

Handout A: Charles A. Beard, An Economic Interpretation of the Constitution of the United States, 1913

Introduction:

Charles Beard was one of the twentieth century's most influential historians. Beard produced his most important writings in the period from 1910 to 1940. He was influenced by the progressive thought of the early twentieth century that saw society dominated by rich elites who manipulated the system to control the poor. He applied this thought to his historical analysis. He challenged the notion that the Founders were seeking a virtuous republican system that would provide opportunity and liberty for everyone. Rather, he maintained, the Founders were wealthy elite landowners who structured the Constitution to protect their privileged position. Note that Beard refers to the 1787 Constitutional Convention as the Philadelphia Convention.

"The Constitution was essentially an economic document based upon the concept that the fundamental private rights of property are anterior to government and morally beyond the reach of popular majorities." – Charles Beard, 1913

Document: The Beardian Thesis

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Text

In his book, *An Economic Interpretation of the Constitution of the United States* (1913), Charles Beard set out "in the hope that a few of this generation of historical scholars may be encouraged to turn away from barren 'political' history to a study of the real economic forces which condition great movements in politics." Beard reviewed "records of the Treasury Department at Washington... [to study the] formation of the Constitution [in light of the] economic conditions of the United States between 1783-1787."

In Chapter 1, Beard started with the hypothesis that "economic elements are the chief factors in the development of political institutions," and supported his argument by asserting that James Madison himself provided "a masterly statement of the theory of economic determinism in politics" in *Federalist* No. 10. Madison wrote,

"Those who hold and those who are without property have ever formed distinct interests in society. Those who are creditors, and those who are debtors, fall under a like discrimination. A landed interest, a manufacturing interest, a mercantile interest, a moneyed interest, with many lesser interests, grow up of necessity in civilized nations, and divide them into different classes, actuated by different sentiments and views. The regulation of these various and interfering interests forms the principal task of modern legislation, and involves the spirit of party and faction in the necessary and ordinary operations of the government."

Furthermore, Beard asserted that “Large and important groups of economic interests were adversely affected by the system of government under the Articles of Confederation, namely, those of public securities, shipping and manufacturing, money at interest; in short, capital as opposed to land” (chapter 3). Beard maintained that, having failed to protect their financial interests through amendments to the Articles of Confederation, “the leaders in the movement set to work to secure by a circuitous route the assembling of a convention to ‘revise’ the Articles of Confederation with the hope of obtaining, outside of the existing legal framework, the adoption of a revolutionary programme.”

In chapter 5, Beard inquired whether the members of the Philadelphia Convention themselves had investments in banks, public securities, western lands, shipping, and/or manufacturing.

“The purpose of such an inquiry is not, of course, to show that the Constitution was made for the personal benefit of the members of the Convention. Far from it. Neither is it of any moment to discover how many hundred thousand dollars accrued to them as a result of the foundation of the new government. The only point here considered is: Did they represent distinct groups whose economic interests they understood and felt in concrete, definite form through their own personal experience with identical property rights, or were they working merely under the guidance of abstract principles of political science?”

Beard used Treasury Department records, the Congressional Record, and other documents to provide a richly documented, brief financial biography of each of the Convention’s delegates. He closed chapter 5 stating:

“A survey of the economic interests of the members of the Convention presents certain conclusions:

A majority of the members were lawyers by profession.

Most of the members came from towns, on or near the coast, that is, from the regions in which personalty [personal property excluding land] was largely concentrated.

Not one member represented in his immediate personal economic interests the small farming or mechanic classes.

The overwhelming majority of members, at least five-sixths, were immediately, directly, and personally interested in the outcome of their labours at Philadelphia, and were to a greater or less extent economic beneficiaries from the adoption of the Constitution. . .

It cannot be said, therefore, that the members of the Convention were ‘disinterested.’ On the contrary, we are forced to accept the profoundly significant conclusion that they knew through their personal experiences in economic affairs the precise results which the new government that they were setting up was designed to attain. As...practical men they were able to build the new government upon the only foundations which could be stable: fundamental economic interests.”

In chapter 11 Conclusions, Beard wrote:

“At the close of this long and arid survey—partaking of the nature of catalogue—it seems worth while to bring together the important conclusions for political science which the data presented appear to warrant.

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

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

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

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

The members of the Philadelphia Convention which drafted the Constitution were, with a few exceptions, immediately, directly, and personally interested in, and derived economic advantages from, the establishment of the new system.

The Constitution was essentially an economic document based upon the concept that the fundamental private rights of property are anterior [central] to government and morally beyond the reach of popular majorities.

The major portion of the members of the Convention are on record as recognizing the claim of property to a special and defensive position in the Constitution.

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

The Constitution was ratified by a vote of probably not more than one-sixth of the adult males. It is questionable whether a majority of the voters participating in the elections for the state conventions in New York, Massachusetts, New Hampshire, Virginia, and South Carolina, actually approved the ratification of the Constitution.

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

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

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

Questions:

1. What was Charles Beard's main idea that he set forth in his 1913 publication, *An Economic Interpretation of the Constitution of the United States* (the Beardian thesis)?

2. According to Beard, why did the Founders want to modify the Articles of Confederation?
3. What evidence did Beard give that “The Constitution was not created by ‘the whole people.’”

4. Beard criticized the Constitution as being undemocratic. In *Federalist No. 10*, James Madison wrote:

“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.”

How might Madison respond to respond to Beard’s criticism? In your response, consider the difference between a **democracy** (a form of government in which ultimate authority is based on the will of the majority) and a **republic** (a form of government in which the people are sovereign [the ultimate source of power] and give their consent to representatives to make laws).

5. Assuming Beard’s conclusions are correct regarding a lack of representation for the “propertyless mass,” to what extent do you think their lack of representation reduced their ability to benefit from the Constitution?