



UNLOCKING
THE
FEDERALIST PAPERS

Discussion Guide

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9 The *Federalist Papers* and Economic Freedom

*Money is, With Propriety,
Considered as the Vital
Principle of the Body Politic*

STUDENT DISCUSSION GUIDE

VIEW THE VIDEO

Thoughtfully view the video which can be found at <http://www.RootsofLiberty.org/videos>.

ANALYZE THE SOURCE

Closely read the following excerpt from *Federalist No. 62* (written by James Madison) and be prepared to discuss the questions that follow:

In another point of view, great injury results from an unstable government. The want of confidence in the public councils damps every useful undertaking, the success and profit of which may depend on a continuance of existing arrangements. What prudent merchant will hazard his fortunes in any new branch of commerce when he knows not but that his plans may be rendered unlawful before they can be

executed? What farmer or manufacturer will lay himself out for the encouragement given to any particular cultivation or establishment, when he can have no assurance that his preparatory labors and advances will not render him a victim to an inconstant government? In a word, no great improvement or laudable enterprise can go forward which requires the auspices of a steady system of national policy.

1. What are some of the “great injuries” that might result from unstable government?
2. What factors or events could trigger a “want of confidence in our political institutions”? What might be some of the economic consequences of this lack of confidence?
3. How can “an inconstant government” limit economic expansion? Are there any historical or contemporary examples of such limitations? Are there any historical or contemporary examples of a “constant” government promoting economic activity?
4. What should be the key elements of a “steady system of national policy” to economic enterprise? Are these elements present in contemporary national economic policy?



EXPLORE THE ESSAY

Thoughtfully read the essay, *Money, is With Propriety, Considered as the Vital Principle of the Body Politic: The Federalist Papers and Economic Freedom*, and be prepared to discuss the following questions:

1. Paraphrase the thesis of this essay.
2. What were four or five significant economic problems in America under the Articles of Confederation?
3. In the 1780s, what were the three main obstacles to economic freedom?
4. How can a strong central government promote free and open competition? How can such a government inhibit competition? Have there been times in American history where the government has either promoted or inhibited economic competition?
5. Without a strong central government, how could individual states impede competition and free enterprise?
6. How can the unequal distribution of property enable people to oppress each other?
7. How does Madison propose to control factions? Is republican government a sufficient curb on factions? If not, what else is needed?
8. Which specific tools does the Constitution give to the federal government to support commerce?
9. How does the system of checks and balances protect economic rights? Are there examples from American history when this system has worked? when it hasn't worked?
10. In addition to the general structural supports in the Constitution to protect economic liberty, there are numerous specific provisions (some referenced in this essay) to ensure economic freedom. Which three or four of the provisions below do you think play the greatest role in guaranteeing economic freedom? Why?
 - ▶ Tax clause
 - ▶ Bankruptcy
 - ▶ Patents
 - ▶ Weights and measures
 - ▶ Commerce clause
 - ▶ Impediments to contracts
 - ▶ Coining and counterfeiting
 - ▶ Payment of national debt
 - ▶ Power to borrow money
 - ▶ Post office and post roads
 - ▶ Necessary and proper clause
 - ▶ Full faith and credit clause
 - ▶ No export taxes
 - ▶ Free trade between states
 - ▶ Appropriations clause

CONNECT TO CURRENT ISSUES

Research one of the current controversial issues listed below to determine to what extent economic freedom is either supported or restricted by the various proposals and discussions of these issues.

- ▶ Affordable Health Care Act
- ▶ tax reform proposals
- ▶ reduction of the national debt
- ▶ Keystone pipeline
- ▶ entitlement reform (Social Security, Medicare, Medicaid)
- ▶ reform of the United States Postal Service

SHOW WHAT YOU KNOW

Write a thoughtful, analytical essay answering any one of the questions from **Analyze the Source** or **Explore the Essay**.

Research one of the federal government's economic powers (see Question 10 above) and write a thoughtful essay either supporting or opposing how this power has been used throughout American history.

LEARN MORE

The *Federalist Papers* referenced in this article are also discussed by these other authors in *Roots of Liberty*:

No. 1	Miller, Franck	No. 42	Pilon
No. 10	Miller, Presser, Franck	No. 44	Pilon, Shu (Federalism), Presser
No. 41	Pilon	No. 52	Franck

On-Line Versions of the *Federalist Papers*

- ▶ The Avalon Project: Documents in Law, History and Diplomacy
<http://avalon.law.yale.edu>
- ▶ On Line Library of Liberty
<http://oll.libertyfund.org>

Teaching American History: The Federalist-Anti-Federalists Debates

- ▶ <http://teachingamericanhistory.org/fed-antifed>