



The Center for _____
SOCIAL LEADERSHIP

The Anti-Federalists, Entrepreneurship, & the Future of Freedom

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About The Center for Social Leadership

The Center for Social Leadership (CSL) is a think tank and action organization dedicated to building [social leaders](#) for the 21st Century.

Humanity is experiencing dramatic changes. Traditional leadership is broken. Conventional human organization based on hierarchies and formal authority is outdated. Technology has transformed the way we interact and enhanced our ability to have impact—for good or ill. The Center for Social Leadership was formed to steer these changes to improve the health of society, preserve freedom, and ensure peace and prosperity for humanity. A new vision of leadership is needed. Not the old, hierarchical, positional, authoritative, privileged-elite leadership, but a new democratic, action-determined, service-oriented leadership. Through this social leadership mankind can achieve unprecedented happiness and fulfillment.

Learn more and engage with CSL by [reading our e-book](#) and joining our mailing list at www.TheSocialLeader.com.

“It’s not about someone doing everything. It’s about everyone doing something.”



Like [Gladstone](#), I believe the U.S. Constitution to be “the greatest work ever struck off by the mind and purpose of man.” Even though it had its flaws—especially slavery—it actually provided for the fixing of these flaws. The U.S. Constitution, both directly and indirectly, is responsible for the freedom of more people than any other government document in the world’s history.



That said, the [anti-Federalists](#) had a point. In fact, they had several. They were mistaken to oppose ratification of the Constitution, but we would be unwise not to listen to the concerns voiced through their loyal opposition. They were right about some critical details. In fact, we are dealing with exactly these concerns today.

Entrepreneurs Change the Debate

The brilliance of both sides of the Constitution debate—[the Federalists and the anti-Federalists](#)—is an example of how the [producer culture](#) and [entrepreneurial mindset](#) accomplish the highest quality in citizen involvement—regardless of party politics. Even in the midst of deeply divided partisan battles, the Federalists and anti-Federalists produced a level of depth, detail, nuance, and excellence in citizen debate that is perhaps unsurpassed either before their time or since.

Today’s citizen dialogue seldom measures up. This is a direct result of that generation’s lifestyle of entrepreneurship,

producer-focused education, ownership, initiative, and enterprising mindset. When a nation of entrepreneurs debates on topics of freedom and leadership, the quality is deeper and richer than when lower classes are uninvolved (as in 1780s Britain) or when most citizen-employees defer to the experts (today's America).

Anti-Federalist Predictions

The anti-Federalists scrutinized the U.S. Constitution and the federalist papers, and, based on the structures of government, they looked ahead and warned of some of our biggest problems. They also, in most cases, recommended solutions. We need to heed their words.

What are these challenges, and what can we do about them? To answer both questions, consider six issues the anti-Federalists warned of more than two hundred years ago:

1. The executive branch will increase influence over the national budget.
2. National expenditures will increase and eventually bankrupt the nation.
3. Power will flow consistently away from the states.
4. The courts will eventually have too much power.
5. Justice will be lost as government grows.
6. The treaty power will be abused.

1. The Executive Branch Will Increase Influence Over National Budget

Anti-Federalist Prediction: The Executive Branch will increase its say over the national budget and then drastically increase debt, run harmful deficits, engage in unconstitutional military actions, and otherwise run the economy toward ruin.



Unfortunately, this has proven to be accurate. We have learned over time that the people don't hold the White House accountable for this behavior because every president blames the last political party (in Congress and the Presidency) for the problem. Both parties use the Executive Branch to commit funding for their projects, even as taxpayers are funding the projects of past administrations.

The Federalists responded to this anti-Federalist warning by correctly pointing out that the Constitution only gives the House of Representatives power over the purse strings. The Federalists' "solution" worked for more than a century, but unfortunately for us the Cold War brought secretive and expansive government, and the role of the presidency significantly increased.

Today we are dealing with a system where the House tinkers with and has the final say on national budgets, but the

political environment has turned over to the presidency responsibility for proposing, gaining the votes for, and then administering federal budgets. The House still holds the authority to slow or reject budgets and spending, but it has generally lost the will to use this power. The Executive Branch usually runs the budget.

The result is drastically out-of-control spending. Simple interest payments on the national debt are a huge expense to the taxpayer. Social Security and other entitlement liabilities can never be fully met without continuing in debt and deficits, as well as drastic and progressive increases in taxes. International military involvement is a mounting problem.

Both political parties like to blame each other for recessions, unemployment, and other economic challenges, but U.S. budgets and spending beyond our means is the underlying problem. As [Larry Summers asked](#) before he joined the Obama Administration, “How can the world’s biggest debtor nation remain its biggest power?”

Note that China, the second largest economy in the world, has huge savings (unlike the former Soviet Union or the current United States) and is a major buyer of U.S. debt. China has three of the world’s four largest banks, the two largest insurance companies, and the second largest stock market.¹ With all this, the Communist Party remains in control; it also remains firmly communistic in philosophy and is, if possible, increasingly totalitarian.²

As for the United States, neither party seems serious about reducing spending. With the Executive Branch running the budgets, spending just keeps increasing. The Reagan Administration greatly increased spending. Presidents Bush,

¹ Source: [“Red Mist: China’s Financial System,”](#) *The Economist*, February 4, 2010.

² Source: [“Tougher and Tougher.”](#) *The Economist*, February 11, 2010.

Clinton, Bush and Obama all followed suit—just as predicted by the anti-Federalists.

2. National Expenditures Will Increase

Anti-Federalist Prediction: Expenditures and taxes will generally increase over time until they bankrupt the nation. They will become massive, and never be significantly reduced.

This has not yet entirely occurred, but we certainly appear to be on track toward these results. As mentioned, whichever party is in power finds ways to promote more expensive projects while we are still paying off past expenses.



3. Power Will Flow Away From the States

Anti-Federalist Prediction: Power will flow consistently away from the states and increase the scope, size, and power of the federal government. Only major crisis, where the federal government falls, will ever send significant powers back to the states.

Again, we are perfectly on target for this even though it has not yet fully matured. Federal budgets now dwarf state costs,

and many state programs are funded by federal money. Indeed, this has become a major misunderstanding in modern America.

The media constantly pounds the populace with the message that government is broken—Washington is in gridlock and accomplishes little. In reality, however, this is highly inaccurate. Each year Washington manages to drastically increase the budget, debt, and deficit. It is spending more and more annually, and each year Congress authorizes many new programs. A lot is getting done—many would argue too much!

Perhaps we could learn from the British-published magazine *The Economist*, [which wrote in February 2010](#):

“It is simply not true to say that nothing can get through Congress. Look at...TARP...The stimulus bill...The Democrats have also passed a long list of lesser bills, from investments in green technology to making it easier for women to sue for sexual discrimination...”

“America’s political structure was designed to make legislation at the federal level difficult, not easy. Its founders believed that a country the size of America is best governed locally, not nationally...The Senate, much ridiculed for antique practices like the filibuster and the cloture vote, was expressly designed as a ‘cooling’ chamber where bills might indeed die unless they commanded broad support.”

“Broad support from the voters is something that both the health bill and the cap-and-trade bill clearly lack.”



The Senate has killed bills from Republican and Democratic presidents through the years, but this should be seen as the success of our mixed democratic republic with checks and balances rather than as government not working. If the Senate had killed more bills in the past century, the power of the states would not have diminished to such a weakened place.

Both major parties often make the ingenuous mistake of claiming to be carrying out the “democratic” will of the people when they have broad voter support, and then when such support is lacking of blaming the Senate and Congress for gridlock, partisanship, and a system that doesn’t work. When there is widespread dislike of certain proposed policies, not being able to pass them isn’t gridlock, but good government.

The Senate was designed specifically by the founders to protect the states, to leave most things to the state level and only allow issues to receive federal support when they were wanted by a large majority of Americans and needed to be accomplished at the national level. Indeed, the system works more often than the modern media gives it credit.

4. The Courts Will Eventually Have Too Much Power

Anti-Federalist Prediction: The courts will not only be independent but will eventually have too much power because

there are really no effective checks on their decisions.

This has happened and is still increasing in its impact. Without checks on the Supreme Court, states have little recourse against growing federal controls over powers previously (and constitutionally) held by the states. Our freedoms consistently decrease as the Court expands its interpretation of the role of the federal government in our lives.

5. Justice Will Be Lost as Government Grows

Anti-Federalist Prediction: *Governments will become so big and impersonal that even juries won't know or care about the accused; enforcing the rules will be more important than true justice. Freedom will significantly decrease as a result.*

This has occurred and is still happening. Before 1896, a jury of peers was not some nominal, demographical designation. The “peers” often actually knew the accused and even the victim personally. As a result, they not only were quick to put away those who were truly dangerous to society, but they also used their power to oversee the laws and protect citizens from government. Not only could juries declare someone innocent, they could also nullify laws they considered bad or against freedom. This system was altered at least partly because it was frequently used in a horrible miscarriage of justice as racist juries ignored the law and both freed white criminals and jailed innocent people from minorities.

It is unfortunate that in response to such abuses we threw out not only racist dominance of juries, but also the concept of juries of known peers. In fact, the best remedy for discrimination by the justice system could have been juries of true

peers, who not only could have protected those falsely accused, but with such empowerment would have been the most motivated to hold accountable the true criminals among them. When all are [equal before the law](#) and are subject to the admonishment and reprisal of true peers, racism is more readily weeded out. This would have been a great support to abused races, and could have greatly advanced the cause of civil rights in America.

We have never found a way to re-balance this loss of freedom or for the people to quickly overturn the effects of bad laws. California responded within a few years of the 1896 change in jury power by adopting [Recalls and Initiatives](#), but these still left the people with less power than before.

6. The Treaty Power Will Be Abused

***Anti-Federalist Prediction:** The treaty power will be used to change the Constitution in ways the people don't even know about and that benefit the rich at the cost of the people's freedom.*

This has happened and still does. In fact, it may soon be a major concern. For example, when banks fold and endanger entire nations, government can bail them out. The same is true for huge businesses and even state-level governments. But what happens when nations fail financially? The old answer was that they became open to attack like Western Europe during the Great Depression. The result was devastating.

To prevent such a disaster from being repeated, the Allies met in 1944 and crafted the [Bretton Woods](#) organizations,

including the [International Monetary Fund](#) (IMF) and the [World Bank](#). Since then, nations who couldn't pay their debts have been bailed out by the IMF. In return for such benefits, the borrowing nation submits to "[Austerity Measures.](#)" under which the IMF closely watches national policy and government institutions to ensure that the nation does nothing to jeopardize its ability to pay back its loans.

This system has certainly had its share of successes. But Austerity also amounts to a virtual transfer of sovereignty from national government to IMF regulators—well beyond the power of the citizenry to require accountability or to effect remedies.

So far the United States and most Western European nations have been lenders to the IMF, not debtors. But if the U.S. ever needed to become a debtor nation, Austerity Measures would prove the anti-Federalist prediction devastatingly true.

For example, when Greece defaulted on its debt payments in early 2010 and Spain threatened to do the same, the European Union came to the rescue. The IMF was called in to advise the EU, and [Austerity was established over the Greek government](#). Many citizens (including a huge number of professionals and managers) [took to the streets in protest](#). But instead of protesting a drastic loss of



freedom to Austerity, they were upset because of wage freezes.³

There are three ways the U.S. can avoid Austerity at some point in the future. First, we can tighten our belts, reduce government expenditures, and deregulate and lower taxes on small businesses, which historically make up 80 percent of our economy's growth. This would convince many employers to hire and consumers to spend.

Second, we could borrow from other nations. China has a huge surplus of government and also private savings, and it wants to invest in the United States. Indeed it is our largest creditor now. Other nations may also be persuaded to keep supporting our spending habits. But one has to wonder why our philosophical opponent (communist China) wants to invest so much. Are its motives pure? What if they're not? Is it a simple profit motive? What if it's something more?

As [Peggy Noonan wrote in *The Wall Street Journal*](#), "People are freshly aware of the real-world implications of a \$1.6 trillion deficit, of a \$14 trillion debt. It will rob American of its economic power, and eventually even of its ability to defend itself. Militaries cost money. And if other countries own our debt, don't they in some new way own us? If China holds enough of your paper, does it also own some of your foreign policy? Do we want to find out?"

A third possible method of solving our debt problem is to borrow from huge international corporations. This carries the same problems as borrowing from nations.

³ Source: ["The Spectre that Haunts Europe."](#) *The Economist*, February 11, 2010.

Note that if we do eventually take IMF loans, they will only pay the interest on the debts. We will have to pay back the original loans, and an international team of regulators will run our national economic policy and make our economic decisions. If Americans are frustrated with Congress, imagine their frustration with a group of international bank officials running our economy—bankers who may not have as their motive either to see us out of debt to them or to strengthen our economy, society, international influence, or other elements of our way of life.

The rule of international borrowing is simple: The lenders make the rules. Method one of facing our economic reality—returning to an incentivizing [free enterprise system](#) and [living within our means](#)—is hard. Neither political party wants to promote it, and whoever does implement it will probably be blamed for higher short-term unemployment, stock market losses, and a worsened recession. In the long term, however, this course will revitalize America's economy and free lifestyle.

The other two options [keep America in economic decline](#) and will eventually result in reduced political power, weaker national security, and fallen status. They will also, most importantly, lead to a significant decrease in our freedoms and the prosperity of our children and grandchildren.

This is our choice: Make the tough decisions now, or lose freedoms and prosperity for generations. So far we have passed on making the right choice. No wonder [independents](#), [tea partyists](#), and the far left are so frustrated with both Republicans and Democrats.

Moreover, economic downturns are three-headed dragons; and to this point we have only faced recession and high

unemployment. Inflation is likely to be the next crisis, and it may very well rekindle and worsen the first two.⁴

Whatever we decide to do economically, we should, like the Federalists and anti-Federalists, clearly understand one thing: Economics and freedom are directly linked. A debtor nation is less free than when it was solvent.

Solutions Old and New

The anti-Federalist solutions for these problems may well have helped. They proposed that the people amend the Constitution, specifically in the following ways:

1. The Bill of Rights would include the requirement that juries consist of local peers who know the accused and can protect citizens from government.
2. Treaties would require full debate in and passage by Congress—just like laws.
3. Any decision by the Supreme Court could be overridden by a majority of the States.

How effective these amendments would have been is debatable. But the answer may be found in another proposed anti-Federalist amendment which actually did get passed. To counter the danger of huge expenditures and taxes by the Executive Branch, loss of power from the House to the Presidency, and transfer of powers from the States to the federal

⁴ See Ken Kurson, “A Hedge Fund for Little Guys,” *Esquire*, March 2010.

government, the anti-Federalists wanted an amendment clearly stating that all power not specifically given by the Constitution to the federal government would be retained by the states.

The anti-Federalists got their way in the ratification of the Tenth Amendment: “The powers not delegated to the United States by the Constitution, nor prohibited to it by the states, are reserved to the states respectively, or to the people.”

Unfortunately, these were weakened by Court cases between 1803 and 1820, and later by treaties adopted between 1944 and 2001.

We the People



It turns out that Constitutional limits and language are only guaranteed to last as long as the people are vigilantly involved. No matter what the Constitution says, it won't endure if the people don't closely read it and demand that it be followed. In this sense they are the fourth branch of government: The Overseers.

When the people stop requiring officials and experts to adhere to the Constitution, those in power alter the Constitution, redefine its precepts, and sometimes mutually agree upon a revisionist and opportunistic definition of its language. The people are left out of the

decision, and their freedoms decrease.

At times, as designed, constitutional checks and balances keep one branch from usurping power even if the people aren't involved. But the greater danger occurs when a collusion of branches agree in taking away power from the states or the people (this happens too often, especially since [Butler v. the United States](#) in 1936).

Arguably the most important document for freedom ever created by mankind was established and ratified by those who supported the U.S. Constitution. The second deepest freedom analysis of government was provided by their enemies, the anti-Federalists. This second group saw that whatever a Constitution says, as important as it certainly is, the people simply must stay actively involved or they will inevitably see their freedoms decline.

The Producer Perspective

The fact that both groups came from a society of owners and producers is neither surprising nor insignificant. Owners value freedom over security, see the most decorated experts and celebrities as merely other citizens, and see their own role as citizen as vital to society. Producers think in terms of protecting society's freedoms, and they simply don't believe this responsibility can ever be delegated or ignored.

[Successful ownership, farming, and entrepreneurship](#) are all about keeping track of all the details; taking action whenever it is needed to achieve the desired results; listening to the counsel of experts and authorities—and then leading by making

the best decisions even if they goes against expert advice; and building effective teams that work together without depending too much on those at the top. People trained and experienced in such skills are truly competent in handling and preserving freedom.

What we need in our day is not necessarily more specific proposals from the Federalists or anti-Federalists. Rather, we need a return to the [producer-entrepreneurial style of thinking](#) and expertise that founded and built the freest nation in history. If we want a society of freedom that lasts and prospers, we must as citizens become talented and practiced in the arts of freedom. America was created on the basis of freedom, and until we choose to become a citizenry steeped in freedom principles and actively involved in their promotion, freedom will not likely increase.

About the Author



Oliver DeMille is the founder and former president of [George Wythe University](#), a founding partner of [The Center for Social Leadership](#), and the author of [A Thomas Jefferson Education](#). Presently, he serves as a mentor directing graduate and doctoral programs and devotes a majority of his time to writing. Oliver is a popular keynote speaker, writer and business consultant. He is married to the former Rachel Pinegar. They have eight children.

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