

established a network of personal clients bound to him. Meanwhile, foreign government officials, who often worked exclusively with urban, Kabul elites, had failed to realize how shallow the support for their policies was in the periphery. Over the years, as Karzai cultivated his patronage clique, the international community became more focused on process (constitution and elections) and institution building (ministries, courts, and police) rather than on Karzai's quality of leadership and actions. In determining why the U.S. invasion failed to bring stability to Afghanistan, it becomes quite clear: the government that the international community put in place had wedded Afghanistan to its failed past.

After reading Barfield's comprehensive study of this diverse and complex land, readers come to understand the difficulties that foreign and domestic rulers have encountered in their attempts to bring order to Afghanistan. As in any country, rulers must be cognizant of local politics as those politics are recognized by locals. This approach may appear to be self-evident, and even uncomplicated, but achieving that level of political legitimacy has historically proved elusive. Foreign attempts to conquer Afghanistan show why victory in war does not always guarantee political success. The tragedy for the Afghans, as Barfield somberly notes, is that successful resistance to foreign occupiers has made Afghanistan ungovernable for the Afghans themselves.

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The Ideological Origins of American Federalism

Alison LaCroix

Cambridge, Mass.: Harvard University Press, 2010, 320 pp.

As has often been the case in American history, federalism is once again a major focus of political debate. Numerous recent political conflicts focus at least in part on the constitutional balance of power between the states and the central government. The lawsuits challenging the recently passed Obama health care plan, the federal bailout of state governments during the current economic crisis, and the conflicts over social issues such as medical marijuana and assisted suicide are just a few of the more prominent examples.

Alison LaCroix's new book traces the modern debate over federalism back to its 18th century origins. In a fascinating analysis,

she advances “an ideological approach to understanding the origins of American federalism” (p. 220). In her view, 18th century Americans developed “a new federal ideology” characterized by the “core . . . belief that multiple independent levels of government could legitimately exist within a single polity, and that such an arrangement was not a defect to be lamented but a virtue to be celebrated” (p. 6).

LaCroix traces American constitutional theories of federalism back to colonial-era debates over the scope of British authority over the North American colonies. Beginning in the 1760s, many Americans argued that the British Parliament’s power over the colonies was limited and confined to a specific class of issues. They therefore claimed that many of the new taxes and regulations adopted by Parliament in order to increase revenue from the colonies were constitutionally illegitimate. For example, American theorists, as well as British supporters such as William Pitt, argued that Parliament could impose “external” taxes on the colonies in order to regulate trade, but lacked the authority to impose “internal” taxes whose purpose was to raise revenue. Many of the colonists also objected to the British government’s Privy Council and its authority to veto laws enacted by colonial legislatures.

LaCroix also traces how American colonial advocates of limits on Parliamentary authority were influenced by earlier efforts to allow Scotland and Ireland a measure of autonomy within the British Empire. She emphasizes the influence of the Scottish precedent on Americans, pointing out that Scotland enjoyed a high degree of autonomy during its first 100 years of union with England, prior to the centralizing 1707 Act of Union. Even after 1707, some Scottish constitutional theorists continued to advocate strict limits on parliamentary power over their country, and their arguments had considerable influence among Americans. These attempts at proto-federalism challenged the 18th century British conventional wisdom, which held that one could not safely have two separate sovereignties within one polity, an “*imperio ad imperium*.”

Moving on to the post-independence period, LaCroix contends that the 1787 Constitution and early legislation establishing the federal judiciary must be viewed through the prism of earlier ideological developments advancing the idea of multiple sovereignty. By the 1780s, the idea of multiple sovereignty was well-established in American political thought. The 1778 Articles of Confederation, America’s first constitution, embodied this broad consensus.

After the end of the Revolutionary War, many, including James Madison and some of the other framers of the Constitution, worried that the powers of the central government were so limited and those of the states so great, that the United States might fall apart because of centrifugal forces. Madison believed that such pressures had undermined previous confederations in Europe and ancient Greece. His solution to this problem was to give the central government legislature the power to veto state laws, much as the Privy Council had done to American colonial laws under the British Empire. This “federal negative,” however, was rejected by most of the other members of the Constitutional Convention, who saw it as a threat to state authority. In this, LaCroix argues, they were influenced by the earlier abuses of British authority.

Instead, the Convention adopted a system of judicial review, under which state laws that violated the federal Constitution or tried to supersede federal law, could be invalidated by federal courts. The Supremacy Clause of Article VI, which mandates that federal law takes precedence over state law, was another measure adopted to constrain states without resorting to a federal negative.

Finally, LaCroix contends that these concerns continued to play themselves out in the debates over the federal Judiciary Acts of 1789 and 1801, the legislation that established and extended the lower federal courts. In LaCroix’s view, the conflict of federal court jurisdiction became the “defining element of American federalism” (p. 179). Advocates of relatively broad federal government authority sought wide jurisdiction for the federal courts, so as to keep states and state courts in check. By contrast, critics feared that federal jurisdiction would undercut state courts and lead to an overexpansion of federal power.

The Judiciary Act of 1801, enacted just before Thomas Jefferson and his Democratic Republican Party took over the federal government, is often viewed primarily as a partisan ploy by the defeated Federalists, hoping to consolidate more power in the hands of a Federalist-dominated judiciary. LaCroix shows, however, that the Act’s origins predate the Jeffersonian victory in the election of 1800, and that it was part of a longstanding effort to extend federal court jurisdiction.

Overall, LaCroix’s book is an excellent addition to the literature on early American federalism. Particularly useful are her discussion of the links between the Constitution and prerevolutionary theories

of federation in the British Empire, and her discussion of the two judiciary acts. At the same time, her analysis has some shortcomings and omissions. The most important is her neglect of substantive divisions between state and federal power. In her account of the colonial era, LaCroix stresses the colonists' arguments that there were specific substantive "subject matter" limits to parliamentary authority, such as the claim that parliament lacked the power to impose "internal" taxes on the colonies.

Yet such substantive issues are largely absent in her treatment of the post-independence period, which focuses on procedural issues surrounding federal court jurisdiction and Madison's abortive proposal for a federal negative on state laws. These issues were undoubtedly important. But LaCroix's insistence that the debate over jurisdiction became the "defining element of American federalism" ignores major disputes over the substantive scope of federal power in the early republic. Such constitutional controversies as debates over the constitutionality of Alexander Hamilton's Bank of the United States, the federal assumption of state debts, and federal authority to enact the Alien and Sedition Acts of 1798 go almost completely unmentioned in her account. Yet these were surely among the most important political and constitutional disputes of the day.

More generally, LaCroix sidesteps one of the most important mechanisms by which the Founders sought to institutionalize the "multiplicity" of sovereignties that she correctly identifies as central to early American federalism: the idea of enumerated powers. By limiting federal authority to a finite list of powers enumerated in the Constitution, the Founders sought to establish a federal government that would be vigorous in its allotted sphere, but also tightly constrained—thereby leaving considerable scope for state authority. As James Madison famously put it in *Federalist* 45, "The powers delegated by the proposed Constitution to the federal government, are few and defined. Those which are to remain in the State governments are numerous and indefinite."

Obviously, there was great disagreement over the scope of the federal government's "few and defined" powers during the 1790s. Madison, Thomas Jefferson, and others argued that such measures as the Bank of the United States and the Alien and Sedition Acts exceeded the constitutional scope of federal power. Their Federalist opponents disagreed, arguing that the "few and defined" powers were

much broader than Madison thought. The debate over federal court jurisdiction that LaCroix focuses on was just one part of this broader conflict over the scope of federal authority under the Constitution.

There is also a second potential flaw in LaCroix's "ideological" theory of the origins of American federalism. In stressing ideology, LaCroix may underrate the importance of economic and political interests. For example, American objections to parliamentary authority in the 1760s were at least partly the result of a reluctance to pay the more onerous taxes imposed by the British to finance the debt created by the Seven Years War. Absent this material interest, it is not clear whether proto-federalist ideology would have attracted as much support among the colonists as it did. Similarly, one wonders to what extent Federalist support for broad federal authority in the 1790s was influenced by the fact that they controlled the presidency and Congress during this period; Democratic Republican opposition may, in turn, have resulted in part from their status as a minority party at the national level. There were also important interest groups that had a stake in the Bank of the United States, the assumption of state debts, and other early federalism-related constitutional controversies.

To her credit, LaCroix acknowledges that her ideological theory is merely a supplement to institutional and interest group accounts, not a complete replacement for them. She is surely right to argue that ideology has at least some independent significance. But it would have been helpful to outline the extent to which ideological motivations interacted with material interests in producing the institutions of early American federalism.

Despite these reservations, LaCroix's book makes a valuable contribution to our knowledge of the origins of American federalism. The issues that she identifies remain relevant to this day.

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The Economics of Microfinance

Beatriz Armendariz and Jonathan Morduch
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It is one of the sad facts of recent human history that the economic prosperity enjoyed by so many remains unknown to most of the