

# An Economic Interpretation of the Constitution of the United States

Charles Beard - 1913

**In fact**, the inquiry which follows is based upon the political science of James Madison, the father of the Constitution and later President of the Union he had done so much to create. This political science runs through all of his really serious writings and is formulated in its most precise fashion in *The Federalist* as follows: "The diversity in the faculties of men, from which the rights of property originate, is not less an insuperable obstacle to a uniformity of interests. The protection of these faculties in the first object of government. From the protection of different and unequal faculties of acquiring property, the possession of different degrees and kinds of property immediately results; and from the influence of these on the sentiments and views of the respective proprietors, ensues a division of society into different interests and parties... The most common and durable source of factions has been the various and unequal distribution of property. Those who hold and those who are without property have ever formed distinct interests in society. Those who are creditors, and those who are debtors, fall under a like discrimination, A landed interest, a manufacturing interest, a mercantile interest, a moneyed interest, with many lesser interests, grow up of necessity in civilized nations and divide them into different classes, actuated by different sentiments and views. The regulation of these various and interfering interests forms the principal task of modern legislation, and involves the spirit and party of faction in the necessary and ordinary operations of the government."

Here we have a masterly statement of the theory of economic determinism in politics. Different degrees and kinds of property inevitably exist in modern society; party doctrines and "principles" originate in the sentiments and views which the possession of various kinds of property creates in the minds of the possessors; class and group divisions based on property lie at the basis of modern government; and politics and constitutional law are inevitably a reflex of these contending interests. Those who are inclined to repudiate the hypothesis of economic determinism as a European importation must, therefore, revise their views, on learning that one of the earliest, and

certainly one of the clearest, statements of it came from a profound student of politics who sat in the Convention that framed our fundamental law.

The requirements for an economic interpretation of the formation and adoption of the Constitution may be stated in a hypothetical proposition which, although it cannot be verified absolutely from ascertainable data, will at once illustrate the problem and furnish a guide to research and generalization.

It will be admitted without controversy that the Constitution was the creation of a certain number of men, and it was opposed by a certain number of men. Now, if it were possible to have an economic biography of all those connected with its framing and adoption,— perhaps about 160,000 men altogether,— the materials for scientific analysis and classification would be available. Such an economic biography would include a list of the real and personal property incumbrances, money at interest, slaves, capital invested in shipping and manufacturing, and in state and continental securities.

Suppose it could be shown from the classification of the men who supported and opposed the Constitution that there was no line of property division at all; that is, that men owning substantially the same amounts of the same kinds of property were equally divided on the matter of adoption or rejection—it would then become apparent that the Constitution had no ascertainable relation to economic groups or classes, but was the product of some abstract causes remote from the chief business of life—gaining a livelihood.

Suppose, on the other hand, that substantially all of the merchants, money lenders, security holders, manufacturers, shippers, capitalists, and financiers and their professional associates are to be found on one side in support of the Constitution and that substantially all or the major portion of the opposition came from the non-slaveholding farmers and the debtors—would it not be pretty conclusively demonstrated that our fundamental law was not the product of an abstraction known as "the whole people," but of a group of economic interests which must have expected beneficial results from its adoption? Obviously all the facts here desired cannot

be discovered, but the data presented in the following chapters bear out the latter hypothesis, and thus a reasonable presumption in favor of the theory is created.

Of course, it may be shown (and perhaps can be shown) that the farmers and debtors who opposed the Constitution were, in fact, benefited by the general improvement which resulted from its adoption. It may likewise be shown, to take an extreme case that the English nation derived immense advantages from the Norman Conquest and the orderly administrative processes which were introduced, as it undoubtedly did; nevertheless, it does not follow that the vague thing known as "justice" was the immediate, guiding purpose of the leaders in either of these great historic changes. The point is, that the direct, impelling motive in both cases was the economic advantages which the beneficiaries expected would accrue to themselves first, from their action. Further than this, economic interpretation cannot go. It may be that some larger world process is working through each series of historical events; but ultimate causes lie beyond our horizon.

#### **CONCLUSIONS:**

The movement for the Constitution of the United States was originated and carried through principally by four groups of personality interests which had been adversely affected under the Articles of Confederation: money, public securities, manufactures, and trade and shipping:

The first firm steps toward the formation of the Constitution were taken by a small and active group of men immediately interested through their personal possessions in the outcome of their labors.

No popular vote was taken directly or indirectly on the proposition to call the Convention which drafted the Constitution.

A large property less mass was, under the prevailing suffrage qualifications, excluded at the outset from participation (through representatives) in the work of framing the Constitution.

The members of the Philadelphia Convention which drafted the Constitution were, with a few exceptions, immediately, directly, and personally interested in,

and derived economic advantages from, the establishment of the new system.

The Constitution was essentially an economic document based upon as recognizing the claim of property to a special and defensive position in the Constitution.

In the ratification of the Constitution, about three-fourths of the adult males failed to vote on the question, having abstained from the elections at which delegates to the state conventions were chosen, either on account of their indifference or their disfranchisement by property qualifications.

The Constitution was ratified by a vote of probably not more than one-sixth of the adult males.

It is questionable whether a majority of the voters participating in the elections for the state conventions in New York, Massachusetts, New Hampshire, Virginia, and South Carolina, actually approved the ratification of the Constitution.

The leaders who supported the Constitution in the ratifying conventions represented the same economic groups as the members of the Philadelphia Convention; and in a large number of instances they were also directly and personally interested in the outcome of their efforts.

In the ratification, it became manifest that the line of cleavage for and against the Constitution was between substantial personality interests on the one hand and the small farming and debtor interests on the other.

The Constitution was not created by "the whole people" as the jurists have said; neither was it created by "the states" as Southern nullifiers long contended; but it was the work of a consolidated group whose interests knew no state boundaries and were truly national in their scope.