as editor of the physiocratic *Journal d'agricultures, du commerce et des finances*.

The most important convert to the physiocratic doctrines was Anne-Robert Jacques Turgot, who in 1761 was appointed Administrator of Limoges. In 1766, Turgot wrote a 100-page outline of political economy that was later published by Du Pont. The story is that he wrote this for two visiting Chinese students prior to their return to China.

What, then, did these men assert? What is the physiocratic doctrine?

At the heart of *physiocratie* is a belief in natural law, as revealed by the application of scientific methods of analysis and observation. Societies organized according to the true natural law would be both moral and prosperous. And, key to natural law was the correct relationship between people and the land they occupied. As Quesnay wrote:

Agriculture and commerce are constantly regarded as the two sources of our wealth. Commerce, like industry, is merely a branch of agriculture. These two states exist only by virtue of agriculture. It is agriculture which furnishes the material of industry and commerce and which pays both; but these two branches give back their gain to agriculture, which renews the wealth which is spent and consumed each year (Quesnay, 1759).

Quesnay understood that only when a society's agricultural production is sufficient to provide for all without having to be produced by all will manufacturing and commerce become possible. He argued that agricultural surplus was, in this way, converted into other goods and services.

Key to a future in which all received enough to live decently was a system of law that distinguished between the productive and non-productive segments of society. Where the land was concerned, this required measures favorable to cultivators. It required an end to mercantilism and the introduction of free trade practices. Will and Ariel Durant write that "Quesnay's disciples looked up to him as the Socrates of economics" (Durant and Durant, 1967, p. 74). So much so, in fact, that "they submitted their writings to him before going to print, and in many cases he contributed to their books" (Durant and Durant, 1967, p. 74). To achieve their objectives of a society organized in harmony with natural law, these men called on the owners of land to absorb the full costs of government. The landed aristocracy of France and the landed interests in other countries could hardly be expected to permit this type of thinking to find its way into law.

The physiocratic influence on Franklin and Franklin's role in creating the emerging American System

In 1767, Charles Townshend, Britain's chancellor of the exchequer, promised the nation's landed minority he would find revenue in America sufficient to pay for the defense of the colonies, so that the land tax at home could be reduced. Franklin warned his friend Lord Kames that Britain needed to think of the long-term. "As to America,"

wrote Franklin, “the advantages of such a union to her are not so apparent. She may suffer at present under arbitrary power of this country; she may suffer awhile in a separation from it; but these are temporary evils that she will outgrow” (Van Doren, 1938, p. 363). Franklin was learning very quickly that there was little appreciation for the volatility of the situation within the halls of government in Britain.

In the midst of the escalating political tensions, Franklin’s attraction to physiocratic principles – influenced by the experience of life in America – emerged in a new essay, published in 1767, with the title, *On the Price of Corn and Management of the Poor*. “The best way to do good is not making them [the poor] easy in poverty,” observed Franklin, “but leading or driving them out of it.” From the writings of Quesnay and his colleagues, Franklin began to appreciate how this could be accomplished. Franklin’s essay appeared in the physiocratic journal, *Ephemerides*, prior to his arrival in France and his discussions with Quesnay. Confirming his conversion to *Physiocratie*, Franklin writes in a letter, “After all, [England] is fond of manufactures beyond their real value, for the true source of riches is husbandry.” Fay adds:

He adopted the principle that only agriculture is productive, believed that trade should be free for all, and that indirect taxation was absurd. The discussion with England had already turned his mind practically in this direction, and the Physiocrats furnished him with a doctrine, which he made use of in his writings of these stormy years (Fay, 1929, p. 344).

Franklin arrived in France at the end of August, 1767, and quickly made his way to Paris and his meeting with Quesnay. “Franklin,” writes Fay, “was all but bowled over with delight” (Fay, 1929, p. 342). Fay also notes that over a period of several years his correspondence with French colleagues and officials was ongoing, “and more than two thirds of it was devoted to the Physiocratic group” (Fay, 1929, p. 344). His new physiocratic views were captured in a 1768 pamphlet, *Positions To Be Examined Concerning National Wealth*, in which he wrote: “All food or substance for mankind arises from the earth or waters.” And, to Du Pont de Nemours he declared his full adherence to their shared principles:

I received your obliging Letter of the 10th of May, with the most acceptable Present of your *Physiocratie*, which I have read with great Pleasure, and received from it a great deal of Instruction. There is such a Freedom from local and national Prejudices and Partialities, so much Benevolence to Mankind in general, so much Goodness mixt with the Wisdom, in the Principles of your new Philosophy, that I am perfectly charm’d with them, and wish I could have staid 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 had, before I went into your Country, seen some Letters of yours to Dr Templeman, that gave me a high Opinion of the Doctrines you are engag’d in cultivating, and of your personal Talents and Abilities, which made me greatly desirous of seeing you. Since I had not that good Fortune, the next best thing is the Advantage you are so good as to offer me, of your Correspondence, which I shall ever highly value, and endeavour to cultivate with all the Diligence I am capable of.

I am sorry to find, that that Wisdom which sees the Welfare of the Parts in the Prosperity of the Whole, seems not yet 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 ever studying to establish and extend a separate Interest of Britain, to the Prejudice of even Ireland and our own 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 that of superior Beings in better Worlds[5].

What could Franklin do, armed with this enlightened set of economic principles? His learned French teachers were opposed at every turn by entrenched interests in their own society. He was away from home, and the matters demanding his attention were of a crucial nature. What he could do was to continue to write, hoping his established reputation as a scientist would carry over into the realm of political economy. He also began to look at the conditions existing in England, Scotland, and Ireland with new insight. He had reached a point in his understanding, writes Van Doren, where “the poverty and misery of the Irish people were an example of what might come to America if the old colonial system of exploitation were kept up. America must defend itself from such a future. America and Ireland had a common cause against England” (Van Doren, 1938, p. 391). Of Ireland and Scotland, Franklin wrote the following in 1771:

In those countries a small part of society are landlords, great noblemen, and gentlemen, extremely opulent, living in the highest affluence and magnificence; the bulk of the people tenants, living in the most sordid wretchedness in dirty hovels of mud and straw and clothed only in rags. [...] I thought often of the happiness of New England, where every man is a freeholder, has a vote in public affairs, lives in a tidy, warm house, has plenty of good food and fuel, with whole clothes from head to foot, the manufacture perhaps of his own family. [...] if my countrymen should ever wish for the honour of having among them a gentry enormously wealthy, let them sell their farms and pay racked rents; the scale of the landlords will rise as that of the tenants is depressed, who will soon become poor, tattered, dirty, and abject in spirit[6].

These experiences had to have had a deep impact on Franklin, increasing his fears for the future of an America subjected to the oppressiveness of Old World socio-political arrangements and institutions. He and his countrymen had been lulled into a false sense of security by long decades of salutary neglect now coming to a crashing end. Here, is when Franklin likely acquired a copy of Thomas Paine's pamphlet in support of the cause of the excise-men and put to Paine the thought of going to America, perhaps to bring a first-hand warning of the true political conditions in Britain. And, as we know, Paine soon departed from England in November of 1774. Knowing their correspondence might be intercepted and read by British authorities, Paine may have been communicating a more important message than the words conveyed, when he wrote to Franklin from Philadelphia: “Your countenancing me has obtained for me many friends and much reputation, for which please accept my sincere thanks.” And later: “For my own part, I thought it very hard to have the country set on fire about my ears almost the moment I got into it.”

Physiocratie was dealt a severe blow in 1774 with the death of Quesnay. Turgot's efforts to introduce physiocratic reforms brought on his downfall, as he is dismissed by the King in May of 1776. The landed aristocracy and the bureaucracy of the state would have none of it, too blind to see the rising discontent that would in less than a quarter century spread violence across the land. The popular uprising against the Monarchy and Aristocracy was inevitable, to be sure. What ironically hastened the process was French support of the American colonies against Britain. Turgot was a voice in the wilderness warning the French treasury would be bankrupted in the process. Franklin biographer Van Doren writes that Turgot expressed his objections on the “ground that the American colonies of all the European powers were sure to become independent in time; and that England, instead of losing her strength with her colonies, would be better off when trading with them as independent states than now

while exercising her colonial monopoly” (Van Doren, 1938, p. 567). Thus, in a strange twist of fate, Franklin would have reason to be relieved that in the years to come Turgot would be out of government and without influence.

Franklin’s position, his very safety, was now seriously at risk in Britain. Wisely, early in 1775 he departed for home, arriving in Philadelphia on May 5. He was immediately chosen by the Pennsylvania Assembly as a deputy to the Second Continental Congress. He was 70 years old and the oldest deputy in the Congress. His health was poor, although others remained impressed by his alert intellect.

The demands on Franklin’s time and energy remained heavy. He submitted a proposal for Articles of Confederation and Perpetual Union for consideration and debate. He included a provision to give the Congress power to regulate “general commerce,” the objective of which was to assure consistency between the states. Later in the year, Paine showed Franklin his draft of *Common Sense*, and, when later printed, Paine had the first copy delivered to the good Dr Franklin. Clearly, Paine was guided in his actions by his sincere admiration for Franklin and a mutual adherence to the principles by which Franklin was guided. At this stage in his life, what more could Franklin hope for than by his actions to provide hope of a bright future for the newly-established USA.

With the outbreak of war, Franklin did his best to focus attention on how the expenses of the war should be paid. This was a time that dictated expediency rather than scientific principles. He warned of the dangers of a depreciating paper currency and advanced several measures, all rejected as impractical. Yet, the colonies had little specie in reserve. Now, the interruption in trade drove up the price of necessary goods. There was little else that could be done other than to issue paper currency into circulation. Thus, despite the ensuing problems that arose, Franklin chose to look for the silver lining:

The effect of paper currency is not understood on this side of the water. And indeed the whole is a mystery even to the politicians: how we have been able to continue a war four years without money; and how we could pay with paper that had no previously fixed fund appropriated specifically to redeem it. This currency, as we manage it, is a wonderful machine. It performs its office when we issue it; it pays and clothes troops and provides victuals and ammunition; and when we are obliged to issue a quantity excessive, it pays itself off by depreciation.

The Congress had no choice, really. Its powers did not include the ability to impose taxes on individuals or enforce the requisitions of material from the states. Taxation remained the province of the state legislatures. Hard currency provided by the French was quickly hoarded out of circulation, as one would expect under circumstances that permitted payment of debts using depreciating paper currency. Thus, it might be best to interpret Franklin’s statement above as recognition that one could have reasonably expected the ramifications to have been far worse than they turned out to be.

The nation was now fully committed to a long war against British occupation, and winning the war took priority over planning for the peace or maintaining stable prices. The only means to slowing the pace of currency depreciation was to acquire hard currency from France and other Old World powers eager to see Britain’s empire weakened. Despite his advanced age, Franklin accepted the call of his nation, returning to France to secure support from Vergennes for the American cause. In his absence, unfortunately, there was no one else in the Congress to argue the case to incorporate physiocratic principles into the laws of the new nation.

Serving the nation in France, Franklin's health was failing him. In 1781, he turned 75 and could not be expected to continue on for very much longer. He wanted to be relieved of his duties and to return home. Reflecting on the long years of conflict, he wrote to Edmund Burke in Britain:

Since the foolish part of mankind will make wars from time to time with each other, not having sense enough otherwise to settle their differences, it certainly becomes the wiser part, who cannot prevent those wars, to alleviate as much as possible the calamities attending them.

Even so, Franklin still had the energy and will to think about the future. In 1783, he prepared a pamphlet, *Information to Those Who Would Remove to America*. The great advantage of America was its vast emptiness, but Franklin, the Physiocrat, realized this happy circumstance would not last forever:

The Truth is, that tho' there are in that Country few People so miserable as the Poor of Europe, there are also very few that in Europe would be called rich: it is rather a general happy Mediocrity that prevails. There are few great Proprietors of the Soil, and few Tenants; most People cultivate their own Lands, or follow some Handicraft or Merchandise; very few rich enough to live idly upon their Rents or Incomes; or to pay the high Prices given in Europe, for Paintings, Statues, Architecture and the other Works of Art that are more curious than useful.

He advised his readers that not until "the lands are taken up and cultivated, and the excess of people [...] cannot get land" would those coming from the Old World have difficulty finding employment. Only in the distant future and the disappearance of the frontier would poverty become a problem in America.

Early in 1781 Franklin responded to a letter received from Turgot, although the subject concerned Franklin's stove design and had nothing to do with political economy or the state of the world. Not long thereafter, Turgot died. Franklin expressed his own sense of loss in a letter to Madame la Duchesse d'Enville, and Monsieur Le Duc de Rochefoucauld, writing that "he condoles with them most sincerely on the Loss of their excellent Friend M. Turgot, and mingles his Tears with theirs"[7].

Franklin certainly understood and respected Turgot's opposition to French financial assistance to the fledgling "United States of America." Early in 1782, Franklin wrote from his residence in Passy:

The friendly disposition of this court towards us continues. We have sometimes pressed a little too hard, expecting and demanding, perhaps, more than we ought, and have used improper arguments, which may have occasioned a little dissatisfaction, but it has not been lasting. In my opinion, the surest way to obtain liberal aid from others is vigorously to help ourselves. People fear assisting the negligent, the indolent, and the careless, lest the aids they afford should be lost. I know we have done a great deal; but it is said, we are apt to be supine after a little success, and too backward in furnishing our contingents. This is really a generous nation, fond of glory, and particularly that of protecting the oppressed[8].

Perhaps, Franklin appreciated, as did Turgot, that the French economy was weak and vulnerable to collapse under the combined pressures of destructive domestic policies and almost continuous warfare. The physiocrats were enlightened thinkers attempting to achieve incremental change in a society dominated by entrenched privilege. And, Franklin was under a quite different set of pressures coming from across the Atlantic.

During this period he corresponded extensively with Robert Morris on the financial needs of the new nation. Somewhat remarkably, they also exchanged views on the

nature of property and other subjects. Franklin's list of correspondents was long, which kept him quite busy with matters of state as well as his personal affairs.

In July of 1784, Franklin received a letter from Richard Price, who had in his possession a remarkable document, a letter price received in 1778 from the great Physiocrat, and which Price intended to have published. Price sought Franklin's opinion "concerning the propriety of making it public [and that his death has free'd me from any obligation to keep it Secret] by conveying it to the USA with my own Pamphlet"[9]. Franklin responded that he was forwarding Turgot's letter on to Pierre Samuel Dupont de Nemeurs, "thinking him the properest Person to consult on the Subject, as he has the Care of the Papers left by that great Man"[10]. Turgot began by stating the obvious with regard to the British people's:

[...] infatuation [...] in the absurd project of subduing America [...] and by the system of monopoly and exclusion which has been recommended by all your writers on Commerce, (except Mr Adam Smith and Dean Tucker); a system which has been the true source of your separation from your Colonies[11].

In Turgot's view, the British people enjoyed great advantages, squandered by those who enjoyed entrenched privilege, which they exercised in pursuit of narrow political and economic objectives harmful to the nation. "I cannot conceive how a nation which has cultivated every branch of natural knowledge with such success, should have made so little progress in the most interesting of all sciences, that of the public good"[11], wrote Turgot. Comparatively speaking, British citizens enjoyed "the liberty of the Press, which [...] ought to have given her a prodigious advantage over every other nation in Europe"[11]. Turgot remained intrigued that Britain's liberal proponents of political and social reform could ignore the ill conditions traced to landed privilege. More disconcerting to him for the future was the extent to which this relationship went unrecognized by the leaders of the new American nation:

I do not find that they attend to the great distinction (the only one which is founded in nature between two classes of men), between landholders, and those who are not landholders; to their interests, and of course, to their different rights respecting legislation, the administration of justice and police, their contributions to the public expence, and employment.

I imagine that the Americans are not as sensible of these truths, as they ought to be, in order to secure the happiness of their posterity. I do not blame their leaders. It was necessary to provide for the necessities of the moment, by such an union as they could form against a present and most formidable enemy. They have not leisure to consider how the errors of the different constitutions and states may be corrected; but they ought to be afraid of perpetuating these errors, and to endeavour by all means to reconcile the opinions and interests of the different provinces, and to unite them by bringing them to one uniform set of principles[11].

The eventual publication of Turgot's letter by Richard Price sparked some discussion among American readers over the points he raised. John Adams reportedly embarked on his own project to explain and defend the emerging *American System*, in part, to respond to Turgot's criticisms. Franklin was too busy concluding his affairs in France and making plans to return to Philadelphia to publicly comment. He wrote that he was uncertain of the reception awaiting him on his return because of the many controversies attached to the long negotiation of peace with Britain. Yet, a week after his arrival, he wrote to John Jay, "The affectionate welcome I met with from my fellow-citizens was far beyond my expectation" (Van Doren, 1938, p. 731).

When Franklin returned to Philadelphia, he found that despite the war, the prolonged interruption of normal commerce and depreciation of paper currency, his own lands had increased in value considerably during his long absence. In fact, his “estate [...] more than tripled in value since the Revolution” (Van Doren, 1938, p. 739). Additionally, the State of Georgia had awarded him 3,000 acres of land for his services as agent. He held the deed to a large tract of land in the Ohio territory as well. He owned a house and lot in Boston and a number of properties in Philadelphia. Still, there was little time for Franklin to tend to his personal affairs.

He found that in his absence much had changed. The rise of factions had rapidly grown under the Articles of Confederation and the weak national government. Thus, despite his age and ill health, he accepted a draft to participate in the Constitutional Convention. He spoke little, and his statements were read for him by James Wilson. He was realistic enough to understand that the principles of Quesnay, Turgot, and Du Pont de Nemours had little chance of finding a receptive audience among American leaders. In 1787, he expressed his acquiescence of this fact to Alexander Small:

I have not lost any of the principles of political economy you once knew me possessed of, but to get the bad customs of the country changed, and new ones, though better, introduced, it is necessary first to remove the prejudices of the people, enlighten their ignorance, and convince them their interests will be promoted by the proposed change; and this is not the work of a day. Our legislators are all landholders; and they are not yet persuaded that all taxes are finally paid by the land. [...] therefore we have been forced into the mode of indirect taxes, i.e. duties on importation of goods[12].

We should not be surprised, then, that as the Convention was drawing to a close he urged approval of the Constitution, even though he was not fully satisfied with the document.

An Agrarian nation adopts a Constitution

Franklin had returned to a nation united by victory but divided by sectional interests, by an adherence to state sovereignty, by cultural norms and by experience. Life under the Articles of Confederation generated increased tensions and anxieties. The number of unresolved conflicts between the states generated fear among the most nationalist of statesmen that the confederation would be short-lived. The structure for governing the new nation supported by most state leaders and the men they sent in 1780 to serve in the Congress was overwhelmingly decentralist. The means required to successfully conduct war against the world's strongest military power were legitimately feared by people who considered themselves citizens of sovereign states. They reluctantly yielded authority to the Congress and sought to recover their sovereignty when the conflict concluded.

Both James Madison and Alexander Hamilton expressed their dismay that the Congress had so little authority. Hamilton wrote that the “confederation . . . is neither fit for war, nor peace.” Madison called for powers vested in the Congress to exercise “coercive powers” to force the states into compliance with Congressional mandates. The most serious issue facing the confederation was repayment of the war debt and how it should be apportioned between the states. Even here, nothing significant could be achieved. The states pursued their own interests; and, absent any threat of renewed attack by Britain, Americans worked to rebuild what had been destroyed and to move on.

In addition to Franklin and Paine, Thomas Jefferson had also come under the influence of physiocratic principles during his years in France. Jefferson, in turn, patiently brought Madison along. Madison's biographer, Ketcham, writes:

Thus, Madison shared the ideals and high hopes of Jefferson's enlightened, philosophe circle in Paris, but his political tasks in the United States gave him a turn of mind inclined to dampen or amend Jefferson's speculations. Madison thought the unfortunate yet relentless way overpopulation caused human misery meant laws though helpful in parts of the United States, would never be able to abolish poverty. Likewise, the noble principle that the earth belonged to the living generation, drawn from the doctrine of consent, needed to be restrained and amended, lest it upset vital and useful aids to order and stability (Ketcham, 1971, p. 154).

Here, we have a strong indication that Madison, when pressed, would vote to compromise principle to achieve consensus. He feared the consequences of factions and parties more than that of wrong-headed policies.

A major challenge remained. What could the new nation do about the shortage of money (i.e. of gold and silver coinage). Franklin, as described above, reached the conclusion that paper currency served the war-time government well enough. But, this had required a blend of compliant patriotism and the treat of disaster. Americans needed currency but feared inflation – and its companion, the reduced purchasing power of currency used in the repayment of debt. Six states were issuing paper currency, and each suffered a greater or lesser degree of steady loss in purchasing power. As Madison explained:

The intrinsic defect of the paper [was that] this fictitious money will rather feed than cure the spirit of extravagance which sends away the coin to pay the unfavorable balance [in foreign trade] and will therefore soon be carried to market to buy up coin for that purpose. From that moment depreciation is inevitable (Ketcham, 1971, p. 175).

Madison remained steadfastly a proponent of a currency that held its purchasing power. Thomas Paine weighed in with a letter to President Reed dated June 4, 1780:

Every care ought now to be taken to keep goods from rising. The rising of goods will have a most ruinous ill effect in every light in which it can be viewed[13].

Then, near the end of 1785 Paine came back to the currency issue in his pamphlet, *Dissertations on Government, the Affairs of the Bank, and Paper Money*. Upon completion of the manuscript, he sent a copy to Franklin asking for "any difficulties or doubtfulness that may occur to you." Paine argued the case for a strong bank, privately subscribed, favored by the responsibility for taking in revenue on behalf of the government and with a strong backing of specie. The lessons of history were clear to Paine:

It is the interest of the bank that people should keep their cash there, and all commercial countries find the exceeding great convenience of having a general depository for their cash. But so far from banishing it, there are no two classes of people in America who are so much interested in preserving hard money in the country as the bank and the merchant. Neither of them can carry on their business without it. Their opposition to the paper money of the late Assembly was because it has a direct effect, as far as it is able, to banish the specie, and that without providing any means for bringing more in. [. . .] The only proper use for paper, in the room of money, is to write promissory notes and obligations of payment in specie upon.

Though this may have been sound economic advice, the politics were rather more complicated. This was Paine's last real opportunity to affect the course of events to

come, as he was soon to depart for England where he would spend a good deal of time attempting to gain approval for his design of a single-arch iron bridge, while becoming increasingly immersed in the Old World's coming period of political turmoil.

Madison in the meantime received from Jefferson a large selection of books on history and government. After an intense period of study, he produced *Of Ancient and Modern Confederacies*, a detailed analysis of the reasons nations faltered throughout history. Applying the lessons of history to the new nation, Madison feared the consequences of a continued weak central authority and all of the jealousies possessed by "each province of its sovereignty." He saw in history strong parallels to conditions evolving under the articles: "[N]o money comes into the public treasury, trade is on a wretched footing, and the states are running mad after paper money" (Ketcham, 1971, p. 185). Madison's sense of duty prompted him to action.

After arriving in Philadelphia early in May of 1787, Madison called on Benjamin Franklin. Dr. Franklin was now 81 years of age. His body was failing him, but Franklin's mind remained keen, and he often entertained groups of the delegates to discuss informally the lessons learned from his years of statesmanship. Franklin quietly made his own case for a stronger central government. The first substantive vote by the delegates affirmed a proposal made by Hamilton that "a national Government ought to be established consisting of a supreme Legislature, Executive and Judiciary" (Ketcham, 1971, p. 196). They also supported Franklin's proposal that states be prohibited from enacting laws conflicting with the terms of treaties entered into by the national government.

Franklin's first major speech to the Convention argued against the payment of a salary to the Executive. In his view, the national would "never be without a sufficient Number of wise and good Men to undertake and execute well and faithfully the Office in question" for "in all Cases of public Service, the less the Profit the greater the Honor"[14]. Days later, he entered into the debate over proportionate representation:

I must own that I was originally of Opinion it would be better if every Member of Congress, or our national Council, were to consider himself rather as a Representative of the Whole, than as an Agent for the Interests of a particular State, in which Case the Proportion of Members for each State would be of less Consequence, and it would not be very material whether they voted by States or individually. But I find as this is not [to] be expected, I now think the Number of Representatives should bear some Proportion to the Number of the Represented, and that the Decisions should be by the Majority of Members, not by the Majority of States[15].

Not until well into the Convention did the debates focus on the heart of conflict between democracy and hereditary power based on control of property, which had an important influence on the decision of how revenue was to be raised by government. We do not know whether Franklin sang the song of the physiocrats in favor of direct taxation of the landed, or decided he had no choice but to compromise his principles in the interest of forming the new government. There is nothing in the written record to indicate he voiced his opinions on the subject.

In August, the delegates reconvened and began to revisit their progress to date. Gouverneur Morris pressed the interests of the nation's landed by moving to restrict the vote for representatives to freeholders, suggesting the poor would sell their votes to the wealthy. Madison and others argued against this British practice and for broad suffrage (at least among adult, white males). Only then would government truly reflect

the consent of the governed. Later in the month, the debates moved to the question of revenue. Here, Madison urged giving the Congress broad powers to raise revenue, including the taxation of imports.

Following the publication of Beard's book[16] examining the background and interests of each of the delegates to the Constitutional Convention, historians attacked or defended Beard. Ketcham argues that, "although many of the delegates had a personal financial interest in the decisions of the Convention, the most thorough comparison of these interests with votes in the Convention indicates almost no significant correlation along lines of economic self-interest" (Ketcham, 1971, p. 229). In the end, Franklin urged adoption in his concluding speech to the delegates:

I confess that I do not entirely approve this Constitution at present, but Sir, I am not sure I shall never approve it: For having lived long, I have experienced many Instances of being oblig'd, by better Information or fuller Consideration, to change Opinions even on important Subjects, which I once thought right, but found to be otherwise. It is therefore that the older I grow the more apt I am to doubt my own Judgment, and to pay more Respect to the Judgment of others[17].

Regardless of their underlying motivations, once the delegates signed the draft Constitution it was up to the nation to decide whether this small group of men offered enough democracy, the preservation of enough sovereignty, and the prospect for republican government sufficiently strong to discourage further foreign designs on American territory. The drafted document was now to be debated in the state legislatures, and this proposed new form of government had determined opponents. Virginians Patrick Henry and Richard Henry Lee, for example, were outraged. In New York, Governor Clinton took charge of the Anti-Federalist campaign. Recognizing the need to sell the American leaders on what he believed to be the sound logic contained in the Constitution, Alexander Hamilton determined to present the case in writing. He recruited James Madison and John Jay for the undertaking. Thus, beginning in the Fall of 1787 their essays on government appeared in sympathetic New York newspapers. In these pages, the Federalist principles as they understood them at stake were explained at length.

Madison, in the tenth essay, elaborated on his historical findings. The "source of factions has been the various and unequal distribution of wealth." So, how could Americans avoid this outcome?

The regulation of these various and interfering interests forms the principal task of modern legislation, and involves the spirit of party and faction in the necessary and ordinary operations of the government.

His objective is the reliance on reason and logic in the making of laws, and the prevention of government-sanctioned privilege. And, the decisions over how government is to raise needed revenue "seems to require the most exact impartiality," he observes. At the same time, Madison knows "there is, perhaps, no legislative act in which greater opportunity and temptation are given to a predominant party to trample on the rules of justice." The wealthy are bound to leverage their wealth into whatever degree of political power – and corruption – is required to ensure their position is maintained. Madison naively believes the Constitution, as drafted, "promises the cure for which we are seeking."

Alexander Hamilton may have been familiar with the writings of Turgot and other Physiocrats, but he displayed no indication of sharing their perspectives. In the 12th

Federalist paper, he begins by stating, as fact, that “[t]he prosperity of commerce is now perceived and acknowledged by all enlightened statesmen to be the most useful as well as the most productive source of national wealth, and has accordingly become a primary object of their political cares.” Commerce, he was convinced, meant that population density would become much greater than in an agrarian society; and “as commerce has flourished [in other countries], land has risen in value.” He viewed rising land values as good for property owners and good for the nation as a whole. At the same time, he acknowledged that since land was still plentiful in America and land values were expected to remain relatively low for a long time to come, “it is evident that we must a long time depend for the means of revenue chiefly [. . .] from taxes of the indirect kind, from imposts, and from excises.” Taxing the “houses and lands” of farmers would yield, he argues, “too precarious and invisible a fund to be laid hold of[.]” He suspects, however, that where the “populous cities” are concerned, “the defect of other resources must throw the principal weight of public burdens on the possessors of land,” out of which nothing good will result. Why this is so, Hamilton does not explain.

In the 21st Federalist paper, Hamilton goes on to argue on what he saw as practical grounds against apportioning taxation based on land values. “In every country it is a Herculean task to obtain a valuation of the land,” he declares – adding, that “in a country imperfectly settled and progressive in improvement, the difficulties are increased almost to impracticality.” Later on, in the 30th Federalist paper, Hamilton argues the case for giving the national government “a general power of taxation” to meet any needs that might arise. And, in the next Federalist paper, he reminds the nation why this is so important:

As theory and practice conspire to prove that the power of procuring revenue is unavailing when exercised over the States in their collective capacities, the federal government must of necessity be invested with an unqualified power of taxation in the ordinary modes.

One is hard-pressed to argue with Hamilton when he states in the 35th Federalist paper: “There is no part of the administration of government that requires extensive information and a thorough knowledge of the principles of political economy, so much as the business of taxation.” However, one is left wondering to whom Hamilton is looking as the authority on the subject. He continues:

It might be demonstrated that the most productive system of finance will always be the least burdensome. There can be no doubt that in order to a judicious exercise of the power of taxation, it is necessary that the person in whose hands it is should be acquainted with the general genius, habits, and modes of thinking of the people at large, and with the resources of the country. And this is all that can be reasonably meant by a knowledge of the interests and feelings of the people. In any other sense the proposition has either no meaning, or an absurd one.

Hamilton ends there. He does not, unfortunately, tell us what he means by “the resources of the country.” And, in fact, earlier in this paper he reveals his fundamental ignorance of the scientific principles of political economy. However, he understood a good deal about human nature:

[With regard to] the landed interest [. . .] particularly in relation to taxes, I take to be perfectly united, from the wealthiest landlord down to the poorest tenant. No tax can be laid on land which will not affect the proprietor of millions of acres as well as the proprietor of a single acre. Every landholder will therefore have a common interest to keep the taxes on land as low as possible; and common interest may always be reckoned upon as the surest bond of sympathy.

Hamilton is not philosophically opposed to the landed being required to contribute their fair share to the support of government, per se. He is sympathetic to the view that the taxation of “real property or [...] houses and lands” ought to be reserved as “previously appropriated to the use of a particular State.” In the 36th Federalist paper he briefly discussed the mechanics and – in the last sentence – called for national uniform standards:

Land-taxes are commonly laid in one of two modes, either by *actual* valuations, permanent or periodical, or by *occasional* assessments, at the discretion, or according to the best judgment, of certain officers whose duty it is to make them. In either case, the *execution* of the business, which alone requires the knowledge of local details, must be devolved upon discreet persons in the character of commissioners or assessors, elected by the people or appointed by the government for the purpose. All that the law can do must be to name the persons or to prescribe the manner of their election or appointment, to fix their numbers and qualifications and to draw the general outlines of their powers and duties. And what is there in all this that cannot as well be performed by the national legislature as by a State legislature? The attention of either can only reach to general principles; local details, as already observed, must be referred to those who are to execute the plan.

I have read and re-read these pages written by Hamilton without understanding whether he is, in fact, arguing for or against a sharing of revenue raised from “land-taxes.” He seems to be recommending that revenue from land-taxes be collected by the states as a primary source of funds to fulfill their commitment to retire the national debt, after which “[a] small land-tax will answer the purpose of the States, and will be their most simple and most fit resource.”

In its final form, the language of the Constitution allowed for differing interpretations of what property might be taxed directly by the Federal government. A decision by the US Supreme Court in 1796 affirmed the distinction between direct and indirect taxation, but defined a tax on the income from land as an indirect form of taxation, permitted under the Constitution and not reserved to the states[18]. And, yet, overlaying the entire debate regarding the taxation of property is the powerful draw of acquiring land that was (and is) key to the American dream of finding – rather than earning – riches. As Beard observed of the times:

Speculation in western lands was one of the leading activities of capitalists in those days. As is well known, the soldiers were paid in part in land scrip and this scrip was bought up at low prices by dealers, often with political connections. Furthermore, large areas had been bought outright for a few cents an acre and were being held for a rise in value. The chief obstacle in the way of the rapid appreciation of these lands was the weakness of the national government which prevented the complete subjugation of the Indians, the destruction of old Indian claims, and the orderly settlement of the frontier. Every leading capitalist of the time thoroughly understood the relation of a new constitution to the rise in land values beyond the Alleghanies (Beard, 1935, p. 23).

Whether or not Benjamin Franklin, as he entertained his fellow delegates at his comfortable home in Philadelphia sought to bring them to his enlightened understanding of political economy is not recorded in any of the source materials I have relied upon for this admittedly narrow survey. Franklin’s papers contain an enormous volume of correspondence, only a small portion of which is represented in this paper. In his final few years he did not elaborate on the remaining enhancement he hoped would be adopted under the *American System*. Writing to Thomas Jefferson in France, Franklin expressed his faith that wisdom would prevail as the nation grew:

Our Disputes here about the new Constitution are subsided, and we are getting into Order. At the first Meeting of the new Congress, I suppose there will be some Contestation for Amendments, and probably some will be made. And future Congresses may make more as Experience shall make them appear necessary[19].

Epilogue

The story is told that “as the delegates of the Constitutional Convention trudged out of Independence Hall on September 17, 1787, an anxious woman in the crowd waiting at the entrance inquired of Benjamin Franklin, ‘Well, Doctor, what have got, a republic or a monarchy?’ To which Franklin replied, ‘A republic, if you can keep it’”[20]. Keeping the republic, securing and protecting “the Democracy” has proven to be an enormous struggle. The cost in lives has been incalculable. We should not forget these words left to us by Franklin as he neared the end of his journey:

Our new Constitution is now established, and has an appearance that promises permanency; but in this world nothing can be said to be certain, except death and taxes[21].

Notes

1. Locke (1689, p. 3). In a footnote comment made by the editors to the 1964 Yale University Press edition of Franklin's Autobiography, they observe that “Franklin paid tribute to this enormously influential work in Poor Richard for 1748” (p. 64).
2. Letter from David Hume to Benjamin Franklin, from Edinburgh, Scotland, May 10, 1762. From: *The Papers of Benjamin Franklin*, housed at the American Philosophical Society at Yale University. Provided in digital form by The Packard Humanities Institute.
3. Benjamin Franklin, signed “Medius.” Letter printed in Gentleman's Magazine, XXXVIII (1768) pp. 156-7. From: *The Papers of Benjamin Franklin*.
4. This is the elder “Marquis de Mirabeau,” who Franklin first meets in the Fall of 1767 in Paris.
5. Letter from Franklin to Pierre Samuel Du Pont de Nemeurs. London, July 28, 1768. From: *The Papers of Benjamin Franklin*.
6. A letter to Joshua Babcock, January 13, 1771. Excerpts included in Van Doren (1938, pp. 392-3).
7. Letter from Franklin to Madame la Duchesse d'Enville, and Monsieur Le Duc de Rochefoucauld, Passy, March 31, 1781. From: *The Papers of Benjamin Franklin*.
8. Letter from Franklin to Robert Livingston, March 4, 1782.
9. Letter from Richard Price to Franklin, Paris, July 12, 1784. From: *The Papers of Benjamin Franklin*.
10. Letter from Franklin to Richard Price, Passy, August 2, 1784. From: *The Papers of Benjamin Franklin*.
11. Letter from Turgot to Richard Price, Paris, March 22, 1778. From: *The Papers of Benjamin Franklin*.
12. Letter to Alexander Small, Philadelphia, September 28, 1787. From: *The Papers of Benjamin Franklin*.
13. Letter from Thomas Paine to President Reed of the Continental Congress, June 4, 1790 (Conway, 1969, p. 65).
14. Speech to the Constitutional Convention, Philadelphia, June 2, 1787. From: *The Papers of Benjamin Franklin*.

15. Speech to the Constitutional Convention, Philadelphia, June 11, 1787. From: *The Papers of Benjamin Franklin*.
16. Beard (1935). In the introduction to the 1935 edition of Beard's work, he distanced himself from those who referred to his work to support their assertion that vested interest was at the forefront of the Constitutional design. As Beard wrote in 1935: "Perhaps no other book on the subject has been used to justify opinions and projects so utterly beyond its necessary implications. . . . Indeed an economic analysis may be coldly neutral, and in the pages of this volume no words of condemnation are pronounced upon the men enlisted upon either side of the great controversy which accompanied the formation and adoption of the Constitution."
17. Speech delivered to the Constitutional Convention, Philadelphia, September 17, 1787. From: *The Papers of Benjamin Franklin*.
18. Kelly and Harbison (1976). "In the Constitutional Convention, . . . Rufus King had 'asked what was the precise meaning of direct taxation. No one answered.' . . . Evidence of this kind proved merely that in 1787 there was no general agreement as to what direct taxes were. Some men in 1787 apparently thought direct taxes included only capitation and realty taxes; others held that they included income; while still others defined direct taxes according to their status in theoretical economics."
19. Letter to Thomas Jefferson, Philadelphia, October 24, 1788. From: *The Papers of Benjamin Franklin*.
20. From the notes of Dr James McHenry, a delegate to the Convention and signer of the draft of the Constitution. Reprinted from the introductory page Warren (1972).
21. Letter to Jean Baptiste Le Roy, November 13, 1789.

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