

DEMOCRACY FOR THE FEW

9th Edition



**Michael
Parenti**

Democracy for the Few

NINTH EDITION

Michael Parenti, Ph.D.

www.michaelparenti.org



WADSWORTH
CENGAGE Learning™

Australia • Brazil • Japan • Korea • Mexico • Singapore • Spain • United Kingdom • United States

**Democracy for the Few,
Ninth Edition**
Michael Parenti, Ph.D.

Executive Editor: Carolyn Merrill

Editorial Assistant:
Angela HodgeMarketing Manager:
Amy WhitakerMarketing Communications
Manager: Heather Baxley

Art Director: Linda Helcher

Print Buyer: Rebecca Cross

Text Permissions Account
Manager: Katie HuhaPhoto Permissions Account
Manager: Jennifer Meyer DareProduction Service:
PrePressPMGCover Designer: Grannan
Graphic Design, Ltd.Cover Image: ©Grannan
Graphic Design, Ltd.

Compositor: PrePressPMG

© 2011, 2008, 2002 Wadsworth, Cengage Learning

No part of this work covered by the copyright herein may be reproduced, transmitted, stored or used in any form or by any means graphic, electronic, or mechanical, including but not limited to photocopying, recording, scanning, digitizing, taping, Web distribution, information networks, or information storage and retrieval systems, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the publisher.

For product information and technology assistance, contact us at **Cengage Learning Customer & Sales Support, 1-800-354-9706.**

For permission to use material from this text or product, submit all requests online at **cengage.com/permissions**. Further permissions questions can be emailed to **permissionrequest@cengage.com**.

Library of Congress Control Number: 2009944057

ISBN-13: 978-0-495-91126-5

ISBN-10: 0-495-91126-7

Wadsworth20 Channel Center Street
Boston, MA 02210
USA

Cengage Learning is a leading provider of customized learning solutions with office locations around the globe, including Singapore, the United Kingdom, Australia, Mexico, Brazil, and Japan. Locate your local office at **international.cengage.com/region**.

Cengage Learning products are represented in Canada by Nelson Education, Ltd.

For your course and learning solutions, visit **www.cengage.com**.

Purchase any of our products at your local college store or at our preferred online store **www.CengageBrain.com**.

*To all those who struggle for peace, social justice,
and real democracy.
May their numbers continue to grow.*

Contents

PREFACE ix

ABOUT THE AUTHOR xii

CHAPTER 1

Partisan Politics 1

Beyond Textbooks 1

The Politico-Economic System 3

CHAPTER 2

A Constitution for the Few 5

Class Power in Early America 5

Containing the Spread of Democracy 7

Fragmenting Majority Power 10

Plotters or Patriots? 12

Democratic Concessions 14

CHAPTER 3

Rise of the Corporate State 17

The War Against Labor 17

Favors for Business 19

Pliable Progressives and Red Scares 21

The New Deal: Hard Times and Tough Reforms 23

iv

CHAPTER 4**Wealth and Want in the United States 27**

- Capital and Labor 27
- Capital Concentration: Who Owns America? 29
- Downsizing and Profiteering 33
- Inflation, the Profit-Price Spiral 34
- Monopoly Farming 35
- Market Demand and Productivity 37
- The Hardships of Working America 39
- Poverty in Paradise 42
- The Human Costs of Economic Injustice 44

CHAPTER 5**Institutions and Ideologies 47**

- Corporate Plutocracy 47
- Ideological Orthodoxy 49
- Corporate Rule and Ruin: Some Examples 51
- Left, Right, and Center 52
- Public Opinion: Which Direction? 56
- Democracy: Form and Content 57

CHAPTER 6**Politics: Who Gets What? 60**

- Welfare for the Rich 60
- Federal Handouts to Corporate America 62
- The Billion-Dollar Bailouts 64
- Taxes: Helping the Rich in their Time of Greed 66
- Unkind Cuts, Unfair Rates 69
- Deficit Spending and the National Debt 70
- Some Hidden Deficits 71

CHAPTER 7**Health and Human Services: Sacrificial Lambs 74**

- The Poor Get Less (and Less) 74
- Social Insecurity: Privatizing Everything 76
- A Sick Health System 77
- The Health Insurance Racket 79

The “Socialist” Medical Menace? 81
Buyers Beware, and Workers Too 83
Creating Crises: Schools and Housing 85
“Mess Transit” 87

CHAPTER 8

The Last Environment 90

Toxifying the Earth 90
Eco-Apocalypse 93
Pollution for Profits 94
Government for the Despoilers 96
An Alternative Approach 98

CHAPTER 9

Unequal before the Law 100

Crime in the Suites 100
Big Crime, Small Punishment (Usually) 103
Class Law: Tough on the Weak 105
The Crime of Prisons 108
A Most Fallible System 110
Sexist Justice 112
The Victimization of Children 114
Racist Law Enforcement 115

CHAPTER 10

Political Repression and National Insecurity 119

The Repression of Dissent 119
Political Prisoners, USA 122
Political Murder, USA 125
The National Security Autocracy 129
CIA: Capitalism’s International Army or Cocaine Import Agency? 131
Watergate and Iran-contra 133
Homeland Insecurity 134

CHAPTER 11

The U.S. Global Military Empire 137

A Global Kill Capacity 137
Pentagon Profits, Waste, and Theft 139
Harming Our Own 142

Economic Imperialism 143
Intervention Everywhere 146
Global Bloodletting 147

CHAPTER 12

Who Governs? Elites, Labor, and Globalization 151

The Ruling Class 151
Labor Besieged 154
Unions and the Good Fight 156
How Globalization Undermines Democracy 157

CHAPTER 13

Mass Media: For the Many, by the Few 163

He Who Pays the Piper 163
The Ideological Monopoly 167
Serving Officialdom 170
Political Entertainment 173
Room for Alternatives? 174

CHAPTER 14

Voters, Parties, and Stolen Elections 177

Democrats and Republicans: Any Differences? 177
The Two-Party Monopoly 179
Making Every Vote Count 181
Rigging the Game 182
Money, a Necessary Condition 184
The Struggle to Vote 187
The War Against Imaginary “Voter Fraud” 189
Shady Elections 191
Pale Democracy 196

CHAPTER 15

Congress: The Pocketing of Power 197

A Congress for the Money 197
Lobbyists: The Other Lawmakers 200
The Varieties of Corruption 203
Special Interests and Secrecy 205
The Legislative Labyrinth 208
Incumbency and Term Limits 210
Legislative Democracy under Siege 211

CHAPTER 16

The President: Guardian of the System 215

- Salesman of the System 215
- The Two Faces of the President 218
- Feds vs. States 221
- A Loaded Electoral College 222
- The Would-be Absolute Monarch 225

CHAPTER 17

The Political Economy of Bureaucracy 232

- The Myth and Reality of Inefficiency 232
- Deregulation and Privatization 235
- Secrecy and Deception, Waste and Corruption 238
- Nonenforcement: Politics in Command 240
- Serving the “Regulated” 242
- Public Authority in Private Hands 245
- Regulation and Business Ideology 247

CHAPTER 18

The Supremely Political Court 249

- Who Judges? 249
- Conservative Judicial Activism (Early Times) 252
- Circumventing the First Amendment 255
- Freedom for Revolutionaries (and Others)? 257
- As the Court Turns 258
- Conservative Judicial Activism (Present Day) 265

CHAPTER 19

Democracy for the Few 268

- Pluralism for the Few 268
- The Limits of Reform 271
- Democracy as Popular Struggle 273
- The Roles of the State 275
- What Is to be Done? 277
- The Reality of Public Production 283

NOTES 289

INDEX 317

Preface

The study of politics is itself a political act, containing little that is neutral. True, we can all agree on certain neutral facts about the structure of government and the like. However, the book that does not venture much beyond these minimal descriptions will offend few readers but also will interest few. Any investigation of how and why things happen draws us into highly controversial areas. Most textbooks pretend to a neutrality they do not really possess. While claiming to be objective, they are merely conventional, safely ignoring the more embattled and controversial sides of U.S. political life.

For decades, mainstream political scientists and other proponents of the existing social order have tried to transform practically every deficiency in the U.S. political system into a strength. They would have us believe that high-powered lobbyists are nothing to worry about because they perform an “informational function” vital to representative government, and that the growing concentration of executive power is a good thing because the president is democratically responsive to broad national constituencies rather than special parochial ones. Conventional proponents have argued that the exclusion of third parties is really for the best because too many parties (more than two) would fractionalize and destabilize our political system, and besides, the major parties eventually incorporate into their platforms the positions raised by minor parties—which is news to any number of socialist and other reformist parties whose views have remained unincorporated for generations.

Reacting to the mainstream tendency to turn every vice into a virtue, left critics of the status quo have felt compelled to turn every virtue into a vice. Thus they have argued that electoral struggle is meaningless, that our civil liberties are a charade, that federal programs for the needy are next to worthless, that reforms are mostly mere sops to the oppressed, and that labor unions are usually collaborationist with management. These critics have been

a much needed antidote to the happy pluralists who painted a silver lining around every murky cloud. But they were wrong in seeing no victories in the democratic struggles that have been waged.

Democracy for the Few tries to strike a balance. It tries to show how democracy is violated by corporate oligopoly, and yet how popular forces have fought back and occasionally made gains. They also have suffered serious losses, as we shall see. This book offers an interpretation that students are not likely to get in elementary school, high school, or most of their college courses, and certainly not in the mass media or mainstream political literature.

It may come as a surprise to some academics, but there is a marked relationship between economic power and political power. There are political scientists who spend their entire lives writing about American government, the presidency, and public policy without ever once mentioning capitalism, a feat of omission that would be judged extraordinary were it not so commonplace. In this book I talk about that forbidden subject, capitalism, especially *corporate capitalism*, its most advanced and challenging form. Only thusly can we fully comprehend the underpinnings of the U.S. political system.

I have attempted to blend several approaches. Attention is given to the *formal political institutions* such as the Congress, the presidency, the bureaucracy, the Supreme Court, political parties, elections, and the law enforcement system. But these standard features of American government are linked herein to the broader realities of class power and interest.

In addition, this book devotes attention to the *foundations and historical development* of American politics, particularly in regard to the making of the Constitution, the growing role of government, and the political culture.

In addition we will critically investigate not only who governs, but also the outputs of the system: who gets what? Instead of concentrating solely on the process of government, as do many texts, I also give attention to the content of actual government practices. Thus a major emphasis is placed throughout the book on the *political economy* of public policy. The significance of government, after all, lies not in its abstracted structure as such, but in what it does and how its policies affect people at home and abroad. I have included a good deal of public policy information of a kind not ordinarily found in standard texts, first, because students and citizens in general tend to be poorly informed about politico-economic issues, and second, because it makes little sense to talk about the "policy process" as something abstracted from actual issues and outputs, divorced from questions of power and interest. This descriptive information, however, is presented with the intent of drawing the reader to an overall understanding of U.S. political reality.

This book generally takes what some would call a *structural* approach. Rather than treating political developments as the result of happenstance or the contrivances of particular personalities or idiosyncratic events, I try to show that most (but not necessarily all) of what occurs is the outcome of broader configurations of power, wealth, class, and institution as structured into the dominant political organizations, the economy, and the society itself.

Unfortunately there are some individuals who believe that a structural analysis demands that we treat conspiracies as imaginary things, and conscious human efforts as of no great consequence. They go so far as to argue that we are all now divided into two camps, which they call the *structuralists* and the *conspiracists*. In this book I consider conspiracies (by which most people seem to mean secret, consciously planned programs by persons in high places) to be part of the arsenal of structural rule. No social order of any complexity exists without the application of conscious human agency. Ruling elements must intentionally strive to maintain the conditions of their hegemonic rule. The social order of a society does not operate like a mystical abstracted entity. It is directed for the most part by people who deliberately pursue certain goals, using all kinds of power, including propaganda, persuasion, fraud, deceit, fear, secrecy, coercion, concessions, and sometimes even concerted violence and other criminal ploys. Rather than seeing conspiracy and structure as mutually exclusive, we might consider how conspiracy is one of the instruments used by the dominant interests in political life. Some conspiracies are imagined; some are real. And some of the real ones are part of the political structure, not exceptions to it.

This ninth edition has been revised with the intent of updating the book's information and advancing its analysis. My hope is that this new edition continues to prove useful to both students and lay readers. Following is some of what's new in the ninth edition:

- An extensive discussion of the causes and insufficient cures regarding the Great Recession of 2008–2009, with emphasis on corporate bailouts, hidden unemployment, and who benefits and who pays.
- Updated discussions and new materials for just about every policy area including the environment, growing economic inequality, new attempts at regulation, health care, and the hardships of working America.
- Updated discussions on the “unitary executive,” conservative judicial activism, and the Obama administration.
- New materials on attempts to suppress the popular vote through fraud, disinformation, and coercion, including the 2004, 2006, and 2008 elections.

ACKNOWLEDGMENTS

Many thanks to the staff at Wadsworth/Cengage Learning, especially Angela Hodge and Carolyn Merrill for their valuable service in helping to put this book together. My thanks also to Sushila Rajagopal, the project manager. And a word of appreciation goes to Jenny Tayloe, Deidre Vrooman, and Susan McCallister for the assistance they rendered.

Michael Parenti

About the Author

Michael Parenti (Ph.D., Yale University) has taught political and social science at a number of colleges and universities, and now devotes himself full time to writing and guest lecturing. He is an internationally known, award-winning author who has published twenty-one books, including *God and His Demons* (2010); *Contrary Notions: The Michael Parenti Reader* (2007); *The Culture Struggle* (2006); and *The Assassination of Julius Caesar* (2003). Various writings of his have been translated into some twenty languages. His publications, including previous editions of *Democracy for the Few*, have been read and enjoyed by students, lay readers, and scholars, and have been used extensively in hundreds of college courses across the country. Dr. Parenti lectures frequently throughout North America and abroad. His various talks and interviews have played widely on radio, television, and the Internet. Some 300 articles of his have been published in magazines, newspapers, websites, and scholarly journals, including *American Political Science Review*, *Journal of Politics*, *Social Research*, and *New Political Science*.

For more information, visit his Web site: www.michaelparenti.org.

REVIEWER LIST

Dan Brook, Ph.D.

Dr. William A. Pelz, Elgin Community College

Dr. Joseph F. Jozwiak, Jr., Associate Professor of Political Science, Texas A&M-Corpus Christi

Leslie J. Thornton, Ph.D., University of Michigan-Dearborn

Ronald W. Vardy, Ph.D., University of Houston

Robert, Spitzer, Ph.D., SUNY Cortland

CHAPTER
1

Partisan Politics

How does the U.S. political system work? What are the major forces shaping political life? Who governs in the United States? Who gets what, when, how, and why? Who pays and in what ways? These are the questions pursued in this book.

BEYOND TEXTBOOKS

Many of us were taught a somewhat idealized version of American government, which might be summarized as follows:

1. The United States was founded upon a Constitution fashioned to limit political authority and check abuses of power. Over the generations it has proven to be a “living document,” which, through reinterpretation and amendment, has served us well.
2. The people’s desires are registered through elections, political parties, and a free press. Government decision makers are kept in check by their need to satisfy the electorate in order to remain in office. The people do not rule directly but they select those who do. Thus, government decisions are grounded in majority rule—subject to the restraints imposed by the Constitution for the protection of minority rights.
3. The United States is a nation of manifold social and economic groups in which every significant group has a say and no one group chronically dominates.
4. These institutional arrangements have given us a government of laws and not of individuals, which, while far from perfect, allows for a fairly high degree of liberty and popular participation.

This view of the United States as a happy, pluralistic polity assumes that existing political institutions operate with benign effect; that power is not

highly concentrated nor heavily skewed toward those who control vast wealth; and that the state is a neutral entity with no special linkage to those who own the land, technology, and capital of this and other societies. These key assumptions will be challenged in the pages ahead.

The theme of this book is that our government more often serves the privileged few rather than the general public, principally advancing the interests of the haves at the expense of the rest of us. The law is usually written and enforced in highly discriminatory ways. This *democracy for the few* is a product not only of the venality of particular officeholders but a reflection of the entire politico-economic system, the way the resources of power are distributed and used.

To be sure, the American people are not always passive victims (or willing accomplices) to all this. The mass of ordinary people have made important political and economic gains, usually after long and bitter contests that have extended beyond the electoral process. This democratic struggle is an important part of the story that will be touched upon in the pages ahead.

This book tries to demonstrate that just about every part of the politico-economic system, be it the media, lobbying, criminal justice, overseas intervention, or environmental policy, reflects the nature of the whole, and in its particular way serves to maintain the overall system—especially the system's basic class interests. In a word, seemingly distinct issues and social problems are often interrelated.

The *political system* comprises the various branches of government along with the political parties, laws, lobbyists, and private-interest groups that affect public policy. By *public policy*, I mean the decisions made by government. Policy decisions are seldom neutral. They usually benefit some interests more than others, entailing social costs that are seldom equally distributed. The shaping of a budget, the passage of a law, and the development of an administrative program are all policy decisions, all *political* decisions, and there is no way to execute them with neutral effect. If the wants of all persons could be automatically satisfied, there would be no need to set priorities and give some interests precedence over others; indeed, there would be no need for politics.

Politics extends beyond election campaigns and the actions of government. Decisions that confine certain matters—such as rental costs or health care—to the private market are highly political, even if seldom recognized as such. Power in the private realm is generally inequitable and undemocratic and often the source of conflicts that spill over into the public arena, for instance, management-labor disputes, and racial and gender discrimination.

Someone once defined a politician as a person who receives votes from the poor and money from the rich on the promise of protecting each from the other. And former President Jimmy Carter observed: "Politics is the world's second oldest profession, closely related to the first." While not denying the measure of truth in such observations, I take a broader view. Politics is more than just something politicians do. It is the process of conflict (and conflict resolution) among private interests carried into the public arena. Politics involves not only the competition among groups within the system but the embattled efforts to change the system itself, not only the desire to achieve predefined ends but the struggle to redefine ends and pose alternatives to the existing politico-economic structure.

THE POLITICO-ECONOMIC SYSTEM

Politics today covers every kind of issue, from abortion to school prayers, but the bulk of public policy is concerned with economic matters, which is why some writers refer to the “politico-economic system.” Among the more vital functions of government are taxing and spending. Certainly they are necessary for everything else government does, from delivering the mail to making war. The very organization of the federal government reflects its close involvement with the economy: thus, one finds the departments of Commerce, Labor, Agriculture, Interior, Transportation, and Treasury, and the Federal Trade Commission, the National Labor Relations Board, the Interstate Commerce Commission, the Securities and Exchange Commission, and numerous other agencies directly involved in the economy. Likewise, most of the committees in Congress can be identified according to their economic functions, the most important having to do with taxation and appropriations (spending).

Politics and economics are two sides of the same coin. Economics is concerned with the production and distribution of scarce resources, involving conflicts between social classes and among groups and individuals within classes. Much of politics is a carryover of that struggle. Both politics and economics deal with the survival and material well-being of millions of people; both deal with the fundamental conditions of social life itself.

This close relationship between politics and economics is neither neutral nor merely coincidental. Governments evolve through history in order to protect accumulations of property and wealth. In nomadic and hunting societies, where there is little surplus wealth, governance is rudimentary and usually communal. In societies where wealth and property are controlled by a select class of persons, a state develops to protect the interests of the haves from the have-nots. As John Locke wrote in 1689: “The great and chief end ... of Men’s uniting into Commonwealths, and putting themselves under Government, is the Preservation of their Property.” And Adam Smith, the premier exponent of early capitalism, stated in 1776: “The necessity of civil government grows up with the acquisition of valuable property.” And “Till there be property there can be no government, the very end of which is to secure wealth, and to defend the rich from the poor.”¹

Many political scientists manage to ignore the relationship between government and wealth, treating the corporate giants, if at all, as if they were but one of a number of interest groups. They label as “Marxist” any approach that sees government as largely an instrument to protect the interests of wealth. To be sure, Karl Marx saw the state to be just such an instrument, but so did conservative theorists like Thomas Hobbes, John Locke, Adam Smith, and, in America, Alexander Hamilton and James Madison. They also, Marx included, saw government as the institution that carried out more general functions such as building bridges, protecting the populace from crime, setting standard weights and measures for trade, and the like. But most important of all, just about every theorist and practitioner of politics in the seventeenth, eighteenth, and early nineteenth centuries thought of the state as the protector of propertied wealth.

“The people who own the country ought to govern it,” declared John Jay. A permanent check over the populace should be exercised by “the rich and the well-born,” urged Alexander Hamilton. Unlike most theorists before him, Marx was one of the first in the modern era to see the existing relationship between wealth and power as *undesirable and exploitative*, and this was his unforgivable sin. The tendency to avoid critical analysis of corporate capitalism persists to this day among business people, journalists, and most academics.²

Power is no less political because it is economic. By “power,” I mean the ability to get what one wants, either by having one’s interests prevail in conflicts with others or by preventing others from raising their demands. Power presumes the ability to manipulate the social environment to one’s advantage. Power belongs to those who possess the resources that enable them to shape and influence the actions and beliefs of others, such resources as jobs, organization, technology, publicity, media, social legitimacy, expertise, essential goods and services, organized force, and—the ingredient that often determines the availability of these things—money.

Sometimes the complaint is made: “You’re good at criticizing the system, but what would you put in its place?”—the implication being that unless you have a finished blueprint for a better society, you should refrain from pointing out existing deficiencies and injustices. This book is predicated on the notion that it is desirable and necessary for democratic citizens to examine the society in which they live, possibly as a step toward making fundamental improvements. It is unreasonable to demand that we refrain from making a diagnosis of an illness until we have perfected a cure. For how can we hope to find solutions unless we really understand the problem? In any case, improvements and solutions are offered in the closing chapter and elsewhere in this book.

Political life is replete with deceit, corruption, and plunder. Small wonder that many people seek to remove themselves from it. But whether we like it or not, politics and government play a crucial role in determining the conditions of our lives. People can leave political life alone, but it will not leave them alone. They can escape its noise and nonsense but not its effects. One ignores the doings of the state only at one’s own risk.

If the picture that emerges in the pages ahead is not pretty, *this should not be taken as an attack on the United States*, for this country and its people are greater than the abuses perpetrated upon them by those who live for power and profit. To *expose these abuses is not to denigrate the nation that is a victim of them*. The greatness of a country is to be measured by something more than its rulers, its military budget, its instruments of dominance and destruction, and its profiteering giant corporations. A nation’s greatness can be measured by the democratic nature of its institutions, by its ability to create a society free of poverty, racism, sexism, exploitation, imperialism, and environmental devastation. There is no better way to love one’s country, and strive for the fulfillment of its greatness, than to entertain critical ideas that enable us to pursue social justice at home and abroad.³

CHAPTER
2

A Constitution for the Few

To understand the U.S. political system, it would help to investigate its origins and fundamental structure, beginning with the Constitution. The men who gathered in Philadelphia in 1787 strove to erect a strong central government. They agreed with Adam Smith that government was “instituted for the defense of the rich against the poor” and “grows up with the acquisition of valuable property.”¹

CLASS POWER IN EARLY AMERICA

Early American society has been described as egalitarian, free from the extremes of want and wealth that characterized Europe. In fact, from colonial times onward, men of influence received vast land grants from the crown and presided over estates that bespoke an impressive munificence. By 1700, three-fourths of the acreage in New York belonged to fewer than a dozen persons. In the interior of Virginia, seven individuals owned over 1.7 million acres. By 1760, fewer than five hundred men in five colonial cities controlled most of the commerce, shipping, banking, mining, and manufacturing on the eastern seaboard. In the period from the American Revolution to the Constitutional Convention (1776–1787), the big landowners, merchants, and bankers exercised a strong influence over politico-economic life, often dominating the local newspapers that served the interests of commerce.²

In twelve of the thirteen states (Pennsylvania excepted), only property-owning White males could vote, probably not more than 10 percent of the total adult population. Excluded were all Native Americans (“Indians”), persons of African descent, women, indentured servants, and White males lacking sufficient property. Property qualifications for holding office were so steep as to exclude even most of the White males who could vote. A member of the

New Jersey legislature had to be worth at least £1,000. South Carolina state senators had to possess estates worth at least £7,000 clear of debt (equivalent to over a million dollars today). In Maryland, a candidate for governor had to own property worth at least £5,000. In addition, the absence of a secret ballot and of a real choice among candidates and programs led to widespread discouragement.³

Not long before the Constitutional Convention, the French chargé d'affaires wrote to his government:

Although there are no nobles in America, there is a class of men denominated "gentlemen."... Almost all of them dread the efforts of the people to despoil them of their possessions, and, moreover, they are creditors, and therefore interested in strengthening the government and watching over the execution of the law.... The majority of them being merchants, it is for their interest to establish the credit of the United States in Europe on a solid foundation by the exact payment of debts, and to grant to Congress powers extensive enough to compel the people to contribute for this purpose.⁴

In 1787, just such wealthy and powerful "gentlemen," our "Founding Fathers," congregated in Philadelphia for the professed purpose of revising the Articles of Confederation and strengthening the central government.⁵ Under the Articles, "the United States in Congress" wielded a broad range of exclusive powers over treaties, trade, appropriations, currency, disputes among the various states, war, and national defense. But these actions required the assent of at least nine states.⁶ The Congress also had no power to tax, which left it dependent upon levies agreed to by the states. It was unable to compel the people—through taxation—to contribute to the full payment of the public debt, most of which was owed to wealthy private creditors.

The delegates to Philadelphia wanted a stronger central power that would (a) resolve problems among the thirteen states regarding trade and duties, (b) protect overseas commercial and diplomatic interests, (c) effectively propagate the financial and commercial interests of the affluent class, and (d) defend the very wealthy from the competing claims of other classes within the society. It is (c) and (d) that are usually ignored or denied by too many textbook writers.

Most troublesome to the framers of the Constitution was the insurgent spirit evidenced among the people. In 1787, a worried George Washington wrote to a former comrade-in-arms that a constitution was much needed "to contain the threat of the people rather than to embrace their participation and their competence," lest "the anarchy of the propertyless would give way to despotism."⁷ Even plutocrats like Gouverneur Morris, who shortly before the Constitutional Convention had opposed strong federation, now realized that an empowered national government would be the best safeguard for propertied interests. So Morris "gave up 'state rights' for 'nationalism' without hesitation."⁸

The working people of that day have been portrayed as parochial spend-thrifts who never paid their debts and who advocated inflated paper money. Most historians say little about the plight of the common folk in early America. Most of the White population consisted of poor freeholders, artisans,

tenants, and indentured servants, the latter entrapped in payless servitude for years. A study of Delaware farms at about the time of the Constitutional Convention found that the typical farm family might have a large plot of land but little else, surviving in a one-room house or log cabin, without barns, sheds, draft animals, or machinery. The farmer and his family pulled the plow.⁹

In the United States of 1787, there existed poorhouses and a large debtor class. Small farmers were burdened by heavy rents, ruinous taxes, and low incomes. To survive, they frequently had to borrow money at high interest rates. To meet their debts, they mortgaged their future crops and went still deeper into debt. Interest rates on debts ranged from 25 to 40 percent, and taxes fell most heavily on those of modest means. No property was exempt from seizure, save the clothes on a debtor's back.¹⁰

Throughout this period, newspapers complained of the increasing numbers of young beggars in the streets. Economic prisoners crowded the jails, incarcerated for debts or nonpayment of taxes.¹¹ Among the people, there grew the feeling that the revolution against the British crown had been fought for naught. Angry armed crowds in several states began blocking foreclosures and forcibly freeing debtors from jail. In the winter of 1787, impoverished farmers in western Massachusetts led by Daniel Shays took up arms. Their rebellion was forcibly put down by the state militia after several skirmishes that left eleven men dead and scores wounded.¹²

CONTAINING THE SPREAD OF DEMOCRACY

The specter of Shays's Rebellion hovered over the delegates who gathered in Philadelphia three months later, confirming their worst fears. They were determined that persons of birth and fortune should control the affairs of the nation and check the "leveling impulses" of the propertyless multitude who composed "the majority faction" (majority class). "To secure the public good and private rights against the danger of such a faction," wrote James Madison in *Federalist* No. 10, "and at the same time preserve the spirit and form of popular government is then the great object to which our inquiries are directed." Here Madison touched the heart of the matter: how to keep the "form" and appearance of popular government with only a minimum of the substance, how to construct a government that would win some popular support but would not tamper with the existing class structure, a government strong enough to service the growing needs of the entrepreneurial and landed classes while withstanding the egalitarian demands of the ordinary populace.

The framers of the Constitution could agree with Madison when he wrote (also in *Federalist* No. 10) that "the most common and durable source of faction has been the various and unequal distribution of property [that is, wealth]. Those who hold and those who are without property have ever formed distinct interests in society" and "the first object of government" is "the protection of different and unequal faculties of acquiring property." So government is there to see that those who have a talent for getting rich are not hampered in any way by those who might be made poor in the process.



“Religious freedom is my immediate goal, but my long-range plan is to go into real estate.”

The framers were of the opinion that *democracy* (rule by the common people) was “the worst of all political evils,” as Elbridge Gerry put it. For Edmund Randolph, the country’s problems were caused by “the turbulence and follies of democracy.” Roger Sherman concurred: “The people should have as little to do as may be about the Government.” According to Alexander Hamilton, “all communities divide themselves into the few and the many. The first are the rich and the wellborn, the other the mass of the people.... The people are turbulent and changing; they seldom judge or determine right.” He recommended a strong centralized state power to “check the imprudence of democracy.” And George Washington, the presiding officer at the Philadelphia Convention, urged the delegates not to produce a document merely to “please the people.”¹³

There was not much danger of that. The delegates spent many weeks debating and defending their interests, but these were the differences of merchants, slaveholders, and manufacturers, a debate of haves versus have-nots in which each group sought safeguards in the new Constitution for its particular concerns. Added to this were disagreements about constitutional structure.

How might the legislature be organized? How much representation should the large and small states have? How should the executive be selected?

The founders decided on a bicameral legislation, consisting of a House of Representatives elected every two years in its entirety and a Senate with six-year staggered terms. It was decided that seats in the House would be allocated among the states according to population, while each state, regardless of population, would have two seats in the Senate.

Major questions relating to the new government's ability to protect the interests of property were agreed upon with surprisingly little debate. On these issues, there were no poor farmers, artisans, indentured servants, or slaves attending the convention to proffer an opposing viewpoint. Ordinary working people could not take off four months to go to Philadelphia and write a constitution. The debate between haves and have-nots never took place.

Not surprisingly, Article I, Section 8, that crucial portion of the Constitution that enables the federal government to serve the interests of investment property, was adopted within a few days with little debate. Congress was given the power to regulate commerce among the states and with foreign nations and Indian tribes, lay and collect taxes and excises, impose duties and tariffs on imports but not on commercial exports, "Pay the Debts and provide for the common Defence and general Welfare of the United States," establish a national currency and regulate its value, borrow money, fix the standard of weights and measures necessary for commerce, protect the value of securities and currency against counterfeiting, and establish uniform bankruptcy laws throughout the country—all measures of primary concern to investors, merchants, and creditors.

Some of the delegates were land speculators who invested in western holdings. Accordingly, Congress was given the power to regulate and protect all western territorial property. Most of the delegates speculated in government securities, inflated paper scrip that the earlier Confederation had issued to pay soldiers and small suppliers. Wealthy speculators bought from impoverished holders huge amounts of these nearly worthless securities for a trifling. Under Article VI, all debts incurred by the Confederation were valid against the new government, a provision that allowed the speculators to reap enormous profits by cashing in the inflated scrip at face value.¹⁴

By assuming this debt, the federal government—under the policies of the first secretary of the treasury, Alexander Hamilton—used the public treasury to create by government fiat a vast amount of private capital and credit for big investors, to be funded by the government's newly established ability to lay taxes. The payment of the debt came out of the pockets of the general public and went into the pockets of moneyed individuals who were creditors to the government by virtue of their possessing the inflated scrip. This federally assumed debt consumed nearly 80 percent of the annual federal revenue during the 1790s.¹⁵ This process of using the taxing power to gather money from the working populace in order to bolster private fortunes continues to this day, as we shall see in the chapters ahead.

In the interest of merchants and creditors, the states were prohibited from issuing paper money or imposing duties on imports and exports or interfering

with the payment of debts by passing any “Law impairing the Obligation of Contracts.” The Constitution guaranteed “Full Faith and Credit” in each state “to the Acts, Records, and judicial Proceedings” of other states, thus allowing creditors to pursue their debtors across state lines.

Slavery—considered a major form of property—was afforded special accommodation in the Constitution. Three-fifths of the slave population in each state were to be counted when calculating the state’s representation in the lower house. This gave the slave states a third more representation in Congress than was otherwise merited. This disproportionate distribution of seats helped the slave interests to pass laws that extended slavery into new territories and discouraged Congress from moving toward abolition.

The Constitution never abolished the slave trade. Indeed, the importation of slaves was explicitly guaranteed for another twenty years until 1808, after which there would be the option—but no requirement—that it be abolished. Many slaveholders assumed they would have enough political clout to keep the trade going beyond that year. Slaves who escaped from one state to another had to be delivered up to the original owner upon claim, a provision (Article IV, Section 2) that was unanimously adopted at the Convention.¹⁶

The framers believed the states were not sufficiently forceful in suppressing popular uprisings like Shays’s Rebellion, so the federal government was empowered to protect the states “against domestic Violence,” and Congress was given the task of organizing the militia and calling it forth to “suppress Insurrections.” Provision was made for erecting forts, arsenals, and armories, and for the maintenance of an army and navy for both national defense and to establish an armed federal presence within potentially insurrectionary states. This measure was to prove a godsend to the industrial barons a century later when the U.S. Army was used repeatedly to break mass strikes by miners and railroad and factory workers.

FRAGMENTING MAJORITY POWER

In keeping with their desire to contain the propertyless majority, the founders inserted what Madison called “auxiliary precautions” designed to fragment power without democratizing it. They separated the executive, legislative, and judicial functions and then provided a system of checks and balances between the three branches, including staggered elections, executive veto, the possibility of overturning the veto with a two-thirds majority in both houses, Senate confirmation of appointments and ratification of treaties, and a bicameral legislature. They contrived an elaborate and difficult process for amending the Constitution, requiring proposal by two-thirds of both the Senate and the House and ratification by three-fourths of the state legislatures.¹⁷ To the extent that it existed at all, the majoritarian principle was tightly locked into a system of minority vetoes, making swift and sweeping popular action less likely.

The propertyless majority, as Madison pointed out in *Federalist* No. 10, must not be allowed to concert in common cause against the propertied class and its established social order. The larger the nation, the greater the “variety

of parties and interests” and the more difficult it would be for a mass majority to act in unison. As Madison argued, “A rage for paper money, for an abolition of debts, for an equal division of property, or for any other wicked project will be less apt to pervade the whole body of the Union than a particular member of it.” An uprising of impoverished farmers might threaten Massachusetts at one time and Rhode Island at another, but a national government would be large enough to contain each of these and insulate the rest of the nation from the contamination of rebellion.

Not only should the low-income majority be prevented from coalescing, its upward thrust upon government also should be blunted with indirect forms of representation.

- The senators from each state were to be elected by their respective state legislatures rather than directly by the voters.
- Direct popular election of the Senate was achieved in 1913 when the Seventeenth Amendment was adopted—126 years after the Philadelphia Convention—demonstrating that the Constitution is sometimes modifiable in a democratic direction, though it does seem to take a bit of time.
- Senatorial elections were to be staggered, with only a third of the Senate facing election every two years, thereby minimizing a sweeping change.
- The president was to be selected by an electoral college whose members, by 1800, were elected by the people in only five states, and by state legislatures or county sheriffs in the other eleven states.
- As anticipated by the framers, the Electoral College would act as a damper on popular sentiment. Composed of political leaders and “men of substance,” elected in each state by the voters, the Electoral College would convene months after the election in their various states and choose a president of their own liking. It was believed they usually would be unable to muster a majority for any one candidate, and that the final selection would be left to the House, with each state delegation therein having only one vote.
- The Supreme Court was to be elected by no one, its justices being appointed to life tenure by the president, with confirmation by the Senate.

The only portion of government to be directly elected by the people was the House of Representatives. Many of the delegates were against this arrangement. They were concerned that with direct elections demagogues would ride into office on a populist tide only to pillage the treasury and wreak havoc on the wealthy class. John Mercer observed that he found nothing in the proposed Constitution more objectionable than “the mode of election by the people.” And Gouverneur Morris warned, “The time is not distant, when this Country will abound with mechanics [artisans] and manufacturers [factory and mill workers] who will receive their bread from their employers. Will such men be the secure and faithful Guardians of liberty? ... The ignorant and dependent [that is, poor and unschooled] can be ... little trusted with the public interest.”¹⁸

When the delegates finally agreed to having “the people” elect the lower house, as noted earlier, they were referring to a select portion of the

- [**The China Study Quick & Easy Cookbook: Cook Once, Eat All Week with Whole Food, Plant-Based Recipes online**](#)
- [download online The Mammoth Book of Historical Whodunnits \(The Mammoth Book Series, Volume 2\) pdf](#)
- [One Million Steps: A Marine Platoon at War pdf, azw \(kindle\), epub, doc, mobi](#)
- [download online Learning by Doing: The Real Connection between Innovation, Wages, and Wealth](#)
- [The Politics of Women and Nature: Affinity, Contingency, or Material Relation pdf, azw \(kindle\), epub](#)
- [*download online Dog Tales for free*](#)

- <http://damianfoster.com/books/The-China-Study-Quick---Easy-Cookbook--Cook-Once--Eat-All-Week-with-Whole-Food--Plant-Based-Recipes.pdf>
- <http://www.celebritychat.in/?ebooks/Wound-Care-at-a-Glance.pdf>
- <http://conexdx.com/library/Learning-RabbitMQ.pdf>
- <http://pittiger.com/lib/Giles-Foden.pdf>
- <http://econtact.webschaefer.com/?books/Los-versos-sat--nicos.pdf>
- <http://wind-in-herleshausen.de/?freebooks/Dog-Tales.pdf>