Abstract: Gary GERSTLE

Democracy and Money in America, 1840-1940

The American political system in 2012 is awash in private money, a situation that may well undercut America’s democratic aspirations. How did the United States arrive at this state of affairs? Most commentary focuses on the Supreme Court’s 2010 Citizens’ United decision, which overturned laws limiting what wealthy individuals and organizations could give to political candidates. In this paper, I will argue that the troubled relationship between money and democracy in America is much deeper and more intractable than this commentary suggests. It originated in the nineteenth century, when America first became a mass democracy, and one notably lacking in public organizations and mechanisms necessary to make a democracy work. Political parties arose at this time (initially as private organizations) to superintend the unruly electoral system that had unexpectedly emerged, becoming, in the process, among the most inventive, improvisational, and successful institutions that America has ever produced. Managing American democracy turned out to be a hugely expensive business; and with the Constitution making no provision for public funds for elections (or for limiting expenses), political parties turned to private sources for funds and also to selling access to government through patronage and graft. As parties made themselves into entrepreneurial organizations larger than almost any other in nineteenth century America, they gave private interests, especially monied ones, extraordinary opportunities to penetrate governing institutions. Democratic movements sought repeatedly to contest the influence of private money, but few enjoyed more than temporary or partial success. Indeed, in America, the expansion of democracy and the influence of money have often seemed to march hand in hand. Making sense of this paradox is the principal aim of this paper.

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