

“Democratick Radical: William Leggett and Jacksonian Political Economy”

Anthony Comegna, Shippensburg University

2009 ASSC

Early America presents historians with a rich interpretive tableau not easily understood and even less easily taught. Throughout the Jacksonian period (1815-1845), America witnessed a tremendous explosion of growth and transition. Few contemporaries warrant such close scrutiny from Austrians as William Leggett, a product of this tumultuous period from beginning to end. As editor of the New York *Evening Post*, *The Plaindealer*, and *The Examiner*, Leggett exerted a tremendous and lasting influence on the Democratic radical wing. His philosophy was critical in establishing the Locofoco or Equal Rights Party in New York City and the antislavery Free Soil Party which ultimately led to the collapse of the Second Party System as well as such legislative milestones as the Independent Treasury and various anti-incorporation and free banking laws throughout the country. Leggett was heavily influenced by the proto-Austrian French liberals and in turn provided an intellectual and political basis for the developing American liberal tradition, making him an integral member in the history of American economic thought. This paper will examine a prime aspect of Leggett's economic thought, the attack on monopolies, as well as various policy proposals Leggett advances to maximize liberty and economic prosperity.

Leggett's whole philosophy of political economy can be reduced to one fundamental concept: the natural and equal rights of all human beings. His philosophical tradition is rooted in that of the Enlightenment liberals Locke, Smith, Cobbett, Jefferson, John Taylor of Caroline, Bastiat, Say, Bentham, and Stewart, and during the period in which he wrote, he was inspired by such champions of liberalism as William Gouge, John Vethake, and his good friend William Cullen Bryant, with whom

Leggett enjoyed a mutually beneficial sharing of opinion.<sup>1</sup>

From this intellectual heritage, Leggett derived his concept of rights as inalienable and essentially rooted in property. He believed that people were entitled to the property which they produced and the liberties inherent in the ownership of one's body.<sup>2</sup> He even refers to a[n] "ethicks [sic] of property," to mean a general attitude of thrift, savings orientation (low time-preference)<sup>3</sup>, industriousness, and honesty.<sup>4</sup> He never deviated from defending property rights. Even during the New York City flour riots, Leggett excoriated the rioters for their destruction of property and upheld the rights of flour merchants to their goods at whatever price upon which the laws of trade decided. When these merchants then petitioned the state legislature to indemnify their losses, Leggett turned his wrathful ire upon them as aspiring violators of the most sacred doctrine of equal rights:

The government is the mere representative or agent of the community, appointed to guard the rights of each individual, by protecting him from the aggressions of others. This duty includes the defending of him from aggression, in the first place, and the punishing of those who commit it, in the second. But it does not extend to the punishment of an entire community for the offences committed by an inconsiderable portion, which is the position assumed by the...petitioners.<sup>5</sup>

Accordingly, Leggett's economic philosophy was of virtually unqualified *laissez-faire*. In the words of Marvin Meyers, "There have been plenty of radical libertarians in the American past, but none, I think, surpasses William Leggett as an

---

<sup>1</sup> Stanley N. Worton, "William Leggett, Political Journalist (1801-1839): A Study in Democratic Thought," (PhD diss., Columbia University, 1954), Columbia 45-47; White, Lawrence, "William Leggett: Jacksonian Editorialist as Classical Liberal Political Economist," *History of Political Economy* 18 no. 2 (1986): 508-509.

<sup>2</sup> Lawrence White, ed. *Democratick Editorials: Essays in Jacksonian Political Economy* (Indianapolis: Liberty Press, 1984), 11-15.

<sup>3</sup> Eugen von Böhm-Bawerk, *Capital and Interest: A Critical History of Economic Theory* (London: McMillan & Co., 1890.)

<sup>4</sup> White, *Democratick Editorials*, 150.

unconditional, almost obsessive advocate of *laissez-faire*.”<sup>6</sup> Leggett’s intellectual tradition of political economy, as discussed above, would indicate such a position; however, Leggett often ventured into not merely the realm of the unpopular or the politically improbable, but also the virtually unheard of. His somewhat crude, proto-praxeological method of *a priori* deduction resulted in some of the most sophisticated policy proposals of the period. His viscerally logical extension of philosophical first principles propelled him to a level of almost iron-clad consistency.

Leggett’s work on political economy is focused on the granting of special privileges to private interests resulting in monopolistic enterprises as well as state-operated monopolies. Practically every topic on which he speaks is in some way related to this problem (with the notable exception of slavery and abolitionism). Accordingly, he was opposed to grants of incorporation as undue restrictions of property rights and asserted that “the system ought to be abandoned as soon as possible, as utterly at war with the rights of the people at large.”<sup>7</sup> The 1811 New York State general incorporation law allowed “manufacturing concerns capitalized for less than \$100,000,” to operate without exclusionary grants, but practically all other corporate enterprises required a special grant of incorporation from the state legislature, and, therefore, ferries, railroads, turnpike roads, banks, and even bridges enjoyed monopolistic privileges as they were protected from competition by the guiding hand of the state.<sup>8</sup>

“Special legislation,” by which Leggett meant partial incorporation laws,

---

<sup>5</sup> Ibid. 43-48.

<sup>6</sup> Marvin Meyers, *The Jacksonian Persuasion*, (Stanford University Press: Stanford, 1957) 141.

<sup>7</sup> White, *Democratick Editorials*, 12.

<sup>8</sup> Richard Hofstadter, “William Leggett, Spokesman of Jacksonian Democracy,” *Political Science Quarterly* 58, no. 4 (December 1943): 587.

degrades politics into a mere scramble for rewards obtained by a violation of the equal rights of the people; it perverts the holy sentiment of patriotism; induces a feverish avidity for sudden wealth; fosters a spirit of wild and dishonest speculation; withdraws industry from its accustomed channels of useful occupation; confounds the established distinctions between virtue and vice, honour and shame, respectability and degradation; pampers luxury; and leads to intemperance, dissipation, and profligacy, in a thousand forms.<sup>9</sup>

His solution to the monopoly problem was, naturally, to maintain a limited government with a *real* general incorporation law--a law which would enable anyone who so wished to enjoy the benefits of corporate enterprise. For it was through the privilege-granting powers assumed by the state that the aristocratic segment of society, which possessed little to no justly-held wealth of its own, was able to manipulate and expropriate the property and production of the laborers.<sup>10</sup>

On the topic of internal improvements, Leggett was extraordinarily free market-oriented. He contends that all government-funded internal improvements projects are wrong for many reasons. He states that they improperly use the people's tax money, promote private interests with public money, create monopolists with the special privilege of building said improvement, and promote malinvestment coupled with over consumption, leading to a boom-bust sequence.<sup>11</sup> He excoriates the "Monopoly Democrats" as being

against exclusive privileges as monopolies, but in favour of them as means of effecting 'great objects of public utility,' 'developing vast resources,' 'stimulating industry,' and so forth, which is only a repetition of the stale cant which has been used, time out of mind, by those who desired to cheat the people out of their rights for their own selfish ends.

He even extended this anti-monopoly argument to encompass a strong opposition to prison labor and state standardized weights and measures, keenly aware that "There is no

---

<sup>9</sup> White, *Democratick Editorials*, 58.

<sup>10</sup> *Ibid.* 246- 249.

inspector of yardsticks; and yet we doubt very much if people who buy by the yard do not generally contrive to get good measure.” In response to the criticism that Leggett’s proposed removal of government stimulants to improvements would result in capital shortages for such projects, Leggett exhorted his readers, “let no man suppose that the progress of improvement would be retarded by such a withdrawal...It would only be changing the hot-bed system to the system of nature and reason. It would be discontinuing the force-pump method, by which we now seek to make water flow up hill, and leaving it to flow in its own natural channels.”<sup>12</sup> If the market demanded such improvements, the market would provide them.

Leggett’s exposition of the business cycle was particularly in-depth. Beginning with the *a priori* truth that the greater the quantity of a good, the lower the trade value will tend to be and, therefore, the lower the purchasing power of the good, Leggett argued that boom-inducing increases in the supply of money as a result of the monopolistic and fraudulent fractional reserve banking privileges would lead to rising prices. The rise in dollar prices would lead to an increase in the sale of foreign goods resulting in specie outflows, thereby lowering specie reserves and prompting the bust as banks, now with more paper than specie on hand, would curtail their credit expansion. During the curtailment, the precipitous drop in prices and unemployment expose the malinvestment (such as that in internal improvements and western settlement) incurred during the artificial boom.

Leggett was quick to note the tremendous moral hazard created by government

---

<sup>11</sup> Ibid. 277-283, 293-295.

<sup>12</sup> Ibid. 307, 346.

involvement in banking.<sup>13</sup> The artificial credit expansion made “the whole business of the country...stimulated into unnatural and unsalutary activity.”<sup>14</sup> Because the newly-created money was used first by the investor class, Leggett argued, this class enjoyed a higher value money than did the workers who received the money later, when its purchasing power had been reduced through inflation. This served as a tremendous transfer of wealth from the poor and middle classes to the wealthy.

Leggett always viewed such conflicting interests through the Liberty-versus-Power dichotomy, noting that only the monopolizing power of government can result in such an injustice.<sup>15</sup> Leggett’s solution to the inherently unstable American banking system, then, was a complete severance of the “Connexion of State with Banking.” “*Church and State*,” he said, “has an evil sound; but *Bank and State* grates more harshly on our ears.”<sup>16</sup>

To this effect, Leggett went to the radical extreme of advocating private coinage.<sup>17</sup> It may seem counterintuitive, at first, to solve the problem of rampant inflation by extending the printing privileges to all who wish to print their own moneys; however,

---

<sup>13</sup> Theodore Sedgwick, A Collection of the Political Writings of William Leggett (New York: Ludwig Printer, 1839). 41, 102, 248-252.

<sup>14</sup> White, *Democratick Editorials*, 63-70.

<sup>15</sup> Ibid. 83-86. Leggett cannot be counted among the enemies of credit *per se*: “We are unwilling to see it cramped by arbitrary restrictions...we would have it, like the sunshine and dew of heaven, to dispense its blessings equally upon all.” In the same selection, he defends usury by saying that, like all other legitimate avenues of enterprise, the market should determine the proper price of money. Ibid. 180-185.

<sup>16</sup> Ibid. 119-126. This is quite a powerful statement when the reader considers how strongly Leggett opposed the Church-State relationship. In fact, he went so far as to condemn the governor of New York for proclaiming the holiday of Thanksgiving, stating that such a distinction was only fit to be made by religious leaders and had no business being drawn in the realm of the secular. Ibid. 327-332.

<sup>17</sup> As White notes, “Leggett must be counted among the earliest political economists to extend free-trade logic to coinage,” and “perhaps the only writer to call for private coinage earlier was Thomas Hodgskin.” White, “William Leggett,” 316-317.

Leggett's argument in favor of private coinage was, as was everything else he wrote, steeped in the philosophy of *laissez-faire*. He recognized that the competition principle (in conjunction with Gresham's Law) would ensure that only the best, and therefore, most stable, currencies would be accepted, and it was not necessary for government to enforce the issuance and acceptance of a certain money. Leggett's own exposition of his free trade principles applied to coinage was characteristically expressed as follows:

The laws of language are not established by Congress or any other body of delegated powers...What is it then sustains the language in its purity, fixes the meaning of words, and enables us to give to expression a precise and unchangeable import? Every man is at full liberty to be as unintelligible as he pleases...What restrains him from doing so? The necessities of social intercourse: the mutual advantage which all men find in promoting the general convenience. The necessities of commercial intercourse, and the mutual advantage which all men would find in promoting the general convenience in matters of traffick [sic], would lead, we think, to as certain and desirable results in regard to money, as in regard to language.<sup>18</sup>

One of the more initially odd and counterintuitive positions Leggett defends is that which he refers to as "The True Theory of Taxation."<sup>19</sup> Though certainly a libertarian by the standards of any age, he was a vehement supporter of what is commonly considered one of the *least* libertarian tools under the command of government: direct taxation. He unshakingly opposed indirect taxation for many reasons. He held the system to be adverse to the doctrine of equal rights as it did not tax people evenly. He proclaimed one's tax burden under a scheme of indirect taxation to be utterly incalculable, whereas direct taxation was "open and honest."<sup>20</sup> The "True Theory of Taxation" would enable the government to eliminate all tariffs as the means of obtaining revenue and, as a result, free trade would flourish and America with it.<sup>21</sup> A

---

<sup>18</sup> White, *Democratick Editorials*, 105-109.

<sup>19</sup> *Ibid.* 38.

<sup>20</sup> *Ibid.* 21-24.

<sup>21</sup> He did, however, allow for a small protective tariff at an even rate for all goods if the

direct tax would eliminate many, if not most, forms of corporate welfare via protectionism.<sup>22</sup> Under indirect taxation, Leggett asserted, government became independent of its citizens as it did not depend upon them for revenues and did not have to directly approach them with the request. This ability to further externalize the costs of government greatly weakened the people and strengthened the government accordingly.<sup>23</sup> Perhaps the best effect of direct taxation, Leggett held, was that there would no longer be a need for customs agents, such as his felonious nemesis, Samuel Swartwout.<sup>24</sup> In what is one of Leggett's most humorous musings, he wholeheartedly states that "We should be glad to see the custom-house swept off into the sea, and the whole army of collectors, surveyors, tide-waiters, and lick-spittles, of various denominations, swept off with it--or at least compelled to resort to some other method of obtaining a livelihood."<sup>25</sup>

Leggett was forcefully opposed to government procurement of "public goods," such as ferries, docks, wharves, piers, and the post office. As usual, his arguments on these subjects flow directly from his premise of equal rights.

Regarding docks, wharves, and piers, Leggett proclaimed that "There is no greater reason why the docks and slips should be the property of the city government...than why the store houses and dwelling houses should...be under the municipal control." He found such municipal ownership to result in political corruption, further alienation of the

---

revenues from direct taxation proved insufficient for the needs of the polity. Though, if the rest of Leggett's policy proscriptions were carried out in addition to those on taxation, one can hardly imagine such a situation arising under normal peacetime conditions.

<sup>22</sup> Ibid. 38-42, 367-370.

<sup>23</sup> Ibid. 21-24.

<sup>24</sup> It was widely known that Swartwout thwarted Leggett's likely nomination to the Democratic ticket for Congress by using his extensive network of party connections in the wake of Leggett's criticism of the Democrats during the abolition mails controversy. Worton, "William Leggett," 29-30.

<sup>25</sup> White, *Democratick Editorials*, 21-24, 322-324.

people from their government, and violations of the laws of trade. He believed that “no code of municipal laws can ever answer the purposes of trade as well as its own laws,” and that with municipal ownership, “there will be favouritism and partiality in the arrangement...and business will be forced from its natural direction to suit the views of speculators, or to gratify the demands of sectional rapacity.”<sup>26</sup> Leggett stated that “It would...be a wise measure of publick [sic] policy, for the corporation [municipality] to dispossess itself of all property in the docks and slips, selling them to the highest bidder, with perhaps a preemption right to the owners of the contiguous lots.”<sup>27</sup>

Leggett, like the late-antebellum libertarian theorist and jurist, Lysander Spooner, opposed state ownership and control of post offices, charging it to be monopolistic (Spooner established his own private post office and was quickly shut down) and wildly inefficient.<sup>28</sup> Leggett criticized the government post office as, yet again, leading to massive political corruption and the expansion of government power. Though a critic of the franking privilege, Leggett noted, “at the hazard of giving a new occasion for the charge of ultraism against this journal...the source of evils in our Post-office system lies far too deep to be reached by any regulation of the franking privilege, or even by its total abolition.” Only a constitutional amendment permanently severing all government involvement in the postal service would result in a pure, efficient system of postal delivery.<sup>29</sup> The political backlash to his infamous denunciation of Amos Kendall and the censorship of abolitionists mailings only encouraged Leggett in his opposition to this

---

<sup>26</sup> Ibid. 332-333.

<sup>27</sup> Ibid. 333.

<sup>28</sup> For more on Spooner, see: Smith, George H. ed, *The Lysander Spooner Reader*, (Fox & Wilkes: New York, 1992).

<sup>29</sup> White, *Democratick Editorials*, 304-307.

particular monopoly.<sup>30</sup> Echoing Whig critics of executive power<sup>31</sup>, he began to criticize the appointment powers of the president as too great, saying that far too many people in control of Americans' communications were appointed by this single individual. He queried, "Can any one be so blind as not to perceive...that this is a monstrous power, at all times susceptible of being exerted, with the most dangerous effect, for the advancement of objects hostile to the true interests of the people?"<sup>32</sup>

In stating his case in opposition to "the ferry monopoly," Leggett provides insight not merely into his further extension of *laissez-faire* principles, but, far more importantly, knowledge of both what Leggett thought of himself and what he thought of his (self-avowedly) *laissez-faire* contemporaries.<sup>33</sup> Leggett certainly opposed ferry monopolies on the same grounds as he opposed all other monopolies, yet his contemporaries did not.<sup>34</sup> On October 10, 1835, he enlightened his readers to the fact that the New York *American* had recently expressed a desire to see the municipality apply tax revenues to the creation and maintenance of "free ferries."<sup>35</sup> Leggett also informed his readers that "the epithet *agrarian*, which the *American* has sometimes applied to this journal, was never so much deserved by any political theory we have advanced, as it is by that paper for the projects referred to." Here he defines an agrarian

---

<sup>30</sup> Ibid. 197-199.

<sup>31</sup> Harry L. Watson, *Liberty and Power: The Politics of Jacksonian America*. (New York: Hill & Wang, 1990). 211.

<sup>32</sup> White, *Democratick Editorials*, 362-367.

<sup>33</sup> The history of ferry monopolies in Jacksonian New York is surely a fascinating one; however, it cannot be dealt with here. For a fantastic and concise account of the ferry monopoly controversy, see Folsom, Burton, *The Myth of the Robber Barons: A New Look at the Rise of Big Business in America*, (Young America's Foundation: Herndon, 2007), 1-15 on Commodore Vanderbilt, the man the *Evening Post* called "the greatest practical anti-monopolist in the country."

<sup>34</sup> White, *Democratick Editorials*, 301-304.

<sup>35</sup> They also proposed "free carriages."

as one who harbors a desire to “throw down the boundaries of private right, and make a new and arbitrary division of property.” He further holds that “Of our own political doctrines we can truly say that they are in every feature the very opposite of agrarianism. They rest, indeed, on the basis of inviolable respect for private right.” He then mounts an intellectual attack upon the Constitutional edifice of such suggestions, the power of eminent domain, as being “in its nature...agrarian.” His attack, however, does not stop there. He exhorts the *American*:

If free ferries are of advantage, why would not free markets be also? And free warehouses? And free dwelling houses? And free packet ships? And in short free from every thing? The arguments by which alone the American can support its theory of free ferries, are equally pertinent and cogent in defence [sic] of a literal *commonwealth*. Who would have thought to see the American turn so ultra an agrarian?<sup>36</sup>

Another case of monopoly to which Leggett was--though, equivocally--opposed, was the monopoly on ideas created by copyrights.<sup>37</sup> He begins his discussion by conceding the Lockean point that exterior proprietary rights are extensions of natural right and that everyone has a natural right in that property which he/she has justly acquired and incorporated into his/her ultimate goals--the classical homesteading argument.<sup>38</sup> Leggett makes several points of particular interest. First, he makes clear

---

<sup>36</sup> Ibid. 324-327. Elsewhere, Leggett responds to the charge of “agrarianism” by accepting it as a badge of honor. In this case, however, Leggett defines an agrarian as holding “an opposition to all partial and exclusive legislation...bounties, protections, incorporations, and perpetuities of all kinds.” This definition in no way nullifies the statements quoted above or the assertions the author has drawn from them, and indeed, even in this instance of accepting the badge of “agrarianism,” Leggett does so while mocking those who use the term and again denies any sort of opposition to justly held property rights.

<sup>37</sup> Although Leggett appears to have been far from certain about his initial opinions on domestic copyright, according to Theodore Sedgwick, “he at all times opposed the introduction of an international copyright law.” Sedgwick, *Political Writings*, viii. For an example of his initial support of domestic copyright, see Sedgwick, *Political Writings*, Vol. II, 88-90.

<sup>38</sup> It should be noted that Leggett is initially opposed to this Lockean position. He

that he thinks that the elimination of copyright privileges would result in a prolific flood of inventions and artistic creation as a result of increased competition and sharing of ideas. He also believes that this proliferation, creating a mass of material to publish and produce, would result in a much greater and widespread sharing of information. After all, “The great good which the invention of printing originally effected, was to diffuse literature, and make books accessible to myriads, who were precluded from them before, by reason of the enormous prices at which manuscript copies were sold.”<sup>39</sup>

When Leggett is called upon to defend his position on literary property, he retreats from his initial utilitarian ground for that of natural rights, his position of greatest consistency and clarity. Forced to reexamine his opinions, Leggett quickly realizes that the utilitarian principle is not necessary even in this case, as the concept of natural rights is more than apt to flesh out his perspective with perfectly consistent logical progression. Thus, in stating that copyright law “has no foundation in natural right, and is prejudicial to ‘the greatest good of the greatest number,’” Leggett subordinates utilitarianism to his default philosophy, Jeffersonian rights theory.<sup>40</sup> His challenger asks, do not authors possess a natural right in the products of their labor, which happens to take the form of books, poems, paintings, and similar objects? Leggett answers that “an author has an exclusive natural right of property in his manuscript,”--the physical product--but “The

---

begins this editorial stating that “The whole questions of the propriety of...a copyright law...resolves itself...into the enquiry whether such a regulation would promote the greatest good of the greatest number. This is the principle which we conceive constitutes the basis of the most important rights of property. They are artificial rights, not rights of nature.” In his final two copyright editorials--and, indeed in this editorial after he “concedes” the Lockean homesteading theory--however, Leggett changes his position and speaks of natural rights as the only legitimate rights, denouncing those created by fiat as no rights at all. White, *Democratick Editorials*, 391-405.

<sup>39</sup> Ibid. 394.

<sup>40</sup> Ibid. 397.

mental process by which he contrived those results are not, and cannot properly be rendered, exclusive property.” He lists the “innumerable difficulties” in maintaining a position of natural right in “incorporeal property:”

The question first...arises, where does this exclusive right of property in ideas commence? The limits...of incorporeal property are vague and indefinite and subject to continual dispute. The rights...of incorporeal property may obviously give rise to conflicting claims, all equally well founded...How many ideas must be joined together before they constitute a property?<sup>41</sup>

Through this short exposition of the thought of William Leggett, we can see the radical elements of American political economy becoming increasingly sophisticated and responsive to a changing nation and a changing world. Leggett’s cosmopolitan education, his Jeffersonian tradition, and his embrace of expanding markets and industry serve as the genesis of a complex and theoretically-refined tradition of American libertarianism.

---

<sup>41</sup> Ibid. 399-400.