

After the War



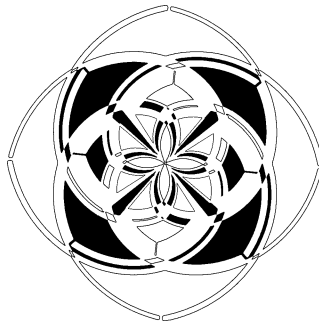
A History

by Dagwood Engelberg

After the War

A History
by
Dagwood Engelberg

Albuquerque Operations Office
Document ECC-5-7735-9-E
July 4, 2013



Applied Chaos Dynamics Control Association

Publisher's Note: this document has been printed so as to allow you to familiarize yourself with the contents in private, free from electronic surveillance. If you find this document worthwhile, pull out the staples, run it through a copier, and redistribute it, so others can make use of it as well.

What is America?

In the early months of 1787, a few dozen men gathered in secret. Behind closed doors in Philadelphia, they carefully designed a machine which, if set in motion, meant for them a direct profit to the tune of \$40 million. In those days, that sum of money was equivalent to the value of all the taxable land in Maryland, Vermont, and Delaware combined, or, roughly, half the value of New York.¹

A revolution was underway: a concerted effort to stake out a claim for generations to come. With a new logic of civil law – a machinery of jurisprudence, or social algebra – these men in 1787 set forth their secret design. Their decisions were based on clear, quantifiable calculations. That they profited handsomely from their design is beyond doubt: what remains obscure is how, and why, and what their innovation means – though these answers lie hidden in plain sight.

What We're Told

Every American school child has these words indelibly inscribed onto his or her psyche: “WE, the People.”

“WE, the People” are reminded that, yes, there were slaves once upon a time here in the land of the free, who were not really a part of the political “WE.” And “WE, the People” are told that, at some point (though just when is usually a little unclear) women struggled for the right to participate in electoral politics. And “WE, the People” are told something of the struggles of the Civil Rights Era, which resulted in a society at last based on equality in the eyes of the law and universal suffrage. And so today, “WE, the People” are routinely reminded about our great freedoms.

But what is our freedom, exactly? The freedom to do what? Clearly, not absolutely whatever we want: we may not murder, or rape, or molest children, or shout “fire” in a crowded theatre just to watch the panic ensue.

To be precise, it is worth considering the words of John Locke, who inspired the phrase, “Life, Liberty, and the Pursuit of Happiness” that is enshrined in the Declaration of Independence. Locke argued that freedom is not a complete lack of restraint, but rather, freedom from the arbitrary exercise of authority, from a society where “might makes right.” Locke observed: “For in all the states of created beings, capable of laws, where there is no law there is no freedom. For liberty is to be free from restraint and violence from others, which cannot be where there is no law: but freedom is not, as we are told, ‘a liberty for every man to do what he lists.’ For who could be free, when every other man’s humour might domineer over him?”² While freedom, today, is often discussed in opposition to laws and regulations, Locke viewed laws as a prerequisite for freedom. This was the understanding of civil society that the Founding Fathers took as their starting point, as they drafted a set of laws called the Constitution “to secure the Blessings of Liberty to ourselves and our posterity.”

1 Charles Beard, *An Economic Interpretation of the Constitution of the United States*, 1913.

2 John Locke, *Second Treatise on Civil Government*, sec. 57, 1690.

So what, exactly, is our freedom? What can we do with it? Where does it come from? To begin to understand these questions, it is important to ask who “WE, the People” actually were, once upon a time, so that the words enshrined in the US Constitution might be understood for what they meant when they were used. It is those historical meanings which set our nation’s history in motion, which form the basis of our laws and policies, and to which we appeal when addressing grievances to the government, or attempting to bring legal action to remedy some wrong. Those words are tools, and to be used effectively, they must be understood in the context that gives them their strength. If “WE, the People” don’t ask ourselves what the words in the Constitution meant to the men who wrote them, any discussion of the Constitution won’t actually be about the Constitution at all, but will only be about our attitudes today.

Where We Start

The US Constitution is a legal framework that promotes the “general Welfare,” provides for the “common defense,” regulates commerce among the states, provides for a tripartite structure of government, and other functions. There were many difficult issues brought up by the previous American legal framework – the Articles of Confederation – and the Founding Fathers hashed out an agreement in Philadelphia which they found more amenable to their interests.

Clearly, though, black slaves were not invited to partake of the “Blessings of Liberty.” And women were not allowed – until 1920 – to add their voices to “WE.” And when one looks closely at the demographics of the Founding Fathers, the labor interest of ordinary freemen was in no significant way represented at the Constitutional Convention – even though the yeoman farmers in the countryside and wage laborers in the cities together made up the majority of the country’s population. For the first 75 odd years of American history, there were minimum wealth requirements for holding a seat in national and state legislatures, and until 1850 or so, only white, land-owning men of some means were allowed to vote. Since only eligible voters could hold office, most citizens were effectively excluded.

“WE” would seem to have meant a rather small group with some wealth and political influence – an aspiring aristocracy comprised of men who were amassing capital in land, financing, and human chattel – who meant first and foremost to secure the “Blessings of Liberty” to themselves and their posterity.

What We Ignore

The US Constitution outlines a legal system explicitly designed to preserve the “privileges and immunities” of a wealthy, powerful minority – an aristocracy – and to provision against the potential emergence of democratic self-rule.

While American textbooks talk about the conflicting interests of different

states during the drafting of the US Constitution, the whole move to replace the Articles of Confederation was pushed by a particular group of wealthy capitalists. Of the 55 delegates to the Constitutional Convention, some 40 members were engaged in financial speculation on the value of the debt that paid for the Revolution; at least 14 members represented the interests of land speculators; some 24 members represented the interests of money lenders; 11 members represented the mercantile interest; and some 15 members represented the interests of slaveholders. Not one delegate could be said to have represented the interests of the majority of Americans who subsisted on small farms or wage labor, with little or no land. Women were not represented at the drafting of the Constitution. Slaves were not represented. Renters were not represented. Laborers were not represented.

The Founders, despite disagreements over the particulars of the legal instrument they crafted, were united by a class identity built around international finance and control of capital, which the other classes (the working classes) lacked. Black slaves were severed from their heritage by violence and oceans; the wage laborers in the city were severed from the feudal social order in which their ancestors had lived for generations. The capitalist class, after the inconvenient trade disruptions of the Revolutionary War, were largely sheltered from the political upheavals of the day by the resilience of the social and economic networks built by their trade relations.

There were thus four major capitalist interests responsible for drafting the US Constitution: land owners who profited from rent; slave owners who profited from plantation output; financiers who profited from lending money at interest; and mercantile interests who profited by trade and factory labor. There were areas of overlap and there were points of contention, but what united these men was a common class interest: the desire for exclusive ownership of the means of production. They were capitalists and opportunists, and they meant to fashion themselves a new, permanent aristocracy.

There was a very specific reason why the Framers saw fit, in Article IV, Section 4, of the US Constitution, to guarantee “a republican form of government” rather than a democracy. Many of the Founders were not only anti-majoritarian in their political orientation, but also profoundly and explicitly opposed to democracy.

The Problem with Democracy

The overarching philosophy of John Adams held that societies founded on laws were bound to be mixtures of very few distinct types: “To speak technically, or scientifically, if you will, there are monarchical, aristocratical, and democratical republics.”³

Beyond these basic forms of government, Alexander Hamilton laid down what he viewed as a fundamental principle of social order: “All communities divide themselves into the few and the many. The first are the rich and well born, the other the mass of the people. The voice of the people has been said to be the voice

3 John Adams, Letter to J.H. Tiffany, dated April 30, 1819.

of God; and however generally this maxim has been quoted and believed, it is not true in fact. The people are turbulent and changing; they seldom judge or determine right. Give therefore to the first class a distinct, permanent share in the government. They will check the unsteadiness of the second, and as they cannot receive any advantage by a change, they therefore will ever maintain good government.⁷⁴ Hamilton believed that social inequality is natural and unavoidable, whether a society is governed by decree, by a wealthy few, or by a collective majority. Given this fact, he felt that a permanent aristocracy will make for the best steward of government, essentially arguing that only the wealthy are free of avarice.

Though the Founders rebelled against “the divine right of kings,” they adhered to a similar logic when justifying their own wealth and privilege. Adams wrote of the wealthy minority: “this natural aristocracy among mankind, has been dilated on, because it is a fact essential to be considered in the constitution of a government. It is a body of men which contains the greatest collection of virtues and abilities in a free government: the brightest ornament and glory of a nation; and may always be made the blessing of society.”⁷⁵ Which is to say: wealth is a sign of inherent virtue. Adams elaborated: “the five pillars of aristocracy are beauty, wealth, birth, genius, and virtue.”⁷⁶

The Federalist Papers, a series of open letters published by the Framers under pen-names, are a valuable record of the debate surrounding the ratification of the Constitution. They are, in essence, the public arguments made in favor of adopting the Constitution. In the Federalist #10, Madison succinctly identified some of the shortcomings of democracy, writing: “democracies have ever been spectacles of turbulence and contention; have ever been found incompatible with personal security or the rights of property.”

When the Founding Fathers gathered in Convention to discuss the Constitution, they had many ideas about how to improve on the Articles of Confederation, which defined the national government at the time. Many among the urban, financial elite were alarmed by debt revolts breaking out across the country. States were yielding to popular demands for the cancellation of onerous debt (“underwater mortgages”), debtor prisons were being closed, and states were using arbitration boards to settle financial debts with equivalent quantities of land. Paper money, which states were using to regulate wealth, was no good for trade with Europe (a concern mainly for the capitalist classes, since the majority of yeoman farmers and wage laborers could not afford imported finery, nor did they produce enough output to enter into wholesale trade agreements with European distributors). Land prices in the West were unstable because the national government could not effectively organize troops to secure the border. The national government had no power to levy taxes, but could only support itself through trade tariffs (another inconvenience for the aspiring aristocracy).

Founding Father Elbridge Gerry, speaking to the Constitutional Convention on May 31, complained about the government under the Articles of

4 Alexander Hamilton, at Convention, June 19, 1787.

5 John Adams, *Defence of the Constitutions of the United States*, Letter XXV, 1787.

6 John Adams, Letter to Thomas Jefferson, dated September 2, 1813.

Confederation: “The evils we experience flow from the excess of democracy.” Founding Father John Dickinson declared in Convention: “The Danger to Free Governments has not been from Freeholders, but those who are not Freeholders,” meaning, the poor are ever a danger to the privilege of the rich. Founding Father Edmund Randolph agreed that the problems facing the nation could be sourced to “the turbulence and follies of democracy.”

Alexander Hamilton was a firm believer in the inherent virtues of a non-elective authority, arguing in Convention on June 18, 1787: “Nothing but a permanent body can check the imprudence of democracy... you cannot have a good executive upon a democratic plan.” And Hamilton elsewhere spoke disparagingly of Thomas Jefferson’s ideal of a democratic government founded on land reform and political equality. He felt that Jefferson’s politics “are tinctured with fanaticism” and that “he is too much in earnest with his democracy.” Founding Father and Supreme Court Justice Oliver Ellsworth would later call Jefferson and his Democratic camp “apostles of anarchy, bloodshed, and atheism.” Voting rights were so low on the list of priorities for the Founders, that suffrage was nowhere even addressed in the Constitution or Bill of Rights.

These were some of the wealthiest men in the country at the time, scornful of democracy, mistrustful of the poor, and of the majority, and the interests of common laborers. The remedy that the Founding Fathers favored was described by a newspaper columnist for the Boston Gazette and Country Journal, on November 26, 1787: “Those who have long been wishing to erect an aristocracy in this COMMONWEALTH – their menacing cry is for a RIGID government, it matters little to them of what kind, provided it answers THAT description...” The Founders did not want a weak, limited, decentralized government; they wanted “rigid” government, regardless of wrangling over particulars.

In the Federalist #25, for example, Hamilton cautions that “feeble government” is unlikely to be respected, and cites some instances where states have raised militias to quell the spirit of rebellion among the population. He writes of the Shays Rebellion:

“The conduct of Massachusetts affords a lesson on the same subject... that State (without waiting for the sanction of Congress, as the articles of the Confederation require) was compelled to raise troops to quell a domestic insurrection, and still keeps a corps in pay to prevent a revival of the spirit of revolt. The particular constitution of Massachusetts opposed no obstacle to the measure; but the instance is still of use to instruct us that cases are likely to occur under our government, as well as under those of other nations, which will sometimes render a military force in time of peace essential to the security of the society, and that it is therefore improper in this respect to control the legislative discretion. It also teaches us, in its application to the United States, how little the rights of a feeble government are likely to be respected, even by its own constituents.” The “security of the society” here means the protection of the wealthy minority from the unruly debtor class, not the repelling of some foreign invasion. No “feeble government” would be able to adequately protect the new aristocracy, and the potential for any outbreak of democracy needed to be thoroughly provisioned against.

The Democratic Creed

General Knox, after whom a famous gold repository is named, described the threat posed by Jeffersonian Democracy as follows, in reacting to the Shays Rebellion:

“The people who are the insurgents have never paid any, or but very little taxes — But they see the weakness of government; they feel at once their own poverty, compared with the opulent, and their own force, and they are determined to make use of the latter, in order to remedy the former. Their creed is ‘That the property of the United States has been protected from the confiscations of Britain by the joint exercise of all, and therefore ought to be the common property of all.’ ... In a word they are determined to annihilate the debts public and private and have agrarian laws, which are easily effected by means of unfunded paper money which shall be a tender in all cases whatever...”⁷

To the aristocracy, the democratic threat stemmed from the notion that “the property of the United States has been protected from the confiscations of Britain by the joint exercise of all, and therefore ought to be the common property of all.” In the absence of traditions of nobility, the concentration of wealth would be the basis for this new aristocracy. General Knox may have used the word “creed” in a somewhat literal, albeit derogatory sense here, that can be traced back to the Bretheren of the Free Spirit and the Ranters in the Middle Ages: adherents of a heretical Christian doctrine of free love and communal property ownership, implicated in numerous populist uprisings against the landed nobility and the opulent clergy.

In the year 1660, Laurence Clarkson offered this summary of how the Ranters viewed private property: “I apprehended that there was no such thing as theft, cheat, or a lie, but as man made it so: for if the creature had brought this world into [no] propriety, as Mine and Thine, there had been no such title as theft, cheat, or a lie...” The institution of the Commons was meant to ensure that anybody could “live of themselves” such that there would be “no need of defrauding, but unity with another.”

Jefferson picked up on this same strain in Western thought, which Karl Marx later picked up as well. Jefferson was part of a camp primarily concerned with land reform; yeoman farmers and the working poor wanted paper money because it allowed the state to regulate wealth and debt. These subsistence farmers fought and financed the Revolutionary war to create something approaching a classless society, where “all men are created equal,” not to further enrich a handful of aristocrats.

To wit, Thomas Jefferson’s close associate John Taylor observed: “the aristocratical varieties just described, evince a factitious origin; and the frauds practiced by the Roman aristocracy for self-preservation, in common with its Grecian predecessor, acknowledge a similar ancestry. It usurped the dignities of government, monopolized public property, enriched itself by conquest and by forcing the people to borrow at exorbitant usury of itself, to supply the loss

7 Henry Knox, Letter to George Washington, dated October 23, 1786.

of labor whilst fighting for the lands it monopolized, assumed the priesthood, practiced upon the vulgar superstition, and impressed an idea that its progeny was well born.”⁸

The Remedy for Democracy

John Marshall, the first Chief Justice of the US Supreme Court, succinctly summarized the attitude of the Founding Fathers, and identified the unity of purpose that bound them together in their pursuit:

“The distresses of individuals were, they thought, to be alleviated only by industry and frugality, not by a relaxation of the laws or by a sacrifice of the rights of others. They were consequently the uniform friends of a regular administration of justice, and of a vigorous course of taxation which would enable the state to comply with its engagements. By a natural association of ideas, they were also, with very few exceptions, in favor of enlarging the powers of the federal government.”⁹

The capitalist class wanted a strong national government to enforce contractual obligations, and to ensure the “frugality” of the debt-laden working classes; land speculators wanted a strong national government to clear the Western lands of their Indian inhabitants, to help ensure that their gambles paid off; and the merchant class wanted the national government to provide a more favorable trade policy for dealings with Europe, including coin currency and a national Navy to protect trade routes. The aristocratic classes together wanted a strong national government with centralized control over the currency, to the effect that, as Madison wrote in the Federalist #44, “the right of coining money ... is here taken from the States.” And, of special importance, was the financial interest’s desire to see a strong national government gain the power to tax “the mass.” On this last point, Hamilton wrote in Federalist #30: “The power of creating new funds upon new objects of taxation, by its own authority, would enable the national government to borrow as far as its necessities might require. Foreigners, as well as the citizens of America, could then reasonably repose confidence in its engagements.” Because there was no federal income tax until the passage of the 16th Amendment in the early 20th Century, a “vigorous course of taxation” would be levied against consumption rather than the accumulation of wealth, allowing the capitalist class to convert itself into a new, structural aristocracy, able to borrow freely against the output of labor.

By a resolution of Congress in February 21, 1787, the Founding Fathers thus made a great show of setting out to Philadelphia for the “sole and express purpose of revising the Articles of Confederation” as “the most probable means of establishing in these states a firm national government.” They returned instead with a plan for an entirely new government, “a more perfect Union” designed from the ground up to be a wealth-concentrating machine. They furthermore bypassed the existing amendment procedures outlined in the

8 John Taylor of Caroline, *An Inquiry into the Principles and Policy of the Government of the United States*, 1808.

9 John Marshall, *The Life of George Washington*, 1804-07.

Articles of Confederation, in order to install their new government. In an important sense, then, the US Constitution was not lawfully established: it was technically the product of a coup against the more democratic national government of the Articles of Confederation.

These were the driving factors for the Constitutional Convention, and, incidentally, why labor unions are important today: labor unions seek to remedy a historic omission through a compromise between the needs of the laboring majority and the prerogatives of a managerial class. Organized labor recognizes its role in society, mainly that “labour makes the far greatest part of the value of things we enjoy in this world; and the ground which produces the materials is scarce to be reckoned in as any, or at most, but a small part of it.”¹⁰ Organized industry profits from the output of labor far more than it profits from raw minerals extraction. Today, Virginia coal miners and Congolese sifting sands for coltan provide raw minerals extracted from barren, or remote, “worthless” land, at very low cost. This labor provides raw materials for armies of engineers and technicians, and hordes of debt-laden consumers, including engineers and technicians. Locke recognized this, and held that: “It is labour, then, which puts the greater part of value upon land, without which it would scarcely be worth anything.”¹¹ Organized labor seeks official recognition of the value of labor, where such recognition has been lacking.

The Interests of Aristocracy

John Adams and James Madison were under the impression that there were bound to be inherent class distinctions in any human society: they did not believe in the possibility of a democratic society of equals. They also believed, however, that the inevitability of an aristocracy could be forced through regulation to serve “the general welfare.”

Adams wrote that the inequalities of an aristocracy “are common to every people, and can never be altered by any, because they are founded in the constitution of nature; this natural aristocracy among mankind... may always be made the greatest blessing of society, if it be judiciously managed in the constitution.”¹² He elaborated: “The gentlemen are more intelligent and skilful, as well as generally richer and better connected, and therefore have more influence and power than an equal number of common people: there is a constant effort and energy in the minds of the former to increase the advantages they possess over the later, and to augment their wealth and influence at their expense.”¹³

In the Federalist #10, Madison meditated on the many causes of division among citizens: “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

10 John Locke, *Second Treatise on Civil Government*, section 42.

11 *ibid*, section 43.

12 John Adams, *Defence of the Constitutions of the United States*, Letter XXV, 1787.

13 John Adams, *Defence...*, quoted in *Works of John Adams*, vol. 6, 1851.

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 of party and faction in the necessary and ordinary operations of the government.”

John Taylor, a fierce critic of aristocracy, saw early American society as the product of a conflict between two main socio-economic classes: lenders and debtors. In his *Inquiry*, Taylor wrote: “One interest is a tyrant, the other its slave.” His use of the word “slave” to describe debtors is not wholly metaphorical. He continues with an analysis of the economics of lending at interest: “In Britain, one of these interests owes to the other above ten hundred millions of pounds sterling, which would require twelve million slaves to discharge, at eighty pounds sterling each. If the debtor interest amounts to ten millions of souls, and would be worth forty pounds sterling round, sold for slaves, it pays twelve and a half percentum on its capitation value, to the creditor interest... This profit for their masters, made by those who are called freemen, greatly exceeds what is generally made by those who are called slaves.”¹⁴ Taylor – a slaveowner himself – clearly perceived that putting a laborer into debt is about the best investment one can make, far more profitable in the long run than owning that laborer outright, as a slave that could be liquidated.

Founding Father Oliver Ellsworth made a similar observation: “As slaves multiply so fast in Virginia and Maryland that it is cheaper to raise than import them, whilst in the sickly rice swamps [of South Carolina and Georgia] foreign supplies are necessary, if we go farther than is urged [in regulating the slave trade], we shall be unjust towards South Carolina and Georgia. Let us not intermeddle [in the slave trade]. As population increases; poor laborers will be so plenty as to render slaves useless.”¹⁵ He further reasoned, on this point: “The morality or wisdom of slavery are considerations belonging to the States themselves. What enriches a part enriches the whole, and the States are the best judges of their particular interests.”

Thomas Jefferson noted a similarly pointed observation about how to best take account of the population of the United States for tax purposes:

“Mr. John Adams observed, that the numbers of people were taken by this article, as an index of the wealth of the state, and not as subjects of taxation; that, as to this matter, it was of no consequence by what name you called your people, whether by that of freemen or of slaves; that in some countries the laboring poor were called freemen, in others they were called slaves; but that the difference as to the state was imaginary only. What matters it whether a landlord employing ten laborers on his farm, give them annually as much money as will buy them the necessaries of life, or gives them those necessaries at short hand? The ten laborers add as much wealth annually to the state, increase its exports as much, in the one case as the other. Certainly five hundred freemen

14 John Taylor, *Inquiry into the Principles and Policy of the Government of the United States*, 1814.

15 Oliver Ellsworth, in Convention, August 22, 1787.

produce no more profits, no greater surplus for the payment of taxes, than five hundred slaves. Therefore the state in which are the laborers called freemen, should be taxed no more than that in which are those called slaves. Suppose, by an extraordinary operation of nature or of law, one half the laborers of a state could in the course of one night be transformed into slaves; would the state be made the poorer or the less able to pay taxes? That the condition of the laboring poor in most countries, that of the fishermen particularly of the Northern states, is as abject as that of slaves. It is the number of laborers which produces the surplus for taxation, and numbers, therefore, indiscriminately, are the fair index of wealth.”¹⁶

To these men, it did not matter how you called “the mass,” so long as they worked. In his First Report on Manufactures in December 1791, Hamilton waxed poetic about how technology allowed “persons who would otherwise be idle (and in many cases a burthen on the community)” to exert “a greater quantity of Industry.” Indeed, “the husbandman himself experiences a new source of profit and support from the increased industry of his wife and daughters; invited and stimulated by the demands of the neighboring manufactories.” Hamilton continues: “It is worthy of particular remark, that, in general, women and Children are rendered more useful and the latter more early useful by manufacturing establishments, than they would otherwise be. Of the number of persons employed in the Cotton Manufactories of Great Britain, it is computed that 4/7 nearly are women and children; of whom the greatest proportion are children and many of them of a very tender age.” Hamilton urged his compatriots to think of the children, and, especially, how lucrative they could be to household patriarchs if sent to work in an unregulated factory environment. The opulent aristocracy’s merciless advocacy of “industry and frugality” for “the mass” was at the core of Marx’s assertion in the Communist Manifesto, written about 50 years later: “The bourgeoisie has torn away from the family its sentimental veil, and has reduced the family relation to a mere money relation.”

Slave labor wasn’t free. No matter how poorly, slaves needed to be clothed, fed, and sheltered. The Founding Fathers, many of whom owned slaves, were aware of this. As such, they sought a more profitable solution. In addition to acquiring the output of labor, the capitalist class also acquired a measure of what laborers spent on the “necessaries of life,” such as rent, taxes, mortgages, and other interest on debt.

While society at large was being divided into the competing interests of owners and owers, in Convention, the main “factions” among the capitalist classes were divided between real property and financial wealth. Though they agreed the government should work for them, they had trouble specifying wealth standards for participation in government that would enfranchise both urban financiers with much wealth but little land, and plantation owners with land and trade but little liquidity, without actually enfranchising rural farmers with some land but little equity, or urban wage-earners with a little wealth but no property; the task got to be so difficult that landholding minimums were left out of the Constitution itself, and left to States to regulate accordingly.

16 Thomas Jefferson, *Notes on Debate on Confederation*, vol. 1, 1827.

The main task of the capitalists who wrote the Constitution for their own benefit, was to keep the majority fragmented: to prevent them from coming into an awareness of their majority status, or an awareness that they were the ones who actually produced the wealth of the nation: in short, the aristocracy was determined to prevent the poor and the working classes from obtaining a class consciousness that could serve as a basis to organize their political endeavors. John Adams described a religious sense of conviction motivating the Founders: “The moment the idea is admitted into society, that property is not as sacred as the laws of God and that there is not a force of law and public justice to protect it, anarchy and tyranny commence.”¹⁷

Writing about a century earlier, John Locke directly addressed how the mass accumulation of wealth impacts society: “Before the appropriation of land, he who gathered as much of the wild fruit, killed, caught or tamed as many of the beasts as he could... by placing any of his labour on them, did thereby acquire a propriety in them; but if they perished in his possession without their due use—if the fruits rotted or the venison putrefied before he could spend it, he offended against the common law of Nature, and was liable to be punished: he invaded his neighbour’s share, for he had no right farther than his use called for any of them, and they might serve to afford him conveniences in life.”¹⁸ In Locke’s view, money functions to make accumulated wealth less perishable,¹⁹ since hoarding vital resources is otherwise an offense “against the common law of Nature.”

The Revolutionary bourgeoisie was highly conscious of its class interest, and used the Constitution to organize its capitalist endeavors. “Faction” would be their tool to keep the laboring majority socially fragmented, unable to challenge the organizational sophistication of the social apparatus managing the aristocracy’s wealth and property. For the Constitution to work, it was important to prevent the laboring majority from seeing that society was being divided into two main classes: lenders and debtors, or, more broadly, a new, permanent aristocracy built around the accumulation of capital, and a class of laborers to provide the wealth and workforce needed to make productive use of capital investments. Adams described the situation succinctly: “We do possess one material which actually constitutes an aristocracy that governs the nation. That material is wealth.”²⁰

Divide and Conquer

To the ethnically British, capitalist aristocracy who occupied the legislatures and who drafted the Constitution, the preservation of their privilege was a pressing concern.

In the Federalist #51, Madison or Hamilton argued under the pen-name Publius: “It is of great importance in a republic not only to guard the society against the oppression of its rulers, but to guard one part of the society against

17 John Adams, *Defence...*, quoted in *The Founders’ Constitution*, vol 1. ch. 16, doc. 15.

18 John Locke, *Second Treatise on Civil Government*, section 37.

19 *ibid.*, section 47.

20 John Adams, *Review Of The Propositions For Amending The Constitution*, 1808.

the injustice of the other part. Different interests necessarily exist in different classes of citizens. If a majority be united by a common interest, the rights of the minority will be insecure. There are but two methods of providing against this evil: the one by creating a will in the community independent of the majority that is, of the society itself; the other, by comprehending in the society so many separate descriptions of citizens as will render an unjust combination of a majority of the whole very improbable, if not impracticable.

“The first method prevails in all governments possessing an hereditary or self-appointed authority. This, at best, is but a precarious security; because a power independent of the society may as well espouse the unjust views of the major, as the rightful interests of the minor party, and may possibly be turned against both parties. The second method will be exemplified in the federal republic of the United States. Whilst all authority in it will be derived from and dependent on the society, the society itself will be broken into so many parts, interests, and classes of citizens, that the rights of individuals, or of the minority, will be in little danger from interested combinations of the majority.”

The “minority” that needed protection was the capitalist class and their privilege. The majority was excluded from government. Because the Founders feared a hereditary authority might assume a populist tone for some short-term gain, and “espouse the unjust views” of the majority, a more durable, structural authority would be necessary. This authority would rest on the accumulation, careful management, and mass transfer of wealth. To this end, an important basic objective was a government that capitalists could control by keeping the majority disorganized and without influence. As Madison made especially clear in the *Federalist* #10: “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 the society into different interests and parties.”

There was some variety among the Founders in their views on these and related matters. According to Madison’s records of the Constitutional Convention, John Dickinson was of the persuasion that a limited monarchy was “one of the best Governments in the world. It was not certain that the same blessings were derivable from any other form.” Although clearly a minority view, advocacy of monarchy wasn’t so toxic a subject as one might suppose for the Founders, given their proximity to the War with England: George Read wanted the President to have absolute power and opposed term limits for Senators. James McClurg was “not so much afraid of the shadow of monarchy as to be unwilling to approach it; nor so wedded to republican government as not to be sensible of the tyrannies that had been and may be exercised under that form.” William Blount was even implicated in a plot to transfer large parts of Florida to the English Crown. And while it was a minority among the Founders that favored monarchy outright, there was broad agreement that strong, centralized authority was what a stable aristocracy needed.

The interest in the “blessings” of monarchy and hereditary orders derived from a desire for stability in class relations and economic opportunity. The wealth of this new aristocracy would be structural, and to be secure, would need a

society with a stable organization to provide for the mass transfer of wealth and capital from one generation to the next.

In structural terms, the three branches of government established by the Founders were never meant to be co-equal: the judiciary was conceived as the weakest, and for good reason. As ethnic Brits, the Founders were well aware that, under the English “common law” legal system, laws were regularly altered by legal precedent. To address this threat via “republican principles,” Hamilton observed in the *Federalist* #83 that, “The nature of a court of equity will readily permit the extension of its jurisdiction to matters of law; but it is not a little to be suspected, that the attempt to extend the jurisdiction of the courts of law to matters of equity will not only be unproductive of the advantages which may be derived from courts of chancery... but will tend gradually to change the nature of the courts of law.” In the *Federalist* #83, which begins by dismissing concerns about the lack of a Bill of Rights in the Constitution, Hamilton expresses deep reservations about a uniform right to trial by jury, for reasons similar to his opposition to democracy – mainly, such provisions might make government too easy for the majority to influence.

Since the Founders were primarily concerned with ensuring the stability of an aristocratic order, their legal system under the Constitution was designed to undermine any judicial avenue whereby “interested combinations of the majority” might use the courts to secure for individuals political rights that were really only meant for the few.

In the *Federalist* #78, Hamilton furthermore observes: “Whoever attentively considers the different departments of power must perceive, that, in a government in which they are separated from each other, the judiciary, from the nature of its functions, will always be the least dangerous to the political rights of the Constitution; because it will be least in a capacity to annoy or injure them. The Executive not only dispenses the honors, but holds the sword of the community. The legislature not only commands the purse, but prescribes the rules by which the duties and rights of every citizen are to be regulated. The judiciary, on the contrary, has no influence over either the sword or the purse; no direction either of the strength or of the wealth of the society; and can take no active resolution whatever. It may truly be said to have neither FORCE nor WILL, but merely judgment; and must ultimately depend upon the aid of the executive arm even for the efficacy of its judgments.”

The “political rights of the Constitution” were meant to apply primarily to a small, wealthy ruling class. In the words of John Adams: “Congress will always be composed of members from the natural and artificial aristocratical body in every state.”²¹ At that time, the state legislatures appointed the President, and were free to choose men who best represented their interests. When George Washington was President, he was probably the wealthiest man in the country.

The notion that the three branches of government were meant to be co-equal is a myth. According to John Adams, the legislature “is naturally and necessarily sovereign and supreme over the executive.”²² The legislature was meant to be the

21 *ibid.*

22 John Adams, *Defence of the Constitutions of the United States*, Letter LIII, 1787.

most powerful branch of government, and so Congress is where the aristocracy focused their efforts. The judiciary – designed to have “neither FORCE nor WILL” – was meant to be the weakest branch of government, relying on the president for appointments, and on Congress to approve any appointments. Just as Congress retained discretion over judicial nominees, Congress retained the power to remove a president from office. Article I of the Constitution, outlining the Congress, contains ten sections; by comparison, Article II, outlining the executive branch, contains only four. Article III, outlining the judiciary, contains only three sections. By dividing up the federal government in this way, the Founding Fathers sought to ensure that the government would be difficult for the majority to influence.

Insider Trading

The Founding Fathers, in drafting the Constitution as they did, engineered themselves an enormous payoff for their labors. Alexander Hamilton was a central figure in these machinations. Here’s how the scheme worked:

Two clauses in the Constitution were the linchpin on which Hamilton’s plan rested: the ability of the new federal government to levy taxes under Article I, Section 8; and, under Article VI, the ability of the new federal government to enforce contracts made under the previous government. These provisions made it into the body of the Constitution, and didn’t have to wait for implementation like the Bill of Rights.

The Revolutionary War was funded about 1/5 by foreign debt, largely lent by France because the Revolutionaries were fighting England. The remaining 4/5 of the cost of the war was funded by domestic debt. This domestic debt largely took two forms: stock bought in the Revolutionary government during the War (originally purchased in large measure by different classes of laborers, interested in land reform and democracy) and promissory notes paid to soldiers (which could be redeemed in cash or land on the Western frontier).

After the Revolutionary War, nobody knew if the new government would stand, so the value of the dollar plummeted. The states weren’t interested in consolidating their debt under the national government, making foreign investors skittish. The lack of gold and silver coin made trade with Europe difficult. Land values in the Western territories remained low because the national government couldn’t secure its border. After the war, many farmers and soldiers – to recoup some of their losses – sold their securities to wealthy speculators, who then traded the securities on the open market. As the government soon fell in debt to speculators, rather than “the mass” who had fought and sacrificed for democracy, these speculators then agitated for a new government as a means to increase the rate of return on their gambles.

With the new Constitution drafted and ratified by the aspiring aristocracy – who were now gambling on the ultimate outcome of the Revolutionary War – Hamilton was appointed Secretary of the Treasury. He encouraged the Congress to pass certain measures, chief among them the creation of a

national bank to repay the national debt. Now owed to the speculators who drafted the new Constitution, and who held office in the Congress they enacted, the debt would be discharged by the new central bank, chartered for 20 years, and funded by a new tax on consumption (an income tax would have defeated the purpose of shifting wealth to the aristocracy). The Drafters – now legislators and speculators with a clear conflict of interest – also took out stock in the new bank, which was guaranteed to increase in value due to government fiat.

Hamilton ensured that the national debt (in the form of depreciated government securities) would be paid off AT FACE VALUE by issuing gold and silver coin (under Article I, Section 10 of the new Constitution). To fund this, Hamilton proposed — and Congress put in place — what was called the Whiskey Tax. The Whiskey Tax paid off the national debt by taxing “the mass” of subsistence farmers, who had sold their government stock to speculators in Congress at a loss, in most cases making back only ten or twenty cents on the dollar. The tax levied against them concerned the whiskey they themselves produced, traded with, took to market, and drank. Whiskey was, for many farmers, the most efficient way to transport their grain to market, as well as an informal medium of exchange. This excise tax largely targeted domestic production and consumption among those who largely funded the war.

To reiterate: capitalists wealthy enough to risk speculating on the ultimate outcome of the Revolutionary war bought up depreciated war bonds from soldiers and farmers for pennies on the dollar, overthrew the standing government under the Articles of Confederation, paid themselves off in full with gold coin, and then funded the payoff by taxing the working classes, who thus got screwed twice over. The clause in the Constitution forbidding paper money ensured that nobody else could try their scheme again – because the wealth of the nation would be deposited into very few hands, cementing into place a new aristocracy. So much for democracy putting an end to feudalism.

The Founders took the value of the payoff – in rough terms, about the value of all the taxable land in Connecticut at the time – tax free. As lenders and landlords and slaveowners, they knew the key to real success was to profit from the labor of others, and so they also knew they would incur the least overhead in their enterprise if the government was funded by taxing consumption, since, there are always far more consumers than aristocrats. This tax structure existed to shape society in such a way as to perpetually channel the wealth created by the laboring majority into the hands of the wealthy few. As the government borrowed against taxes collected from “the mass,” it was also able to subsidize all manner of capitalist enterprises. The national Navy protected trade routes for merchants. Under George Washington’s Administration, 80% of the federal government’s discretionary budget was dedicated to subsidizing Indian eradication for real estate developers. Eventually even the railroads and the Westward Expansion were funded with government-subsidized land grants.

This economic structure is still in place. Since the close of the Progressive Era, American society has been dominated by a “peacetime” permanent war economy that channels tax dollars to organized industry: deploying the stockpiles of Cold War nuclear weapons was “mutual assured destruction.” They could never be used. The manufacture of the weapons didn’t pay for itself by enabling a policy

of territorial acquisition and plunder; rather, it was subsidized for the benefit of industry. With the fall of the Berlin Wall came a new permanent war: the War on Terror, with legions of private contractors, thinktanks, lobbyists, and a privatized surveillance apparatus built along with legislatively immunized, financially compensated, commercial telecommunications carriers.

Safeguarding Power

These schemes were seen for what they were, even while they were just being perpetrated. While Hamilton was busy crafting the national debt payout scheme, Jefferson was off in France, serving as Foreign Minister to our ally (Jefferson was also away during the drafting of the Constitution). On returning, Jefferson initially supported Hamilton's financing plan – as well as the legislative compromise that moved the national Capitol from New York in the North to the Potomac in Virginia. Incidentally, this compromise moved the Capitol onto a plot of land the US government purchased from Founder Daniel Carroll, who helped draft both the US Constitution and the legislative compromise that moved the Capitol, and who also served as one of the commissioners responsible for laying out Washington, DC.

Jefferson was aghast when he learned in detail what the financing plan actually entailed: “When I embarked in the government, it was with a determination to intermeddle not at all with the legislature, & as little as possible with my co-departments. The first and only instance of variance from the former part of my resolution, I was duped into by the Secretary of the Treasury and made a tool for forwarding his schemes, not then sufficiently understood by me; and of all the errors of my political life, this has occasioned me the deepest regret.”²³

After he was “duped,” Jefferson quickly grew suspicious of all the financial and real estate “schemes,” conflicts of interest, and insider trading surrounding the early Congress. James Madison – who never participated in the public debt payout scheme – largely agreed with Jefferson's take on the affair. Writing to Jefferson in July, 1791, Madison described Hamilton's financing scheme as “a mere scramble for so much public plunder, which will be engrossed by those already loaded with the spoils of individuals... It pretty clearly appears, also, in what proportions the public debt lies in the Country, what sort of hands hold it, and by whom the people of the United States are to be governed. Of all the shameful circumstances of this business, it is among the greatest to see the members of the legislature who were most active in pushing this job openly grasping its emoluments.”

Jefferson complained in some detail to President Washington, regarding the machinations of the Congressional aristocrats who supported Hamilton and his plan: “I saw this influence actually produced, & it's first fruits to be the establishment of the great outlines of his project by the votes of the very persons who, having swallowed his bait were laying themselves out to profit by his plans: & that had these persons withdrawn, as those interested in a question

23 Thomas Jefferson, Letter to George Washington, dated September 9, 1792

ever should, the vote of the disinterested majority was clearly the reverse of what they made it.”²⁴

When “the mass” of largely rural, agrarian, working people saw what Jefferson saw – that the wealthy minority had in fact tipped the scales of justice away from democracy – they undertook a tax protest that came to be known as the Whiskey Rebellion. To suppress the tax revolt, President George Washington assumed the role of Commander in Chief, and took command of a federalized militia that had been organized under the Second Amendment. With a contingent larger than anything he ever commanded during the Revolutionary War, President Washington marched on his own citizens and compatriots, who, intimidated by the show of force, dispersed and submitted to the new, “vigorous course of taxation.”

After concentrating wealth and political power, the next order of business for the Founding Fathers was to make it clear that they would not tolerate any social movement towards democratic self-government, “agrarian laws” or “levelism.”

In school we Americans are trained to think fondly of words like “WE, the people.” In an 1819 Supreme Court ruling, Chief Justice Marshall wrote in hallowed tones, how the United States government “proceeds directly from the people; it is ‘ordained and established’ in the name of the people ... Its powers are granted by them and are to be exercised directly on them and for their benefit ... it is the government of all; its powers are delegated by all; it represents all, and acts for all.”²⁵ We are trained to think fondly of words like these, to think of them in the religious sense of a “creed” that has been “ordained” from on high – even though those words were written before renters, laborers, tillers of the land, women, and blacks obtained universal suffrage, and came to be considered as part of the political “WE.”

Some 15 odd years earlier, Chief Justice Marshall wrote in a somewhat different tone. In his biography of Washington, Marshall admitted that the ratification of the Constitution was accomplished on quite tenuous grounds: “even after the subject had been debated for a considerable time, the fate of the constitution could scarcely be conjectured; and so small in many instances, was the majority in its favor, as to afford strong ground for the opinion that, had the influence of character been removed, the intrinsic merits of the instrument would not have secured its adoption.”²⁶ This “influence of character” was the hand of the organized, wealthy class tipping the scales in its favor. This was not a government that “represents all, and acts for all.” This was a government designed to allow an aristocracy to throw its weight onto the scales of Justice.

Implications Today

Philosophically, the US Constitution protects or secures “certain unalienable rights,” rather than grant them, properly. It is clear however, that these protections

24 *ibid.*

25 *McCulloch v. Maryland.*

26 John Marshall, *The Life of George Washington*, 1804-7.

were originally intended only for a subset of Americans: an extremely wealthy minority of politically-influential men, or, the aristocracy. In order for this aristocracy to perpetuate itself – in the absence of a feudal order tied together by a nobility’s fealty to a monarch – they designed themselves a formal system codified in civil law, that made provision for certain perpetual transfers of wealth through a particularly construed power of taxation.

This new aristocracy of capital, in occupying the legislature, positioned itself in such a way as to guarantee that the government would work in their interest. They furthermore sought to secure their social standing by providing obstacles to democratic influence on government through a variety of means. In the *Federalist #9*, Hamilton offered a “catalog of circumstances that tend to the amelioration of popular systems of civil government,” including the separation of powers, checks and balances, life tenure for judges, and representative and federal government.

Article IV of the Articles of Confederation made clear that “the free inhabitants of each of these States, paupers, vagabonds, and fugitives from justice excepted, shall be entitled to all the privileges and immunities of free citizens in the several States.” The adoption of the Constitution changed little for blacks, women, renters, debtors, laborers, or the poor; these groups would need to struggle for an additional century or more. “Vagabonds” or “hippies” fared no better in the 20th Century than they did in the late 1700’s. What changes have been brought about to secure political participation for the majority have been largely brought about in spite of the Constitution, not because of it.

The labor movement fought to correct a long-standing historical omission, mainly, the government’s systematic disregard of the laboring majority’s interests. Today, this majority even includes CEO’s, who are not capitalists, nor owner-operators, but wage-earning management: these private-sector bureaucrats can say what they will about their particular merits or indispensability, but, as mere employees, they can almost always be replaced. Their compliance is purchased, and they are flattered by the wealth they are granted in a society that pretends that wealth is a sign of virtue. In the end, however, even CEO’s are just wage earners. A CEO is neither a capitalist nor a proprietor, and is no more free to liquidate a corporation for profit than is the lowliest janitor. The CEO works for the board of directors, who work for the owners – just like the president was meant to work for the aristocrats in Congress.

Most people – including CEO’s – spend most of their most productive hours, during the best years of their life, earning wages, working for somebody else. For wage labor as for slave labor, this arrangement is essentially defined by submission to authority, and is profoundly un-democratic: a worker must perform the dictates of his or her boss or employer because the employer is the source of authority in the workplace. Instead of “might makes right” as in the state of nature, power is determined by the number of digits in a bank account somewhere, which confers upon a proprietor the right to withhold or retract an employee’s ability to subsist on his or her labor. Especially given workplace pressures to specialize, in many cases, a wage laborer thrown out of work due to layoffs or automation might as well be a hunter-gatherer maimed by some

jungle cat. This is a society where “wealth makes right as well as might.”

Even if one supposes that consumer spending is democratic because one can “vote” with one’s dollars, inequalities in the distribution of wealth then violate the democratic principle of “one person, one vote.” In like manner, one does not get to vote one’s boss out of office, if one disagrees with his or her labor policy. Employees rarely get to question or dispute their boss’s judgement, or participate in the process of ensuring that the financing of their livelihood is based on sound principles and managed judiciously. Laborers are rarely in any substantive sense free to decide for themselves at what rate they want to offer their labor, and, therefore, are deprived of the freedom to determine at what price they want to offer the output of their labor on an open market. Thus, most people – most of the time – have their lives structured by authoritarian prerogatives, rather than by direct, collaborative, democratic, participation in decisions about the allocation of resources. The labor movement sought to help rectify this, asserting that labor is the basis of wealth, and deserves proportional political representation. The labor movement has been attacked repeatedly because its democratic impulse is fundamentally at odds with the republican aristocracy. The aristocracy wants to claim preemptive ownership over laborers and their output.

The major social innovation provided by the US Constitution was not the creation of a nation where “all men are created equal.” Those cherished words were nowhere enshrined in the Constitution. The Declaration of Independence is not a legal document. The Founders were not interested in social progress as we understand this concept today, but rather with asserting “the ancient law” of aristocracy and propriety, which the monarchy and hereditary orders had usurped. As the Founders saw it, “Infinite art and chicanery have been employed in this country to deceive the people in their understanding of this term aristocracy, as well as of that of well-born, as if aristocracy could not exist without hereditary power and exclusive privileges; and as if a man could not be well-born, without being a hereditary nobleman and a peer of the realm.”²⁷ The Founders wanted to assert their rightful place in a social order they saw as predating the European monarchy and hereditary orders of feudal nobility. The prohibition on titles of nobility in Article I, Section 9 of the Constitution was no obstacle to aristocratic rule: “An aristocracy can govern the elections of the people without hereditary legal dignities, privileges, and powers, better than with them.”²⁸

When Jefferson penned those famous words, “all men are created equal,” surely wage laborers and yeoman farmers wanted what generations of peasants before them had wanted: a levelling of wealth and power, and the creation of a social order where resources are managed in common. Surely “the mass” had in mind a different ancient law, which inspired popular uprisings throughout the Middle Ages: ancient days, before laborers were “forever saddled with poverty and want and helplessness.”²⁹ Their aspirations harkened back to an age “when the bounties of nature were there to be used indiscriminately by all, before avarice and the craving for luxury brought division amongst men, so that they turned from

27 John Adams, *Review Of The Propositions For Amending The Constitution*, 1808

28 *ibid.*

29 Lucian, Letter I.

fellowship to robbing one another.”³⁰ The promise that “all men are created equal” went along with the notion that “the property of the United States has been protected from the confiscations of Britain by the joint exercise of all, and therefore ought to be the common property of all.” Surely they hoped the War would result in Democracy, where society would be governed “by promulgated established laws, not to be varied in particular cases, but to have one rule for rich and poor.”³¹ What the demonstrators in the Arab Spring sought was similarly a more equal share in political power and economic opportunity: the Tunisian self-immolation that sparked the uprising was the result not only of poverty, but also of a political and economic system that is furthermore antagonistic to the poor and the majority.

In Convention, June 26, 1787, Founding Father James Madison foresaw the threats to aristocracy that the labor, suffrage, and civil rights movements would later pose. Madison predicted: “an increase of population will of necessity increase the proportion of those who will labour under all the hardships of life, & secretly sigh for a more equal distribution of its blessings. These may in time outnumber those who are placed above the feelings of indigence. According to the equal laws of suffrage, the power will slide into the hands of the former. No agrarian attempts have yet been made in this Country, but symptoms, of a leveling spirit, as we have understood, have sufficiently appeared in a certain quarters to give notice of the future danger. How is this danger to be guarded agst. on republican principles? How is the danger in all cases of interested coalitions to oppress the minority to be guarded agst.? Among other means by the establishment of a body in the Govt. sufficiently respectable for its wisdom & virtue, to aid on such emergences, the preponderance of justice by throwing its weight into that scale.” This “body in the Govt.” would be the capitalist aristocracy and its political organ, the Congress.

The “interested coalitions” are the “unjust combination of a majority” that result from “equal laws of suffrage” for “the mass.” Where “certain quarters” come to “secretly sigh for a more equal distribution” of wealth and political power, they will begin to labor under “a leveling spirit,” to attain a society that recognizes all individuals “are created equal.” Since such a society would “oppress the minority” of aristocratic rulers, “society itself will be broken into so many parts, interests, and classes of citizens, that the rights of individuals, or of the minority, will be in little danger from interested combinations of the majority.” To this end, society will also be cut from the font of common law, by a judiciary designed “to have neither FORCE nor WILL.” The “sword of the community” was very deliberately removed from the hand of Justice.

Fascist dictator Benito Mussolini wrote in 1932 (with the help of Giovanni Gentile) an entry for the Italian Encyclopedia on the definition of fascism. It reads, in part: “Fascism combats the whole complex system of democratic ideology, and repudiates it, whether in its theoretical premises or in its practical application. Fascism denies that the majority, by the simple fact that it is a majority, can direct human society; it denies that numbers alone can govern by means of a periodical consultation, and it affirms the immutable, beneficial, and fruitful inequality of mankind, which can never be permanently leveled

30 Seneca, *Epistola*, XC.

31 John Locke, *Second Treatise on Civil Government*, section 142.

through the mere operation of a mechanical process such as universal suffrage.”

John Locke, who inspired one of our language’s most cherished phrases, wrote: “when any number of men have, by the consent of every individual, made a community, they have thereby made that community one body, with a power to act as one body, which is only by the will and determination of the majority.”³² The anti-majoritarian tendencies of the Founding Fathers was in direct opposition to the philosophical ideals which they professed.

The main innovation provided by the US Constitution was not the granting of some pioneering new set of individual freedoms for citizens, nor was it the establishment of a new democracy on the face of the Earth. Most Americans were excluded from political participation under the Constitution. While the ratification of the Constitution granted many rights and privileges to the aristocrats in the Congress, the ratification of the ten articles in the Bill of Rights – which was largely meant to address the concerns of ordinary, individual citizens – was delayed for some four years. In the *Federalist* #84, Hamilton went so far as to suggest that “bills of rights, in the sense and to the extent in which they are here contended for, are not only unnecessary in the proposed Constitution, but would even be dangerous.” The Founders were not particularly interested in granting freedoms to “the mass,” and many of the freedoms we Americans are trained to think of as distinctively American are likely the inevitable products of the British legal tradition. Indeed, the British today enjoy many of the same rights as we Americans, even though they are still subjects of the Crown, rather than citizens of a republic.

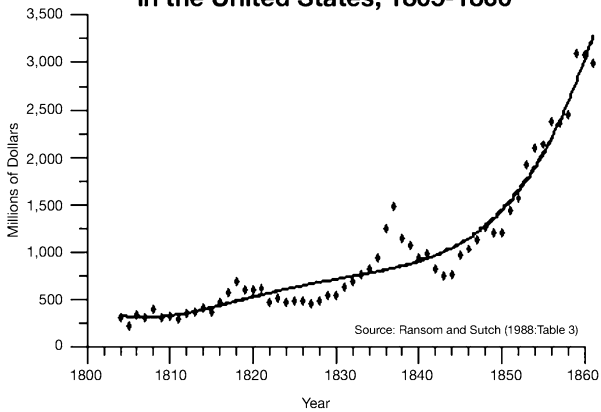
When some outraged American bandies about patriotic invective inciting others to “take back our democracy,” these slogans are formulated to manipulate, not to empower. These words are the opposite of empowering because they cloak legitimate challenges within a veil of sentimental mythology. They prevent voters from seeing that their interests will be best served by a government that recognizes the interests of the majority. Operating under the myth of American Democracy, voters rather throw their support behind representatives in a government explicitly designed to suppress the will of the majority.

The main innovation provided by the US Constitution was the creation of a formal public realm, albeit a public realm initially delivered into the hands of an aristocracy. The Revolution was not so much a revolution, but was largely about one aristocracy replacing another. Conditions remained largely unchanged for most people for a long time after.

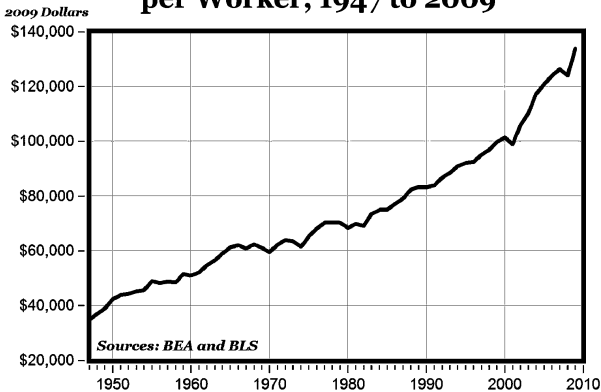
Over the years, progressives and liberal reformers have succeeded in gradually expanding that public realm, so that James Madison’s prophetic warnings about “the equal laws of suffrage” have come to pass. In response, the aristocracy’s new battle cry is “smaller government” and “privatization.” The response of the aristocracy to an enlarged public realm is to dismantle the public realm. Those who suppose that privatizing government services will lead to cost savings and improved service should take note: we had private government once before in America. It was called monarchy.

Appendix

**The Value of the Stock of Slaves
in the United States, 1805-1860**



**Real Manufacturing Output
per Worker, 1947 to 2009**



Each graph above doubles at roughly the same rate vertically, and covers roughly the same number of years on the horizontal axis, meaning, the data are roughly comparable based on their visual characteristics. As in the early days of the Republic, the value of wage labor can be readily compared to that of slave labor. This is what the Wobblies called “wage slavery.” Note the international slave trade ended in 1808, under Article V of the US Constitution, by an agreement that greatly increased the value of existing domestic “stock” by limiting supply while the population of consumers grew.

Adjusted for inflation, median wages have remained stagnant since the mid-1960’s. In 1965, median household income was \$6,900. Adjusted for inflation, the 2011 value of this amount is \$48,539. The US Census reports that 2011 median household income was \$50,502. Since 1965, household incomes have increased about 4%. Over the same period, manufacturing output per worker has more than doubled. Automation and computers have led to dramatic productivity increases across the economy. Typical workers, however, have not shared in the value of their increased productivity.

“WE, the People” is a dangerous myth.

False premises lead to false conclusions, and a mistaken appraisal of prevailing social ills will lead to an incorrect remedy.

When faced with some perceived government excess or abuse, Americans are periodically inclined to incite their fellow citizens to “take back our government.” This rhetoric is problematic because the United States is a Madisonian-Hamiltonian Republic, not a Jeffersonian Democracy.

To be clear: this government was never “ours,” but has always been in the hands of aristocratic elites, who, in establishing this system of laws, were quite explicit in their anti-majoritarian, anti-democratic motives.



**This copyleft work is licensed under a
Creative Commons Attribution-ShareAlike 3.0 Unported License**

To view a copy of this license, visit <http://creativecommons.org/licenses/by-sa/3.0/>
or send a letter to Creative Commons, 444 Castro Street, Suite 900, Mountain View,
California, 94041, USA.