Economic Determinism in Reconstruction Historiography

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APPOMATTOX WAS a bitter defeat for the South. The end of the war brought eleven war-torn states back into the union, but the resulting entity was not a united nation. Already a distinctive section, the South continued to pursue a separate course and to concern itself more with local considerations than with national problems.

Southern social fabric in the 1960's is still unique and unlike that of any other comparable part of the United States. After the war, southerners accepted defeat because they had no choice, but it was during these years of Civil War and Reconstruction that there occurred a "unanimity of thought and action the section had never known before . . ."[1] Perhaps it was the humiliation imposed by Congressional Reconstruction upon a proud people which either created or at least bolstered a sectional self-consciousness which has remained the hallmark of southern civilization. The presence of this unusual cultural phenomenon has added to the difficulties of the historian attempting to comprehend and explain the social and economic structure of the South. Often blinded by sectional antagonisms and even racism, nineteenth-century historians grappled with Reconstruction without fully realizing the deep-seated significance of this great transitional period.[2] It has really been only since the middle of the twentieth century that interpretive writings of specialists have been able to uncover what appears to be the true nature of these formative years.

Following in the wake of the Civil War, a period glamorized by poets and unrealistic writers of fiction, the Reconstruction period certainly appeared drab and uninviting to many historians not possessed with the inquiring

[1] Richard B. Harwell, "The Stream of Self-Consciousness," in Frank E. Vandiver (ed.), *The Idea of the South: Pursuit of a Central Theme* (Chicago: University of Chicago Press, 1964), p. 23.

[2] Edwin C. Rozwenc, "Introduction," in Rozwenc (ed.), *Reconstruction in the South* (Boston: *Problems in American Civilization* series, D. C. Heath Co., 1952), p. vi.

mind. Those who did attempt to write Reconstruction history during the nineteenth century were therefore a valiant group even though a high degree of scholarly excellence was yet to be achieved. An area in Reconstruction history which was especially avoided and therefore neglected involved economic causation, but beginning early in the twentieth century this situation changed rather abruptly. This was because of the appearance of a small but determined group of historians dedicated to the task of explaining the elusive role played by economic determinism during Reconstruction. This school of historical interpretation produced a major upheaval in the mainstream of American historiography and did much to stimulate a new surge of scholarly research and writing in the field of Reconstruction history. This paper is chiefly concerned with the unparallelled rise of this school, the principal reasons for its temporary popularity, the chief causes of its decline, and the positive effects it has had upon historical writing during the twentieth century.

The first truly noteworthy contributors to the field of Reconstruction history during the nineteenth century were James Ford Rhodes and James Schouler. Both of these historians saw Reconstruction as an exercise in sectional conflict in which a victorious North sought to impose universal Negro suffrage upon a prostrate South.[3] By the opening decade of the twentieth century, the apparent validity of the sectional approach was further enhanced by William Archibald Dunning in his famous seminar at Columbia University. Both Dunning and his students tended to base their conclusions upon restricted viewpoints which disregarded widespread cultural and economic differences among regions or occupational groups within each section.[4]

The first seeds of economic determinism appeared in 1927 with the publication of Charles and Mary Beard's *The Rise of American Civilization* and the first two volumes of Vernon L. Parrington's *Main Currents in American Thought*. Three years later, with the publication of Howard K. Beale's *The Critical Year*, one of the most famous of all the schools of economic determinism was ushered into existence.[5] The most provocative conclusion suggested by this new school of historical interpretation was the so-called "Beale

[3] *Ibid.*

[4] With the exception of occasional essays and his book, *Reconstruction, Political and Economic, 1865–1877* (New York: Harper Brothers, 1907), Professor Dunning did practically no writing himself. His influence, however, may be seen in the writings of his disciples, among whom are such notables as U. B. Phillips, Charles Ramsdell, and Walter Fleming. See also C. Vann Woodward, "Capitulation to Racism," in Abraham S. Eisenstadt (ed.), *American History: Recent Interpretations* (New York: Thomas Y. Crowell, 1962), II, p. 166; and Eric L. McKitrick, *Andrew Johnson and Reconstruction* (Chicago: University of Chicago Press, 1960), pp. 94–101.

[5] Charles and Mary Beard, *The Rise of American Civilization* (New York: The Macmillan Company, 1927); Vernon L. Parrington, *Main Currents in American Thought* (New

thesis," which claimed that the entire Congressional program of Reconstruction was a "northern campaign" designed to control the political and economic resources of the South.[6] The Beards had merely included in their work a brief passage which was without documentation examining various northern economic motives behind Reconstruction policies. But Beale went a step farther by claiming that northern opportunists had promoted the Reconstruction program through the radical factions of the Republican Party with the intention of not only controlling the South, but also of exploiting its economic resources. Since Charles Beard had already published a highly controversial work dealing with the economic motives of the framers of the United States Constitution,[7] this new school of economic determinism in Reconstruction history soon became known as the "Beardian" school. The so-called Beardin school came to be so closely associated with the Beale thesis that the success or failure of the entire school seemed to rest upon the scholarly world's acceptance or rejection of Beale's hypothesis. Beale's theory, though revolting to some, was embraced by a large number of academicians, research scholars, and textbook writers in various forms of modification.[8] In fact, the influence of this theory may still be seen in various textbooks and monographs dealing with Reconstruction even though large portions of it have been discredited. It permeated almost all types of historical writing and

York: Harcourt, 1927–1930); and Howard K. Beale, *The Critical Year: A Study of Andrew Johnson and Reconstruction* (New York: Harcourt, 1930). References to *The Critical Year* in subsequent citations refer to the 1958 printing of this work under a new copyright secured by Frederick Ungar Publishing Company of New York.

[6] T. Harry Williams, "An Analysis of Some Reconstruction Attitudes," *Journal of Southern History*, XII (1946), 469–486. The economic interpretation of Reconstruction has taken many forms but has emphasized various economic motives and associated factors. James S. Allen's *Reconstruction* (New York: International Publishers, 1937) is the standard Marxian version of this interpretation which described the *ante-bellum* South as sort of a "feudal" empire. Numerous other writers regarded the Civil War and Reconstruction as simply the triumph of the industrialized East over the agricultural South. Examples of this viewpoint, in varying degrees, may be found in C. Vann Woodward's *Origins of the New South* (Baton Rouge: Louisiana State University Press, 1950), p. 136; George R. Woolfolk, *The Cotton Regency* (New York: Bookman Associates, 1958), p. 42; and George R. Bentley, *A History of the Freedman's Bureau* (Philadelphia: University of Pennsylvania Press, 1955), pp. 34–36.

[7] Charles A. Beard, *An Economic Interpretation of the Constitution of the United States* (New York: The Macmillan Company, 1913).

[8] See James G. Randall, *The Civil War and Reconstruction* (Boston: D. C. Heath Co., 1937), p. 748; Louis M. Hacker, *The Triumph of American Capitalism* (New York: Simon and Schuster, 1940), Chap. 25; Philip Foner, *History of the Labor Movement in the United States* (New York: International Publishers, 1947), p. 391; and Thomas C. Cochran and William Miller, *The Age of Enterprise* (New York, The Macmillan Company, 1943), Chap. 5.

the Reconstruction process came to represent the undisputed triumph of "industry" over "agriculture" to professional historians and laymen alike.[9]

Since there was no collaboration among the writers of the Beardian school, the dramatic appearance of the conclusions of one enhanced and seemed to verify the conclusions of the others. The Beards and Parrington did little more than just recognize the Reconstruction period as one of widespread and sweeping change. This, of course, was the first essential element in the new school of economic determinism since northern capitalists had to be in control of the government during Reconstruction if they were to have exploited the economic resources of the South in keeping with the Beale hypothesis. The Beards characterized the North's seizure of the reins of government in the 1860's as a "second American Revolution":

> If the operations by which the middle classes of England broke the power of the king and the aristocracy are to be known collectively as the Puritan Revolution, if the series of acts by which the bourgeois and peasants of France overthrew the king, nobility, and clergy is to be called the French Revolution, then accuracy compels us to characterize by the same term the social cataclysm in which the capitalist, laborers, and farmers of the North and West drove from power in the national government the planting aristocracy of the South.[10]

Failing to recognize the cleavages which existed among the "capitalists, laborers, and farmers of the North and West," both Beale and the Beards believed that the Republican Party during Reconstruction represented the "capitalist" and "sound money" interests of the North almost exclusively. Prior to the war, concluded Beale, legislation unfavorable to the South had been largely blocked by representatives of southern planter-aristocrats. But during the war, when the South was no longer represented in the nation's capital, this party had been responsible for legislation, such as the establishment of the national banking system, which Beale considered beneficial only to the money-lending interests of the North. The National Banking Act had forced the elimination of state bank notes from circulation. This caused a contraction of the currency, forced interest rates up, and limited the credit desperately needed by the South after Appomattox. Beale also pointed to

[9] Beale, *Critical Year*, p. 225. See also Bernard A. Weisberger "The Dark and Bloody Ground of Reconstruction Historiography" in Eisenstadt (ed.), *American History*, II, p. 18.

[10] Beards, *Rise of American Civilization*, II, p. 54. Professor Beale explains in the "Forward" of the 1958 printing of *The Critical Year* that his thesis had already been formulated and incorporated in Chapter X of his work before the Beards published *The Rise of American Civilization* in 1927. He points out that Beards had not seen his findings nor he theirs. Beale does admit that some of Charles Beard's earlier writings had had a "general influence" on him, but asserts that it was William E. Dodd and Frederick Jackson Turner, two of his teachers at Harvard, who were especially influential during his initial formulation of his hypothesis (See Beale, *Critical Year*, p. ix).

northern profits during the war from government contracts, war bonds, United States note issues, and the temporary inflation of the currency.[11] Certainly there can be no doubt but that there was large-scale wartime profiteering in the North, but the implication that it was anything more than individual opportunism is highly questionable. Although correct in their use of facts, the determinists simply failed to comprehend the extent of group divergence which characterized the seemingly homogeneous economic society of the North. The Beards were entirely correct, however, in emphasizing the transitional nature of Reconstruction by calling it a "revolution."

Although Vernon Parrington's first two volumes of *Main Currents in American Thought* contributed little in the way of new ingredients, his work helped popularize the deterministic hypothesis by providing a more personalized approach. While the Beards were chiefly concerned with the essential movements of the Reconstruction period, Parrington concerned himself more with individual philosophies and motives, while remaining well within the social and economic framework constructed by the Beards. Thomas J. Pressly, author of *Americans Interpret Their Civil War*, pointed out in his little volume that Parrington's point of view was not just similar to that of the Beards, but "the same . . . in all essentials."[12]

While the Beards and Parrington merely implied or assumed the cohesiveness of the economic groups in the victorious section, the Beale thesis carefully promoted the concept that Congressional Reconstruction was a northern "big business" conspiracy designed to subjugate and exploit the prostrate South. Attempting to buttress this conclusion, Beale pointed to intersectional tariffs, and consumer and agrarian difficulties during the period. He believed that the southern farmers' discontent, for example, was at least partially responsible for Oliver Kelley's efforts to establish the Patrons of Husbandry in 1867.[13] In this chapter entitled "Economic Issues," he further enlarged upon his earlier financial conclusions by calling attention to various factors which he believed to have patterns of intersectional significance. Seeing the North as the "sound money" section, he concluded that the Radicals determined to keep the South out of the Union because "similar economic conditions would have united the Northwest and the South in advocacy of an inflated currency."[14] A "renewed union of southern planters and western farmers" would then become the constant dread of the section representing "big business" and "sound money." Economic revisionists writing during the 1950's have found this interpretation inadequate in certain respects. Irwin Unger, in his article entitled "Business Man and Specie Resumption," produces a great deal of evidence to show that it is "clearly not valid to speak of a single business attitude toward the money question after the Civil War." Stanley Coben, in an article prepared for the *Mississippi Valley Historical Review,* investigates the currency and tariff questions and concludes that "factors other than the economic interests of the Northeast must be used to explain the motivation and aims of Radical Reconstruction."[15] But completely contrary to the subsequent findings of economic revisionists, Beale stated—though he neglected to document—that "manufacturers generally sought . . . both high tariffs and contraction of the currency." Beale also concluded that northern business stood solidly behind the national banks and even sought "federal protection in the extension of their business into . . . an inhospitable South."[16]

It is ironic that the determinist school, with its open hostility to the business and industrial classes of the Northeast, should have its inception during a decade when most historians were interpreting the nation's prosperity as the logical culmination of the Industrial Revolution through the application of American technological genius. Needless to say, the determinist writers were neither immediately accepted nor widely popular during the 1920's since most Americans felt that industry should be praised and businessmen exalted. But public opinion changed suddenly and drastically after the stock market crash of 1929 and during the subsequent years of depression. Seeking the causes of the great tragedy, a despondent and disillusioned

[11] Beards, *Rise of American Civilization,* II, p. 111.

[12] Thomas J. Pressly, *Americans Interpret Their Civil War* (Princeton: Princeton University Press, 1954), p. 212.

[13] Economic revisionists have discovered that there was little discontent among the farmers in the South and Middle West prior to 1869 when farm prices fell drastically. At any rate, Frederick Merk has shown that it is a mistake to interpret the economic history of Reconstruction in terms of a struggle between North and South or even East and West. He demonstrates that even though the Grange was a southern and western manifestation, it had eastern antecedents. See Merk, "Eastern Antecedents of the Grangers," *Agricultural History,* XXIII (January, 1949), 1–8. See also Lee Benson, *Merchants, Farmers, and Railroads: Railroad Regulation and New York Politics, 1850–1887* (Cambridge: Harvard University Press, 1955), p. 257; and Robert P. Sharkey, *Money, Class, and Party: An Economic Study of Civil War and Reconstruction* (*The Johns Hopkins Studies in Historical and Political Science* series), LXXVII (1959), 102–104, 136–238.

[14] Beale, *Critical Year,* pp. 236–238.

[15] Irwin Unger, "Business Men and Specie Resumption," *Political Science Quarterly,* LXXIV (March, 1959), 46–70; and Stanley Coben, "Northeastern Business and Radical Reconstruction: A Re-Examination," *Mississippi Valley Historical Review,* XLI (June, 1959), 67–90.

[16] Beale, *Critical Year,* p. 145. The Beards and Parrington were of liberal persuasion, but, on occasion, the views of both Beard and Parrington appear extremely paradoxical. During the 1930's, according to Eric Goldman, Beard felt that "he had never been a complete progressive in the days of Teddy Roosevelt and Wilson" and he "had his doubts about the New Deal." See Goldman's article entitled "Charles A. Beard: An Impression," in Howard K. Beale (ed.), *Charles A. Beard: An Appraisal* (Lexington: University of Kentucky Press, 1954), pp. 1–7. For an enlightening appraisal of Vernon L. Parrington's political and economic ideals, see James L. Colwell's "The Populist Image of Vernon Louis Parrington," *Mississippi Valley Historical Review,* XLIX (June, 1962), 53–66.

public began to reappraise the writings of the economic determinists. What was more logical than to conclude that the economic interests which had exploited the South during Reconstruction, as described by the Beale thesis, were also responsible for the Great Depression? The innovators of the deterministic interpretation suddenly found themselves surrounded by a warm and appreciative public. Younger writers joined in the attack on business, and the American businessman was depicted as being in alliance with the devil. One young historian, Matthew Josephson, was so full of the deterministic doctrine and so appreciative of economic factors that he dedicated his best selling book, *The Robber Barons,* to the Beards.[17]

Just as the school of economic determinism reached the peak of its popularity during the height of the depression, its decline began with the return to prosperity. During the 1940's occasional objections to the Beale thesis were heard, but it really met no serious challenge until, toward the end of the decade, Frederick Merk and Joseph Dorfman called attention to several questionable assumptions incorporated into the deterministic approach.[18] Gaining momentum slowly at first, the revisionist attack on the school of economic determinism swelled during the 1950's. With a Republican in the White House and many prominent businessmen in cabinet positions, the popular mood was generally tolerant of America's business institutions. Shorn of its outer vestments, the Beale thesis stood naked before the critical eye of the academician. Scholarly investigations focusing more minutely upon the generalizations of the determinist doctrine proved to be devastating. Alterations in the economic interpretation of Reconstruction were necessary, but even more important, portions of the Beale thesis were completely discredited. Economic motives certainly were present in the North and in Congress during Reconstruction, but there is no really reliable evidence to suggest a premeditated northern plot.

The chief lines of attack made by the revisionists seemed to center around at least two major objectives, both of which were accomplished in relatively short order. The first objective was to demonstrate that there were numerous economic interests in the North which did not support the high tariff, the sound-money system, national banking, and all those so-called "business"

[17] Pressly, *Americans Interpret Their Civil War,* p. 212.

[18] Frederick Merk's article entitled "Eastern Antecedents of Grangers," which appeared in *Agricultural History,* XXIII (Jan., 1949), 1–8, suggested that the economic picture during Reconstruction was much more confused and complex than the Beardian economic determinists had made it appear. A much more pointed attack came in the first twenty pages of the third volume of Joseph Dorfman's *The Economic Mind in American Civilization* (New York: Viking Press, 1949). Dorfman called attention to northern business opposition to resumption of specie payment. This position, according to the economic determinists, had been held almost exclusively by agrarian debtors in the South.

interests attributed almost exclusively to that section by the determinist writers. The second objective was to establish that these economic intergroup rivalries in the North contributed to heated clashes among the Radical Republicans themselves. If neither the special-interest groups of the North nor the Radical Republicans were united in their efforts to control the South, then there is little chance that they could have agreed upon legislation commensurate with their widely differing economic motives. National banking, for example, held little appeal for either the small banks of the West or for many of the industrial capitalists of the North. It seems that industrial capitalists were either suspicious of the national banking system or simply preferred to patronize state banks. The act of 1865 placing a 10 per cent tax on state bank notes, of course, was designed to encourage these northern capitalists and other state banking enthusiasts to participate in the national banking program.[19] The revisionists also discovered that it was the Republican Party and not the Democratic Party which was responsible for the passage of the Legal Tender Act. The Democratic Party, in fact, strongly opposed it. The Democrats, completely contrary to the conclusions of the determinist writers, led the fight for contraction of the currency in 1866 and 1868, while the Republicans opposed the move in both instances.[20]

Leading the attack on the determinist philosophy were young historians such as Irwin Unger, Stanley Coben, and Robert P. Sharkey. Unger completed a doctoral dissertation at Columbia University in 1958 which he entitled "Men, Money, and Politics: The Specie Resumption Issue, 1865–1879." Subsequently, he published an article in the *Journal of Presbyterian History* in which he cataloged the growing list of exceptions to the Beale hypothesis.[21] Coben, who also did his doctoral work at Columbia, pointed out additional deficiencies in the conspiratorial interpretation in an article published in 1959 in the *Mississippi Valley Historical Review.*[22] Robert P. Sharkey's revisionist work, *Money, Class, and Party,* was also published in 1959.

The evidence collected by these scholars necessitated major alterations in the economic interpretation of Reconstruction and discredited the Beale hypothesis. For example, Sharkey found that the war and the subsequent

[19] Sharkey, *Money, Class, and Party,* p. 254.

[20] *Ibid.,* pp. 36–46.

[21] Unger, "Business Men and Specie Resumption," *P. S. Q.,* LXXIV, 46–70; and Unger, "Money and Morality: The Northern Calvinist Church and the Reconstruction Financial Question," *Journal of Presbyterian History,* XL (March, 1962), 38–55. In the latter article, Unger attempts to show that there were moral as well as economic reasons behind much of the sound money advocacy in New England.

[22] Coben, "Northeastern Business and Radical Reconstruction," *M. V. H. R.,* XLVI, 67–90.

program of Congressional Reconstruction did not bring excessive profits to all economic groups of the North. While many of the entrepreneurs and manufacturers profited handsomely from government contracts during the war and tighter currency in years following, the money-lenders, financial capitalists, and organized labor did not fare nearly so well. Interest rates were not overly generous during the war and the currency value of bonds later failed to compensate for the decline in purchasing power as a result of a constantly rising price index. Sharkey also established that organized labor in the North sought practically the same program during the Reconstruction years that was sought by most debtor classes in the South and West: inflated currency with low rates of interest.[23] Coben found that there was little agreement among manufacturing interests upon the tariff question and upon resumption of specie payments. Certain New England textile manufacturers, most New York importers, and practically all railroad interests desired a low tariff and usually sound money, while the extremely powerful iron and coal interests in Pennsylvania demanded high protection and an inflated currency. "Had reconstruction politics allowed . . . [the] New England interests a choice," concluded Coben, "it seems likely that they would have preferred a return to the coalition which had produced the low tariff of 1857—a coalition which included the South."[24] Coben also pointed out that the gold premium created by the inflated currency had the same effect on foreign import prices as a high tariff rate. Importers had to pay their foreign debts in gold or its equivalent, and many New York importers resented having to face the possibility of loss on their transactions because of an unfavorable fluctuation in the gold premium. As a result, most importers favored resumption not to exploit the South or any other section but simply to establish a stable currency.[25]

These conflicting economic interests in the North were also reflected in the voting records of Republicans in Congress. There were perhaps three more-or-less distinct groups among the Republicans composing the majority party of the Fortieth Congress. First, there was a group of "sound money" Republicans which supported resumption, contraction, and a moderate protective tariff. This group was especially opposed to the unstable quality of paper money and vigorously advocated the financial integrity of the nation. Prominent members of this group included William P. Fessenden, Roscoe Conkling, and James A. Garfield. A second group was composed largely of "soft money" Republicans who supported the paper money policy and opposed contraction. Members of this group had no particular objection to re-

[23] Sharkey, *Money, Class, and Party*, p. 187.
[24] Coben, "Northeastern Business and Radical Reconstruction," *M. V. H. R.*, XLVI, 78.
[25] *Ibid.*, pp. 81–82.

sumption, provided there was no serious decrease in the amount of money in circulation. They tended to be nationalistic and advocated a high protective tariff. Quite a few of this group were Radicals. While the first group largely represented business, this group largely represented manufacturers. "Pig Iron" Kelley, Benjamin Butler, and "Bluff Ben" Wade were among its members. A third group was largely composed of practical politicians who were eager to meet the demands of a constantly shifting climate of public opinion. Among the ranks of this group were such men as John Sherman, John Logan, and George Boutwell. They might be called "independent" Republicans. They opposed contraction in 1867 and 1868 but nevertheless supported the sound money platform in the Republican convention in the summer of the latter year.[26] Most of them advocated the sanctity of the public debt and resumption. Their unpredictable voting records may be understood only by appreciating the fierce and burdensome constituent pressures they faced. They opposed contraction, for example, because a majority of the influential voters in the constituencies seemed to oppose it. Again there appears to be no thought of taking advantage of the defeated section.

Therefore, the Beale thesis has fallen from the sacred sphere of respectability and the entire economic interpretation of Reconstruction has been greatly modified. Still, the stigma imposed upon big business by the determinist writers remains. Economic determinism has left a permanent imprint upon the popular attitude of America. This school of writing enjoyed the height of its popularity during the 1930's, but the limited favor it receives today is not wholly undeserved. As professional historians, the determinists were ardent worshipers of Clio and were dedicated to the endless search for the truth. Most of their errors grew out of inadequate research, but each writer devoted a lifetime to studious inquiry and no man can demand more. These writers also fell victim to oversimplification and excessive generalization, but by emphasizing the ultimate and logical extremes in sectional conflict which had been accepted for decades, they created a provocative framework which challenged younger historians. At least two great schools of revisionist writers have investigated the framework and found it lacking, but much of it, though occasionally modified, has remained intact. It is interesting and enlightening to note that the revisionists themselves had tremendous respect for the men whose works they were revising. Their criticism of the determinists was never personal nor insulting but constructive and kind, tempered with an understanding of the numerous pitfalls which constantly await the research historian. The Beardian determinists were largely

[26] Sharkey, *Money, Class, and Party*, pp. 131–133. See also Donald Sheeham, "Radical Reconstruction" in Donald Sheeham and Harold C. Syrett (eds.), *Essays in American Historiography* (*New York: Columbia University Press*, 1960), pp. 45–46.