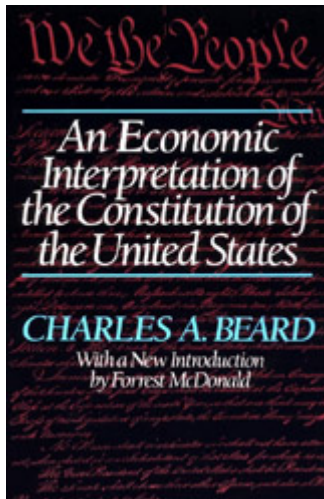


Lionizing the Beard



Charles A. Beard, *An Economic Interpretation of the Constitution of the United States* Reprint, New York: The Free Press, 1986. 330 pp. \$17.95 paper.

It was the financial profiles, of course, that accounted both for the remarkable popularity of Charles Beard's *Economic Interpretation of the Constitution* and for the bitterest attacks on it. At the center of the book is a seventy-eight-page chapter in which Beard calls the roll of the Constitutional Convention, not simply reporting the delegates' political views, as other historians had done—and as many still do—but investigating their economic interests.

Beard found what he had expected to find. Almost all of the delegates owned lots of what he called “personalty”—trading stock, money-at-interest, western land held for speculation, and, most importantly, war bonds. He then went on to argue that the state legislatures of the Confederation era (1781-89) posed a threat to personalty. Thus one of the Framers' chief motives in writing the Constitution was to protect their personalty—to create a national army strong enough to take the Indians' land away from them, to prevent the states from screening debtors from their creditors' lawsuits, and to wrest from the state governments the business of collecting—or *not* collecting—the “Continental” taxes that were needed to pay off the bond speculators.

Beard's critics asserted that he had failed to demonstrate a correlation between support for the Constitution, on the one hand, and possession of bonds, accounts receivable, western land claims, and other personalty on the other. If such a correlation existed, they asked, why did the opponents of the Constitution also own so much personalty? Indeed, why was it that one of the Philadelphia Convention's largest creditors, George Mason, and one of its biggest bondholders, Elbridge Gerry, became Anti-Federalists? (Beard anticipated these objections, but his responses to them are not very convincing.)

On the other side, as Beard acknowledges, Madison and Hamilton, two of the Constitution's most enthusiastic champions, owned almost no personalty. And similar criticisms were lodged against the other correlations Beard attempted in his *Economic Interpretation*.

So what is left of the Beard thesis? Plenty. As I re-read the book, I was struck by the ironic impression that its most persuasive evidence was the one sort that both its fans and its critics virtually ignored: Beard's quotations, especially from the Framers. In their speeches in Philadelphia, their private letters (most of which had been published by the time *Economic Interpretation* was written), and their newspaper essays, the Framers made it abundantly clear that they expected the Constitution to benefit creditors and Americans who had speculated, whether in Indian land or war bonds. To cite only one of Beard's numerous quotations establishing the Constitution's popularity among bondholders: even as the Federal Convention sat, a Connecticut writer predicted that its handiwork would win the support of "[t]he public creditor, who, from the deranged state of finances in every state . . . now places all his hopes of justice in an enlightened and stable national government" (53).

From reading either Beard's critics or his admirers, you might get the impression that the bondholders were the only interest group that appeared in *Economic Interpretation*. Perhaps Beard's pioneering work in the Treasury Office's bond records—he did not visit any archives outside Washington, D.C.—made that inevitable. But Beard's work in printed primary sources also draws attention to other groups that benefited from the Constitution, especially private creditors.

For instance, early in the Convention's deliberations, Madison reminded his fellow delegates that the state legislatures' mistreatment (in his view) of private creditors as well as bondholders had "contributed more to that uneasiness which produced the Convention, and prepared the public mind for a general reform, than those which accrued to our national character and interest from the inadequacy of the Confederation to its immediate objects" (178). After ratification, Hamilton told Washington that Article I, Section 10, which prohibits the states from relieving debtors, "was not one of the least recommendations of that Constitution. The too frequent intermeddlings of the state legislatures in relation to private contracts were extensively felt and seriously lamented" (180). For me, the most impressive quotation in the book is the passage (too long for use here) in which John Marshall says the Constitution was opposed by those who had advocated state laws easing the distress of debtors and taxpayers—and supported by relief's enemies.

Just in terms of the allocation of real estate, it is quotations, not evidence of property holding, that dominate Beard's book. Indeed, with the crucial exceptions of chapter 5 and 10 (where Beard examines the economic interests of delegates to both the Constitutional Convention and the state ratifying conventions) and chapter 9 (where Beard makes state-by-state estimates that allow him to say, "[I]t may very well be that a majority of those who voted

were against the adoption of the Constitution”), nearly half the book is enclosed in quotation marks. Some quoted passages consume an entire page (251).

Everyone who has ever tried to finish a dissertation will suspect that what caused Beard to fill so many of his pages with long passages from the Framers’ speeches, letters, and essays was simple haste. This suspicion is fostered by the fact that so many of his long quotations return for encores. For instance, Beard used the same six-line statement from James Wilson on both page 183 and page 185. But I think the real reason Beard quoted so heavily is that he hoped to take himself out of the line of fire by letting the Framers speak for themselves. Am I being paranoid when I suspect that it was the very persuasiveness of Beard’s quotations that caused his critics virtually to ignore them and concentrate their fire on his highly vulnerable economic data?

All those quotations convince me that the Framers thought bondholders, land speculators, and private creditors believed they were suffering under the Articles of Confederation—and that a principal aim of the Constitution was to rescue them. Indeed, as Beard points out, John Fiske (who has always been placed at the opposite pole of Constitutional interpretation from Beard) had made essentially the same claim in *The Critical Period of American History* a quarter century earlier. Similarly, Orin Libby had shown in his 1894 book, *A Geographical Distribution of the Vote of the Thirteen States on the Federal Constitution*, that the strongholds of Anti-Federalism were the very regions that had backed the sort of debtor and taxpayer relief legislation (such as paper money) that the Constitution banned.

Which, for me, leaves only one question: When the Framers handed this windfall to the owners of personalty, to what extent were they motivated by the fact that they themselves owned so much of it? Beard does say (though not everyone believes him) that his point is *not* that the fifty-five Federal Convention delegates were only lining their own pockets. Rather, they were looking out for the interests of the personalty-owning class as a whole. (That is an even more damning indictment, if you ask me, just as President Bush’s titillating ties to Enron are actually less troubling than his bias in favor of the entire oil industry.) But that still leaves the problem of the leading Framers (like Hamilton and Madison) who owned little personalty. Were they simply exceptions to the rule?

Beard might have found an answer to that question if he had recalled that bondholders and private creditors were not the only ones who thought the state legislatures had given debtors and taxpayers too easy a time. People with no immediate stake in the contest worried that debt and tax relief had caused “moneyed men” to refuse to lend anything more—either to the government or to individuals. (Yet another group of Americans—arguably the majority—believed the assemblies were too *harsh* on debtors and taxpayers, but that is another story.)

Beard was certainly correct that bondholders, including those who sat in the Convention, liked the Constitution because it would, for the first time, give

the general government the tax revenue it needed to redeem their bonds. But he forgot that this provision was equally popular among nonbondholders who simply wanted to restore the government's credit rating. And many Americans, especially in states that imposed heavy direct taxes because they lacked ports at which to levy tariffs, correctly predicted that allowing the federal government to collect an impost would reduce its annual demands on farmers and other payers of direct levies. Beard's insinuation that most middle-income taxpayers opposed the Constitution is simply incorrect. Many of them loved it.

Likewise, Article I, Section 10 won the enthusiastic support of creditors, as Beard showed. Yet it was also popular among people—among them James Madison—who wanted to be able to obtain loans. As Jefferson had told Madison in explaining why he was unable to borrow any money for him in Paris, would-be creditors knew that if they and Madison ever landed in a Virginia court, the judges' "habitual protection of the debtor would be against" the investors. It was not worth the risk. Thus the fundamental right for which Madison and others were contending as they traveled to Philadelphia was the right to be sued.

Nor was the would-be debtors' interest in providing encouragement to creditors entirely selfish. Thousands of Americans were convinced that the way to rescue the United States from the postwar recession was to make it a more attractive place in which to invest.

It is remarkable to me that when Beard compiled his list of interest groups pushing for the Constitution, he left out taxpayers in portless states and would-be borrowers like Madison. Is it possible that he omitted them because they did not seem to belong in the sordid company of the holders of personalty?

The biographers tell us Beard, like Marx, rooted for the personalty-holders, who represented the next stage of economic development. But I wonder. If, as historians say, *Economic Interpretation* reflects a progressive view of history, I think it also breathes the spirit of the Progressive Party that had formed the year before it was published. This was the spirit of the muckrakers and the trust-busters, the men and women who were determined to expose the acts of plunder that had brought the era's political and industrial leaders to power. And here I am not just reviving the old claim that Beard hoped to undermine popular support for the Supreme Court, which had been overturning progressive legislation. "Science," that muse Beard constantly invoked, may have taught him to favor economic progress at all cost. Yet I think the tone of the book points in another direction. In a footnote defending Elbridge Gerry, whose enemies attributed his opposition to the Constitution to "bare-faced selfishness," Beard dryly remarks that greed "was not monopolized by Gerry in the Convention" (98n.).

Beard's heart, at least, was not with the holder of personalty but with a group that almost never appears in these pages. It was with the farmer, the man who had squatted on land claimed by some Brattle Street speculator . . . or was being sued for debt . . . or had to sell half his livestock to pay taxes

earmarked for bond speculators (who nonetheless complained of receiving too little). In short, with the underdog.

Further Reading: See R. Terry Bouton, "'Tying Up the Revolution': Money, Power, and the Regulation in Pennsylvania, 1765-1800" (Ph.D. diss., Duke University, 1996) and "A Road Closed: Rural Insurgency in Post-Independence Pennsylvania," *Journal of American History*, 87 (December 2000), 855-87; John Fiske, *The Critical Period of American History, 1783-1789* (Boston, 1888); Orin Grant Libby, *The Geographical Distribution of the Vote of the Thirteen States on the Federal Constitution, 1787-8* (New York, 1894); Gordon S. Wood, *Creation of the American Republic, 1776-1787* (Chapel Hill, 1969).

This article originally appeared in issue 2.4 (July, 2002).

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