

Rich People Thing No. 1

THE US CONSTITUTION

It's no exaggeration to say that the great confoundment of common sense that Americans bring to the class question is rooted in the very founding of the American republic. The ratification of the US Constitution has been accorded an exalted place in our civic mythology. Long before Glenn Beck began to heap his incoherent adoration on the Founding Fathers, early historians of the United States such as George Bancroft spoke of our Constitution in full seriousness as the fulfillment of God's will, "The movement of the divine power which gives unity to the universe, and order and connection to events."¹

In reality, the debate over the Constitution was nowhere near so orderly; rather, it exposed the many divisions of social rank then assailing the fledgling United States. In the prosperous agricultural valleys of the fertile American colonies, planters formed huge landed estates—and put themselves forward immodestly as the model citizens and legislators of the new American nation after it had won its independence from the British Crown. One of the central propagandists for the ratification of the Constitution, John Jay, characterized the new leadership class baldly enough in a letter to George Washington: "The better kind of people, by whom I mean the people who are orderly and industrious, who are content with their situation and not uneasy in their circumstances."²

Inconveniently for these worldly theorists, however, the vast

majority of eighteenth-century Americans *were* uneasy in their circumstances. Landholders not blessed with vast valley tracts scratched out subsistence livings in upland regions; sunk in debt and hostage to erratic growing seasons, they tended to support a smaller, more decentralized government and to oppose harsh creditor protections such as debtor prisons. Merchants and laboring men were likewise prey to boom-and-bust cycles of commerce, the dumping of cheap European exports in their domestic markets, and the constriction of currency as the post-Revolutionary republic began settling its massive war debts. This economic unrest exploded on the western frontier of Massachusetts in the rebellion led by farmer Daniel Shays, who militated to circulate paper currency to alleviate the crushing debt of the agrarian producing classes.

The uprising occurred in 1785–6, just prior to the calling of the Constitutional Convention. Even though it was put down in short order by state and federal forces, Shay's Rebellion was assuredly never far from the inventive minds of Jay, James Madison, Alexander Hamilton, and the other propertied advocates of the new structure of the national government. Jay indeed wrote at the time that the uprising betokened "some revolution—something I cannot foresee or conjecture. I am uneasy and apprehensive; more so than during the war."³

The whole question of indebtedness, currency, and the terms of credit runs like a hidden Guignol through much of American history, otherwise made to seem a calm procession of billowing abstract principles such as the extension of the franchise, the idea of popular sovereignty, and other pleasingly Whiggish notions. The effect of reviewing the founding chapters of our history through the lens of clashing economic interests is, indeed, not unlike the grotesque war canvasses produced by Francisco Goya, pointing up the fraudulent cast of rationalist dogma and nationalist conflict current during the Enlightenment. The lead apologists for the Constitution—who appropriated for themselves the sonorous title of Federalists and, far more important, branded their socially inferior opponents with the epithet

"Antifederalist"—took pains that the final document contained two critical protections for the moneyed creditor class: a prohibition on the issuance of paper currency and a ban on state-level interference with contract obligations. The codicils of property, which had been subject to shifting jurisdictions under the old Articles of Confederation, acquired in the new document the aura of sacred writ; as Madison wrote in Federalist 44, the "sober people of America" had long suffered under the yoke of "the pestilential effects of paper money on the necessary confidence between man and man." It amounted, indeed, to "an accumulation of guilt which can be expiated no otherwise than by a voluntary sacrifice on the altar of justice"—i.e., the surrender of money-issuing powers to the centralized nation, so as to "inspire a general prudence and industry and give a regular course to the business of society."⁴

From these confident assertions of monetary right flowed most of the Constitution's other robust acknowledgments of property's social priority—including the infamous three-fifths clause, which counted the legal slave property of southern planters as fractional persons so as to artificially inflate the planter class's representation in Congress. While it would be hard to sell the practice of enslavement as a species of contract, the same basic outlook held: Relations of property naturally superseded the terms of the rational Enlightenment social compact, so much so that the Constitution's foundational doctrine of popular sovereignty (which goes by the familiar shorthand of "one man, one vote") in this instance was to be contorted out of all humane and sensible shape so as to accommodate a central property-holding interest. Thomas Jefferson, who'd already been prevailed upon by cooler mercantile heads to strike his ringing denunciation of the British slave trade in the early drafts of the Declaration of Independence, was schooled on this general principle in a 1788 letter from the fiercely antimajoritarian Madison: "In our Governments, the real power lies in the majority of the Community, and the invasion of private rights is chiefly to be apprehended, not from acts of government contrary

to the sense of its constituents, but from acts in which Government is the mere instrument of a major number of the constituents.”⁵

The Antifederalists—whose leaders included such Revolutionary-era luminaries as Patrick Henry, Samuel Adams, and John Hancock (though these latter two prosperous merchants eventually came around to support ratification of the Constitution once the Antifederalist cause was plainly lost)—took a very different view of the social impact of the proposed system of government. In an address before the Maryland Legislature, Samuel Chase announced that the system was a scheme to elevate the rich and wellborn to legislative influence.⁶ Further down the social hierarchies, the sentiments against the document grew much more animated. A Massachusetts Antifederalist named Amos Singletary contended that all power under the new Constitution would accrue to “lawyers, and men of learning, and monied men.” Having already locked up “all the power and the money,” they would use the instruments of government to “swallow up all us little folks.”⁷ South Carolina Antifederalist Aedanus Burke reported that when news of ratification spread through the poor backcountry, “in some places the people had a Coffin painted black, which borne in funeral procession was solemnly buried as an emblem of the dissolution and internment of publick Liberty.” Indeed, he continued, these opponents of the Federalist plan “think that having disputed and having gained the Laurel under the banners of Liberty, now, that they are likely to be robbed of the honour, and the fruits of it, by a Revolution purposely contrived for it.”⁸ Pseudonymous Antifederalist writers cautioned that the Constitutional Convention was hatching a “monstrous aristocracy” that would “swallow up the democratic rights of the union and sacrifice the liberties of the people to the power and domination of a few.”⁹

When progressive historian Charles Beard sought to put such claims to the test in his 1913 study, *An Economic Interpretation of the Constitution of the United States*, he found that holders of landed estates, financial securities, and regional commercial empires within

the union indeed made up the overwhelming majority of ratifiers at the Philadelphia Convention. Such worthies, he wrote, “knew through their personal experiences in economic affairs the precise results which the new government they were setting up was designed to attain.”¹⁰ Among those results, Beard concluded, was the exclusion of the nation’s “large propertyless mass,” either directly or through state representatives, from the Convention’s deliberations, and a finished legal product that “was essentially an economic document based upon the concept that the fundamental private rights of property are anterior to government and morally beyond the reach of popular majorities.”¹¹

Beard was roundly eviscerated by most sober mainstream political-science types of his day for reaching such brute materialist conclusions about the document that occupies pride of place in the American civic religion. But most of the quantitative research that later scholars have conducted into the economic profile of the framers has borne out the Beard thesis and drawn long-overdue attention to the political battles pitched well behind the foreground of the Main Street USA diorama that most consensus historians have made out the Philadelphia Convention to be.

There’s a more fundamental sense, though, in which the inhabitants of Bailout America can confirm Beard’s argument with their own eyes. Once again, the holders of massive, government-enabled debt have been functionally locked out of a series of procedurally iffy proceedings explicitly designed to benefit the nation’s narrow creditor and speculative class. Once again, popular outcries over the upward redistribution of wealth, and the downward socialization of risk, have been dismissed as so much immature and dangerous rabble-rousing. And the long-term political health of the republic is regarded as all but synonymous with the interests of moneyed privilege, so much so that elemental reforms to curb the destructive securitization of debt in commodity trades have been stymied by industry-drafted loopholes dropped into last-minute committee revisions. The Constitution may

not have been so reliable in observing the letter or spirit of its opening “We the People” clause, but viewed in the more dispassionate light of the real constituency it was drafted to serve, it truly is, as the well-born nineteenth-century poet-cum-diplomat James Russell Lowell put it, “a machine that would go of itself.”