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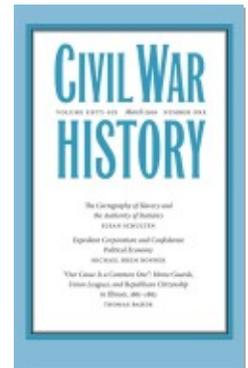
## Expedient Corporatism and Confederate Political Economy

Michael Brem Bonner

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# *Expedient Corporatism and Confederate Political Economy*

MICHAEL BREM BONNER

An excessive desire for liberty at the expense of everything else is what undermines democracy and leads to the demand for tyranny.

—Plato, *The Republic*

Studies of nineteenth-century southern political economy abound, but they usually focus historical analysis on either the antebellum or the postbellum periods. Scholars often interpret the war itself only as either the terminal moment for the southern slave system or the seed of later political and economic trends in southern life. One can only speculate that the paucity of historical interpretation of Confederate political economy may be a result of several factors. The Confederate experiment existed only for a relatively short duration and ultimately failed, thus a broad interpretation of Confederate political economy may seem fruitless to some historians. In addition to the problems of brevity and eventual failure of the Confederate experience, the focus of most Civil War studies in political economy continues to be the industrial mobilization of northern society and the consequent postbellum rise to industrial prominence of the victorious northern states.<sup>1</sup> Confederate political economy

The author would like to thank the editor and reviewers for their helpful comments and criticisms. Any remaining flaws or errors are the sole responsibility of the author.

1. For discussion of Civil War-era social structures and their influence on postbellum

remains an elusive subject, difficult to define, making comprehensive analysis a formidable task.

This article posits a new synthesis of Confederate political economy in hopes of better understanding the role of the Confederacy as an expedient corporatist state. The Confederacy exhibited corporatist characteristics and was the forerunner of other late-nineteenth- and twentieth-century corporatist states. This analysis will allow historians to approach Confederate political economy in comparison to other counterrevolutionary movements that also opposed the growth of liberalism and often pursued military policies to preserve their society. Expedient corporatism allowed the Confederacy to fight a modern war through implementation of a modern state organization.

Corporatism is a model used to describe governments over a wide range of historical eras and geographic locations. The flexibility of corporatist doctrine might evoke criticisms of its use as a catch-all for disparate political forms, but there are common aspects of all corporatist states regardless of geography or historical era. A great deal of confusion derives from the fact that corporatism describes both societal ideology and state institutional arrangements. Some prominent southern historians have asserted that the Confederacy inherited an antebellum corporate philosophy which promoted nationalism and perhaps, at least initially, helped to mitigate class dissent and develop Confederate nationalism.<sup>2</sup>

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southern life see Jonathan M. Wiener, *Social Origins of the New South: Alabama, 1860–1865* (Baton Rouge: Louisiana State Univ. Press, 1978), and Steven Hahn, *The Roots of Southern Populism: Yeoman Farmers and the Transformation of the Upcountry, 1850–1890* (New York: Oxford Univ. Press, 1983). These studies provide valuable insight into Confederate society but focus their analysis on later events and problems of class conflict, especially the continuity of planter political domination and the growth of the southern populist movement. The most recent scholarly work on northern mobilization and industrialization is Mark R. Wilson, *The Business of Civil War: Military Mobilization and the State, 1861–1865* (Baltimore: Johns Hopkins Univ. Press, 2006).

2. See Elizabeth Fox-Genovese and Eugene Genovese, *The Mind of the Master Class: History and Faith in the Southern Slaveholders' Worldview* (New York: Cambridge Univ. Press, 2005), 649–79. The authors argue that “southerners held fast to key tenets of individualism, notably absolute property rights, representative government, and equality of those who qualified to be considered individuals—primarily, propertied free men” but the religious individualism which sparked the threatening northern reform and abolition movements caused concern “in a slave society that preached Christian—corporate values” and cherished the dominant southern “corporate entities—family, church, [and] communities” (649, 667). Emory Thomas also mentions societal corporatism in terms that emphasize collective unity as opposed to individualistic motives and claims that “the Confederate era was an extended moment during which Southerners attempted simultaneously to define themselves as a people and to act out a

Societal, or ideological, corporatism, however is not the focus of this study and should be considered as an entirely separate issue from the development of a corporatist state. In terms of a state institutional arrangement, “corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted deliberate representational monopoly within their respective categories in exchange for certain controls on their selection of leaders and articulation of demands and supports.”<sup>3</sup>

In addition to this functional definition of an active corporatist state, there are several other requirements for the application of the term. First, corporatism is an organizational method for societies with capitalist backgrounds because at some level the corporatist nation must “accept legitimacy (or, at least the inevitability) of market forces . . . but also seek to limit or modify their activities and effects.” Corporatism also represents a reactionary, or counterrevolutionary, political economic model that seeks to reverse the perceived excesses of liberal capitalism. Adherents to the corporatist political structure often “criticized the rampant individualism, social disorder and open class conflict which accompanied . . . capitalism and its subsequent *laissez-faire* operation.”<sup>4</sup> Finally, corporatist states foster the growth and rise to power of distinct interest groups that greatly influence, and often direct, state policy. Government policy construction becomes open to “incorporation of interest groups into” the discourse of fundamental decision making, and thus “as part of the state system” the interest groups become “responsible both for representing their members’ interests in and to the state *and* for helping to administer and carry out public policies.” In corporatist regimes, “interest groups often become part of the state, incorporated into it; they are agencies that are no longer just private but that have taken on

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national identity, all the while engaged in total war for corporate survival.” See Emory Thomas, *The Confederate Nation, 1861–1865* (New York: Harper & Row, 1979), xv.

3. See Philippe C. Schmitter and Gerhard Lehbruch, *Trends toward Corporatist Intermediation* (London: Sage, 1979), 13. Schmitter’s definition is widely recognized as the most fundamental description of state corporatism and is usually the foundation for other explorations of the topic.

4. Bob Jessop, “Corporatism and Syndicalism,” in *A Companion to Contemporary Political Philosophy*, ed. Robert E. Goodin and Philip Pettit (Malden, Mass.: Blackwell, 1995), 404–6.

*public* responsibilities.”<sup>5</sup> The Confederacy implemented one of the world’s first examples of a corporatist political economy.

A crucial corollary to the model is the expedient nature in which this corporatist development occurred. Corporatist organization can be sparked from a central state apparatus, and arguably by 1865, the Confederacy resembled an authoritarian corporatist regime. However, political scientists point out that corporatism does not always require the impetus of a centralized state for development but can be constructed “on an *ad hoc* basis” and can “correspond to different stages in capitalist development and/or different forms of economic and political crises.” Southern secessionist leaders certainly fit this description of behavior in an economic and political crisis, and the development of the Confederate state evolved based on contingencies and circumstances in an *ad hoc* manner from 1861 to 1865. This type of corporatist development is “typically promoted by firms and business associations but, especially in periods of acute political crisis, prolonged war or immediate postwar reconstruction, it [is] often directly advanced by the state itself.”<sup>6</sup> There was no policy blueprint for the Confederacy, only the attempt to meet each emerging crisis with the available human and industrial resources.

Two assumptions about antebellum southern society must be accepted before one applies a corporatist label to the Confederate experiment. First, one must agree with the assertion that antebellum southern political economy was capitalist in nature and that the leaders of the southern secession movement might be termed planter or agricultural capitalists. Perhaps historian Barrington Moore best summed up the secession movement in economic terms when he stated that “the ultimate causes of the war are to be found in the growth of different economic systems leading to different (but still capitalist) civilizations with incompatible stands on slavery.” Second, the reader must accept the assertion that secession and the Confederate attempt at independence was not a revolution but a reactionary counterrevolution. Southern leaders sought a return to the antebellum status quo, in which southern interests, especially the protection and possible growth of slavery, could be provided for by the new Confederate state. In these terms, the Confederate experiment represented “a preemptive counterrevolution to prevent the Black Republican revolution from engulfing the South.”<sup>7</sup> If one

5. Howard Wiarda, *Corporatism and Comparative Politics: The Other Great “Ism”* (Armonk, N.Y.: M. E. Sharpe, 1997), 8.

6. Jessop, “Corporatism and Syndicalism,” 405–6.

7. Most historians recognize that slaveholders operated with a capitalist mentality even

can accept that southern society was capitalist and that secession represented a reactionary preemptive counterrevolution, then one might proceed to argue that the Confederacy exhibited the requisite characteristics of a society open to corporatist development.

A useful definition of political economy is necessary for an understanding of why the Confederate experience departs so radically from other nineteenth-century systems and more closely resembles several twentieth-century governments. There are two methods of investigation for studying the history of American political economy; the first focuses on the theory in which intellectuals formulate hypothetical systems for potential social improvement, and the second analyzes the actual policies developed by political and economic leaders. Both intellectuals and politicians shared certain assumptions about the definition of a capitalist political economy, and the common point of departure was Adam Smith's definition that "political economy . . . [was] a branch of the science of the statesman or legislator." Both northern and southern leaders understood peacetime capitalist political economy in similar terms due to Smith's declaration that statesmen had "two distinct objects: first to provide a plentiful revenue for subsistence for the people . . . and secondly, to supply the state . . . with a revenue sufficient for the public service."<sup>8</sup> For Confederate leaders, the onset of war pushed greater considerations than revenue and public service to the forefront of policy priorities.

Secession symbolized an opportunity for slaveholders to perpetually protect the institution of slavery and reassert their political and economic hegemony in the new Confederacy. Military victory and independence became the only prerequisites for this vision to become reality, and Confederate

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if their methods of labor coercion symbolize elements of pre-capitalist production. Harry Watson best sums up this dilemma of ideology and practice by declaring that "to insist on 'capitalism' and 'pre-capitalism' . . . would shackle historians to a rigid and useless teleology. . . . [Perhaps] the best solution is simply to say that the market sector of the South's dual economy was a slave society that depended on the technology and institutions of the capitalist world, even as its dominant individuals sometimes feared and resisted the subversive power of those same institutions." Harry Watson "Slavery and Development in a Dual Economy: The South and the Market Revolution," *The Market Revolution in America: Social, Political, and Religious Expressions, 1800–1880*, ed. Melvyn Stokes and Stephen Conway (Charlottesville: Univ. Press of Virginia, 1996), 49; Barrington Moore Jr., *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* (Boston: Beacon, 1966), 141; James McPherson, *Drawn with the Sword: Reflections on the American Civil War* (New York: Oxford Univ. Press, 1996), 23. Also see Manisha Sinha, *The Counter-Revolution of Slavery: Politics and Ideology in Antebellum South Carolina* (Chapel Hill: Univ. of North Carolina Press, 2000).

8. Adam Smith, *Wealth of Nations* (1776; repr., Amherst, N.Y.: Prometheus, 1991), 325.

leaders entered unforeseen situations once the war began. Development of Confederate political economy was not the result of some predetermined intellectual theory or blueprint but more akin to the evolution of a system in response to the requirements of wartime survival. Confederate political economy can be defined as the methods and organizational styles implemented by southern leaders in the areas of industrial, financial, and public policy intended to ensure the survival of the Confederacy.

A brief review of previous interpretations of Confederate political economy is required to provide context and background for the introduction of a new theory. There are three major approaches to Confederate political economy which seek to analyze in different manners and reach various conclusions. The interpretive models of state-rights doctrine, state socialism, and local political economy have all made important contributions to the historical analysis of Confederate society, but in each case, the three interpretations exhibit serious limitations.

One major postbellum interpretation might be termed the state-rights view. Former Confederate vice president Alexander Stephens developed this interpretation, in which Confederate experience is seen as one dictated by “strife between the principles of Federation” in the Confederacy, “and Centrism, or Consolidation” in the United States. Later historians followed Stephens’s interpretation and represented some southern governors as the villains responsible for the lack of Confederate unity. Frank Owsley declared that the Confederacy’s epitaph should read “Died of State Rights” and further argued that “if the political system of the South had not broken down under the weight of an impracticable doctrine put into practice in the midst of a revolution, the South might have established its independence.” A later argument elaborated on the state-rights doctrine by scrutiny of democratic inclinations among the Confederate troops and “the Confederacy’s tolerance of democracy.” This argument contended that Confederate leaders maintained “an astonishingly libertarian record” on civil rights among the citizenry. The overall conclusion was that the Confederacy “Died of Democracy.”<sup>9</sup> Much of the evidence for the state-rights school highlights gubernatorial resistance and popular dissent so the implication of the Confederacy as a government with authoritarian tendencies is an important legacy of the state-rights doctrine.

9. Alexander Stephens, *A Constitutional View of the Late War between the States*, 2 vols. (Philadelphia: National Publishing, 1868), 1:9; Frank Owsley, *State Rights in the Confederacy* (Chicago: Univ. of Chicago Press, 1925), 1. See David Herbert Donald, *Why the North Won the Civil War* (New York: Collier, 1960), 81–92.

Furthermore, the state-rights interpretation of Confederate government focuses primarily on political disagreements and leaves economic concerns virtually unmentioned. Analysts of the state-rights doctrine best sum up its lack of interpretive ability and declare that “the development of centralization and uniformity within the Confederacy and the revolutionary changes that were wrought are far more significant phenomena . . . than the state-rights ideas to which so much lip service was paid.”<sup>10</sup>

A second major approach interprets the Confederacy as an example of nineteenth-century state socialism. Louise B. Hill initiated the state socialism interpretation by asserting that the Confederacy represented “the most successful demonstration of State Socialism to be found up to the time of modern civilization.” The state socialism school was further advanced by Raimondo Luraghi and in a chapter titled “Forced Industrialization through State Socialism,” Luraghi argues that “the Confederate government acted immediately to nationalize the whole productive power of existing manufactures as far as war production was concerned.” Luraghi contends that “never before in history had anything like this been seen, . . . a backward agricultural country . . . had created a gigantic industry, investing millions of dollars, arming and supplying one of the largest armies in the world—and all this as national property or under national control, in a kind of quasi-socialist management.” Key industries vital to the Confederate war effort were indeed nationalized due to expediency, not as a result of a “quasi-socialist” outlook among Confederate leaders. National ownership only occurred among economic sectors in which there was little or no previous foundation of industrial capacity, such as gunpowder manufacturing, armories, and manufacture of other military accoutrements meant to support the war effort. These industries were required for immediate Confederate survival and therefore might be considered examples of expedient nationalization. Luraghi concludes his argument by declaring “that Confederate rulers did not want a private capitalist industry; they did not want to see a powerful industrial bourgeoisie rising in the Confederacy,” and as a result, they “chose the way of ‘state socialism,’ a solution that is as far from capitalism as the earth is from the moon.”<sup>11</sup>

The state socialism model contains two flaws that cannot be ignored. First, it overlooks the capitalists, both the agricultural capitalist slaveholders and the

10. Richard E. Beringer, Herman Hattaway, Archer Jones, and William N. Still Jr., *Why the South Lost the Civil War* (Athens: Univ. of Georgia Press, 1986), 234.

11. Louise B. Hill, “State Socialism Louis in the Confederate States of America,” *Southern Sketches*, ed. J. D. Eggleston (Charlottesville, Va.: Historical Publishing, 1936), 3; Luraghi’s

growing class of industrial capitalists, who facilitated the dramatic increased production of war materiel. It also depends entirely upon the phenomenon of nationalized industries to prove its existence and neglects one of the main points of any self-proclaimed socialist society: equality. Socialist societies may not be egalitarian in practice, but each one must at least make a pretense or rhetorical attempt to pursue equality for all citizens. The Confederacy never espoused full equality, except perhaps for white male property holders, but instead a foundational core of inequality became its cornerstone.<sup>12</sup> The state socialism model compels historians to contemplate the nature of industrial

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explanation for the Confederacy's decision not to nationalize the Tredegar Works is flawed in one major respect. He mentions that "owner, J. R. Anderson (possibly foreseeing the industrial policy of the Confederate government), urged the Confederacy to take over his business" in 1861, and this is true to some degree. Luraghi, *The Rise and Fall of the Plantation South* (New York: New Viewpoints, 1978), 123. Joseph R. Anderson did dispatch his son Archer Anderson to Montgomery, Alabama, in April 1861 "with full powers to convey the entire plant to the government, either by lease or purchase" however "Anderson and his associates expected to continue to operate the Tredegar under their personal supervision." Charles B. Dew, *Ironmaker to the Confederacy* (New Haven, Conn.: Yale Univ. Press, 1966), 84. Thus, patriotism, not political foresight, was the most likely motive for initially offering up the Tredegar Iron Works to Confederate ownership. Luraghi also mentions Anderson's offer to sell the Tredegar to the Confederate government in December 1864 but does not mention "the major reason behind his . . . proposition to turn the works over to the government"; a leveraged attempt to increase the prices and profits for the company. Anderson and the Tredegar management "consented to continue operations at the various Tredegar facilities, provided the government would allow higher Tredegar prices"; so in reality, "the company was unilaterally raising its prices to the Confederate States, . . . and rates would remain at these new levels until changed by joint consent." Dew, *Ironmaker to the Confederacy*, 283-84. Luraghi gives the impression that a despondent Anderson, "in the clutches of a crisis in late 1864 . . . tried every way to proceed, from borrowing to barter" and eventually "proposed that the government take over the business," but the Confederacy refused to nationalize the Tredegar "because the government esteemed the patriotic behavior of Anderson" (132). In fact, Anderson's behavior was less patriotic than business savvy, and he used his influence over the War Department to increase the company's profits, with the confident knowledge that the government would not accept his offer of nationalization. This episode points to the fact that the Confederacy nationalized industries only when there was no other alternative or when the industries required development and construction from a weak foundation (123, 128, 150).

12. See William C. Davis, *"A Government of Our Own": The Making of the Confederacy* (New York: Free Press, 1994), 294-95. Stephens made speeches in Atlanta and Savannah that declared the new Confederate constitution "made African inequality and subordination, and the equality of white men, the chief cornerstone of the Southern Republic" and that the Confederate government's "foundations are laid, its cornerstone rests, upon the great truth that the negro is not equal to the white man; that slavery, subordination to the superior race, is his natural and moral condition."

growth and come to terms with partial nationalization of war industries, but as a useful synthesis the state socialism argument is deficient.

The local-focus interpretive approach provides an excellent opportunity to analyze the relationship between Confederate policy makers in Richmond and the practice of local leaders, entrepreneurs, and managers responsible for war-time production increases. Mary DeCredico best implements this method by using Georgia as a test sample and “examining the experience of mobilizing for the Civil War in the South and the way that mobilization affected the dynamics of Southern society.” She argues that “by identifying and reconstructing the pattern of mobilization in a specific locale, it is possible to gauge the impact of the war years on Southern society.” This analysis centers on the influence of Georgia entrepreneurs and managers in industry-wide efforts to maintain private control over their economic sectors. DeCredico declares that Georgia’s urban business “leaders used the war mobilization to expand their activities—and their profits” with the aid and blessing of the Confederate government, which “actively encouraged business endeavor by extending capital advances and by detailing workers from the ranks.”<sup>13</sup> Confederate policy was greatly influenced and perhaps even shaped by private entrepreneurs and managers with the acquiescence of Confederate bureaucrats. Her work is a breakthrough toward a more complete understanding of Confederate political economy, especially in terms of the relationship between regional entrepreneurs and the Confederate state.

Another example of local focus analysis also uses the state of Georgia as an example writ large for understanding Confederate political economy and views wartime transformations as “a nonrevolutionary modernization overseen by a landed elite.” Chad Morgan interprets Georgia’s industrial growth as part of a larger plan among slaveholders to develop the region on their terms, and argues that “it is a mistake to see Confederate industrialization as a necessary evil, something that slaveholders had forced on them” by the necessities of war. So, what type of system did the planters create when given a free hand at their own modernization? The planter-dominated Confederate government initiated a curious mixture of “state ownership of indispensable industries” and “an openhanded incentive program for private entrepreneurs.” To increase wartime production, “the Confederate government promoted private enterprise with numerous goads and incentives,” and as the war progressed,

13. Mary A. DeCredico, *Patriotism for Profit: Georgia’s Urban Entrepreneurs and the Confederate War Effort* (Chapel Hill: Univ. of North Carolina Press, 1990), xiv, 152.

“the government exercised an extraordinary degree of control over this nominally private sector.” According to this analysis, the relationship between the government and private enterprises “amounted to a command economy” in which the Confederacy “resorted to forced industrialization and compounded the evils of slavery with those of statism.”<sup>14</sup> Morgan’s analysis combines the codevelopment of nationalized and private industries under the term “statism,” or command economy, which creates an important platform for understanding the expedient corporatist thesis of Confederate political economy; “wherever there is heavy statism in the economy, corporatism in the social and political spheres is very likely to be there too.”<sup>15</sup>

The local-focus interpretations perform an important task in extrapolating analysis of Confederate political economy from the state to the national level. Both Morgan and DeCredico make lasting contributions to an enhanced understanding of Confederate political economy, but their conclusions

14. Chad Morgan, *Planter's Progress: Modernizing Confederate Georgia* (Gainesville: Univ. of Florida Press, 2005), 1, 31, 2, 46, 63, 68. Morgan comes close to describing the qualities of a classic corporatist model in his comparison of the Confederacy with Prussian industrialization and states that “the Confederacy turned that scenario on its head . . . [and] fashioned its own distinct path, which might be termed an inverted Prussian road” (67–68).

15. Wiarda, *Corporatism and Comparative Politics*, 40. Statism is simply defined as the assumption of economic control and social planning by a typically highly centralized government, which, in many cases, involves the concurrent loss of individual liberties among the citizenry. For analysis of antebellum statist theory, see Douglas Ambrose, “Statism in the Old South: A Reconsideration,” in *Slavery, Secession, and Southern History*, ed. Robert Louis Paquette and Louis A. Ferleger (Charlottesville: Univ. Press of Virginia, 2000), 101–22. Ambrose argues that “southerners . . . vastly expanded the scope of state governments and built the most powerful central government America had ever seen”; however the “exigencies of war forced southerners into statist policies” despite the fact that “southerners, notwithstanding their war-time actions, remained committed antistatists in principle” (101). Application of “statism” to Confederate political economy can be found in several sources; see Morgan, *Planter's Progress*, but its most significant use can be found in Richard Franklin Bensel, *Yankee Leviathan: The Origins of Central State Authority in America, 1859–1877* (New York: Cambridge Univ. Press, 1990), 88–237. Bensel argues that both societies resorted to statist organization and that “no two independent states in the history of the world have ever possessed more similar political systems”; however, there were “areas in which one of the respective states [the Confederacy] moved further along a statist dimension than did the other” (98). “Statism” is a useful word to describe Confederate political economy, but it is not a comprehensive political and economic model. Application of the term to both Union and Confederate political economies shows its general nature, and despite the fact that Bensel does a remarkable job of comparative analysis, the differing characteristics of Union and Confederate political economies are too important to be ignored. “Statism” is helpful for describing the authoritarian policies of some regimes, but it is not a comprehensive political model, and it is far too flexible to be used as a complete model for discussion of Confederate political economy.

ultimately describe transformation on a local level. Both studies approach wartime industrialization in Georgia as a transitional stage to the postwar resurrection of industries in the New South instead of focusing solely on the nature of Confederate political economy.

All three interpretive models open analytical avenues for closer inspection of Confederate political economy: the state-rights interpretation convinced historians to view undemocratic policies of the Confederate government, which often caused gubernatorial and popular resistance; the state socialism argument forced historians to explain nationalized war industries in the Confederacy; and local-focus analysis created a framework for understanding the complex relationships between Richmond and regional leaders. Each interpretation approaches a synthesis of Confederate political economy only to regress into a partially explanatory political theory or a localized geographical area.

Two other studies of Confederate political economy deserve special attention for significant contributions to the topic. One of the most influential analyses of Confederate political economy comes from Emory Thomas, whose *The Confederacy as a Revolutionary Experience* argued that the Confederacy underwent “an economic revolution” that was not only manifested in industrial production but also in social forms such as increased urbanization. Without question the Confederacy experienced drastic social and political changes during the Civil War and Thomas’s work remains a seminal account for any study of Confederate political economy.<sup>16</sup> Another exhaustive view of Confederate political economy can be found in Richard Franklin Bense’s comparative study of Union and Confederate governments. In *Yankee Leviathan: The Origins of Central State Authority in America*, Bense contends that “in the Confederacy, the central state regulated almost all forms of production and manpower, often assuming direct control of private factories, impressing their production, and even constructing state-owned plants where private capacity was insufficient for the needs of the war effort.” As a result of these developments, “the southern war mobilization

16. Emory Thomas, *The Confederacy as a Revolutionary Experience* (Englewood Cliffs, N.J.: Prentice-Hall, 1971), 82. Thomas’s assumptions that antebellum slaveholders resisted industrial development has been challenged by numerous authors, and is not the concern of this study, but continues to be a topic of debate among historians. A recent collection of essays edited by Lesley Gordon and John Inscoe, titled *Inside the Confederate Nation: Essays in Honor of Emory Thomas* (Baton Rouge: Louisiana State Univ. Press, 2007) makes several excellent contributions to the understanding of Confederate political history, but scant attention is given to any aspect of the Confederate economy that Thomas has done so much to develop as a topic of inquiry.

demonstrates the revolutionary nature of the Confederate state” and “in many respects, the Confederate state possessed more modern characteristics than” did the Union’s political economy. He argues that “overall, the Confederate experience generally combined a much stronger boundary between state and society with much more sweeping state authority over the economy.” Both of these interpretations focus on the radical departure from the antebellum past and discuss the Confederacy in terms of social flux and the experimental modern nature of its government.<sup>17</sup>

Confederate political economy must be discussed in terms of the southern political culture as it evolved from 1861 to 1865, which provided a foundation and later encouraged the maturation of an expedient corporatist state. The foundation of political culture was the Confederate constitution, which, despite the arguments of some historians that it merely mimicked the U.S. document and added safeguards for slavery, was fundamentally different from the U.S. Constitution. The Confederate constitution allowed for extensive executive powers, including six-year terms of office, a line-item veto, and control over government expenditures. The six-year term for the president and vice president were counterbalanced by the rule that executives could not serve two consecutive terms, but six years afforded Confederate executives ample time to implement policy before being turned out of office. The line-item veto provided the Confederate president with great power over the legislative process, since the Congress was practically forced into passage of bills that were completely amenable to the chief executive.

Perhaps the greatest power of the Confederate president, often overlooked by historians, was the ability to control appropriations, which has usually been the main role of legislative bodies in the American system. The president’s power of appropriation derived from Article I, Section 9, clause 9 of the Confederate constitution, which declared, “Congress shall appropriate no money from the treasury except by a vote of two-thirds of both Houses . . . unless it be asked and estimated for by some one of the heads of departments, and submitted to Congress by the President.” If Congress could not achieve a two-thirds majority in both Houses, which was a difficult task, then, logically, most government financial appropriations would have to be requested by the president and the array of bureaucratic department heads. This gave the executive branch far-reaching control over the purse strings of the Confederate government. From the earliest stages of the Confederate government, in

17. Bensel, *Yankee Leviathan*, 233–36.

February 1861, “the first Congressional defense measure initiated the prime pattern in the Confederate war effort—letting the President do it.”<sup>18</sup>

Delegates and participants present at the founding of the Confederate government also set an important precedent for government proceedings with the use of secret sessions. Confederate leaders mimicked the 1787 Constitutional convention’s use of secret sessions, and allowed the practice to continue throughout the deliberations of the provisional and regular congress. Confederate delegate Robert Barnwell Rhett criticized the newly established government for not being as open to public as that of its northern enemies and observed that “almost all important business was transacted away from the knowledge and thus beyond the criticism of the people.”<sup>19</sup> Even if leaders did not conspire behind closed doors to pursue policies detrimental to the Confederate citizenry, it certainly appeared suspicious at best to some observers and downright undemocratic to others. Secret sessions by the Confederate congress allowed for speculation of collusion and inserted an implied atmosphere of authoritarianism into Confederate political culture, which perhaps undermined popular support for the government’s representative branch.

Confederate interpretations of executive and legislative constitutional powers were merely slight changes from the American constitutional precedent, especially when viewed against the Confederate judicial branch, or lack thereof. Passage of the Judiciary Act of March 1861 allowed for the creation of a Confederate supreme court, but the congress never put the legislation into practice. In spring 1862, Congress revisited the matter, but only six senators “could accept the principle of appellate jurisdiction involved,” and when the House also refused to support the powers of judicial review, then “the entire matter was dropped.”<sup>20</sup> Neither the president or the congress wished to contend with judicial review of legislation, so the Supreme Court was simply never allowed to exist. In the absence of a centralized supreme court, judicial review responsibilities and Confederate constitutional interpretation were left to the state courts, which often thwarted Confederate laws, especially conscription,

18. Marshall DeRosa, *The Confederate Constitution of 1861: An Inquiry into American Constitutionalism* (Columbia: Univ. of Missouri Press, 1991), 85; Richard Goff, *Confederate Supply* (Durham, N.C.: Duke Univ. Press, 1969), 4–5.

19. R. Barnwell Rhett, “The Confederate Government at Montgomery” *Battles and Leaders of the Civil War*, ed. Clarence Buel and Robert Johnson, 4 vols. (New York: Century 1884–87), 1:99.

20. Buck Yearns, *The Confederate Congress* (Athens: Univ. of Georgia Press, 1960), 38.

to the chagrin of Davis and the congress. North Carolina jurist Richmond Pearson became symbolic of the potential for legal dissent at the state level and continuously hamstrung conscription efforts in the state. The lack of a central Confederate supreme court might be interpreted as democratic because state courts could protect the rights of their respective citizens against Richmond, or it may be viewed as the executive and legislative branches' attempt to forego centralized judicial review to enhance their powers. The failure of the Confederate government to establish a functional supreme court allowed for bitter legal battles over states' rights and epitomized the political culture of centralized power and local dissent.

The Confederate executive and congress also operated in an atmosphere of antiparty sentiment, which provided the image, if not the actuality, of unity among leaders. This sentiment likely grew from events in the 1850s when southern Whigs and Democrats combined in an effort to protect slavery from outside interference. This common theme carried over into the 1860s as one of the cornerstones of Confederate nationalism. In the North, the "partisan balance had been damaged . . . in the 1850's . . . [but] had nevertheless survived to undergird political behavior in the wartime Union," though "the Confederate Congress . . . showed only a bare remnant of two-party behavior and not even a relic of two-party organization . . . [, and] no form of analysis . . . has exposed more than a hint of two-party performance." This does not mean there were not serious policy differences between the president and legislators, but each necessary measure, like conscription or impressment, in a way, became a referendum on Confederate nationalism. The only semblance of opposition to the executive branch derived from legislators who accused the Davis administration of despotism, but these "unbending defenders of civil liberty made little effort to rally their forces, much less create an organized opposition . . . [thus] avoiding the evils of political parties."<sup>21</sup> Unity in the face of an external threat continually trumped abstract policy disagreements, at least in Richmond, and antiparty sentiment provided an important element to Confederate political culture, which allowed for extension of government centralization.

Arguably, no other Confederate policy exemplified the power of the expedient corporatist state-like conscription. The continual necessity of maintaining

21. Thomas Alexander and Richard Beringer, *The Anatomy of the Confederate Congress* (Nashville: Vanderbilt Univ. Press, 1972), 331; George Rable, *The Confederate Republic: A Revolution against Politics* (Chapel Hill: Univ. of North Carolina Press, 1994), 210.

a standing army forced Confederate leaders to enact and expand conscription laws in April 1862, October 1862, and February 1864. Conscription provided the Confederate government with unprecedented power to control not only the size of its military but also to directly control the access to labor through exemptions. As the war progressed, fewer draft exemptions were allowed and some, like the 'twenty slave clause' passed in the fall of 1862, were subjects of popular dissent. One might track the waning of Confederate nationalism by analyzing the growth of dissent against conscription from 1862 to 1865. Despite considerable popular resistance, Confederate leaders were compelled by circumstances to continue with conscription as an expedient policy necessary for state survival. Civil liberties were temporarily set aside as Confederate leaders pursued state interests at the expense of individual rights. This does not mean that Davis and other Confederate leaders conspired to foist an undemocratic plot on the southern people and force them to participate in the Confederate war machine. Confederate policy was dictated by necessity and the will to survive, and it used repressive policies like conscription, impressment, and tax-in-kind as temporary expedients. Confederate conscription policy represented the logical result of an authoritarian political culture.

The Confederate government also adopted a domestic passport system; one might assume that this was implemented late in the war as a method of enforcing conscription and preventing desertion. It was actually created in July 1861 in response to citizens' requests to visit their loved ones at the front. War Bureau clerk John Beauchamp Jones witnessed the transition of the domestic passport system into an internal policing apparatus as the War Department handed over passport authority to the provost marshal, Gen. John Winder, which effectively instituted martial law upon those seeking passports. Military police consistently regulated travel around vital rail transportation hubs, and Winder's men could hold anyone without charge, including congressmen who voiced outrage at undignified treatment. Texas senator Williamson Oldham felt humiliated by the passport system and was upset because he "was not allowed to go from . . . [Richmond] to North Carolina without going to the Provost Marshal's office and getting a pass like a free negro." Another congressman correctly analyzed the consequence of the passport system on morale and stated that after being forced to prove his identity numerous times in the presence of armed guards with bayonets, it was no wonder that "the practices complained of are having the effect of alienating from the Government the affections of the people." Perhaps to allay potential popular dissent, Jefferson Davis applied for a passport through the

proper channels to leave Richmond on August 20, 1863, and set an example that all loyal Confederates needed to make sacrifices in personal liberties in order to travel. The domestic passport system evolved as an ad hoc policy and “can best be characterized as a gradual adaptation to the needs of mobilization and internal security . . . [and] unlike the more famous controversial measures often dwelt upon by historians of the Confederacy, conscription, impressment, or the tax-in-kind . . . the passport system originated in the War Department and not in the Confederate Congress.”<sup>22</sup> Despite the domestic passport system’s negative standing in public opinion, Confederate leaders felt the necessity to adopt martial law not only in the war zones like Richmond but throughout the southern transportation network.

Constitutional foundations provided the potential for the creation of a more centralized state, and combined with greater executive powers, lack of judicial review, the prevailing antiparty sentiment, state enforced conscription, and a domestic passport system, the Confederate government appeared, if not functioned, as an authoritarian state. Confederate leaders understood that drastic measures were necessary in this bold bid for independence and resolved to cooperate on policies crafted to promote state survival. With this authoritarian political culture, they implemented an expedient corporatist state to mobilize the southern populace and to develop and promote an industrial base sufficient to wage a modern war.

Confederate political culture also influenced the development of southern wartime industrial capacity, and this aspect of Confederate political economy best symbolized the creation of an expedient corporatist state. Historians have been forced to come to terms with a mixture of both state-owned, or nationalized, and privately owned industries when describing the South’s industrial sector. This has usually caused analysis to focus solely on either the state-owned or the private sectors, and rarely have the two distinctly different categories been combined into one interpretive model. Application of the term “expedient corporatist state” is an attempt to explain the dichotomy of Confederate industrial production and how the two styles coexisted during the war.

First, one must deal with the state-owned industries. The Confederacy pos-

22. John Beauchamp Jones, *A Rebel War Clerk's Diary*, ed. Howard Swiggett (New York: Old Hickory Bookshop, 1935), 1:67, 102, 114, 133, 145–46, 167–69, 254; 2:29, 77–78, 102, 133; Alexander and Berringer, *Anatomy of the Confederate Congress*, 170; “Proceeding of the First Confederate Congress End of Second Session,” *Southern Historical Society Papers* 47 (Dec. 1930): 46–47; Mark Neely Jr., *Southern Rights: Political Prisoners and the Myth of Confederate Constitutionalism* (Charlottesville: Univ. Press of Virginia, 1993), 2.

sessed comparatively few military manufacturing industries at the outset of the conflict and was forced by circumstances to develop, build, and fund this vital sector of the war economy. Former federal arsenals captured by the state governments after secession and later turned over to the Confederate government were among the first of the Confederacy's state-owned facilities. In 1861, the captured federal arsenals were of little use to the fledgling Confederate war effort because "only the Richmond arsenal was immediately equipped to manufacture small arms [ , and] the other establishments . . . at Nashville, Baton Rouge, Montgomery, Mount Vernon, Charleston, Augusta, and Savannah, were in a position to make only accoutrements, plus cartridges." This meant that "the Confederate government controlled no facilities for making heavy ordnance, powder, or small arms in the quantities needed." Although in need of serious augmentation, these minimal industrial concerns were placed under the direct control of the Ordnance Bureau headed by the flexible organizational genius Josiah Gorgas, "who drew together the personnel and built up an organization capable of making ordnance and munitions in an agrarian society." One of Gorgas's main strengths was selection of the correct subordinate for the required task. These subordinates included handpicked leaders "who could, and did, exercise wide discretion" over management and production. Gorgas refused to wait for private entrepreneurs to fill the industrial gap and "envisioned setting up a complex of government ordnance works that could supply the armies without reliance on private contracts."<sup>23</sup> In terms of war materiel production, Gorgas's plan, organization, and ad hoc implementation yielded fantastic results and represented a remarkable success story in the annals of the Confederate war effort.

Two primary circumstances dictated the need for Confederate state ownership: absence of previous availability, which sparked investment, construction, then production, and purchase of private firms that produced quality munitions but were typically unable to operate for profit in the wartime economy. The first type of nationalized industry is best represented by the Augusta Powder Works, which proved the viability and potential productivity of Confederate state ownership.

One of Gorgas's primary concerns was the supply of gunpowder. The southern states no longer had access to private manufacturing firms like the Hazard Powder Company in Connecticut or the E. I. DuPont Company

23. Goff, *Confederate Supply*, 15; Frank Vandiver, *Ploughshares into Swords: Josiah Gorgas and Confederate Ordnance* (Univ. of Texas, Austin, 1952), 145.

of Delaware and could not expect to import enough from outside sources to sustain the war effort. Unless Gorgas could quickly create a Confederate manufacturing foundation for gunpowder, the fledgling nation was doomed to a hasty demise because “when the war began, the supply of gunpowder in the whole Confederacy could not be counted on to last more than a month.” Unlike the Union, “the Confederacy entered the conflict with no powder mills of consequence—two in Tennessee and two in South Carolina being little more than local suppliers.” To remedy this potentially disastrous situation, Gorgas utilized his power to fund and construct a state-owned facility. Perhaps his greatest choice of subordinates was of George Washington Rains to head the project. Rains’s greatest asset was adaptability, which produced fruitful results for Gorgas and the Confederacy. Rains had “the honor of being appointed to the charge of the manufactory of gunpowder, a *carte blanche* being given.” Always resourceful, Rains created the Augusta Powder Works based on the experience of a man named “Wright . . . who had seen gunpowder made . . . [and] had been a workman at the Waltham Abbey Government Works, in England” and the use of “an invaluable pamphlet by Major Bradley, the Superintendent of the Waltham Abbey Works.” This pamphlet contained only a description of the process and did not provide detailed drawings, working plans, or descriptions of the buildings or required machinery. Rains oversaw the creation of an immense state-owned industrial complex in Augusta, Georgia which included the Powder Works, the Augusta Arsenal, “a Machine and Foundry establishment,” a gun-carriage department, and various buildings for “preparation of small arm cartridges, and other purposes.” Rains viewed the coexistence and cooperation of state-owned and private industries as normal and later remarked, “It is the custom of the different nations in addition to the private factories of gunpowder, to have erected at different points national works to supply the demand for war.”<sup>24</sup> State ownership was only one means of ensuring munitions produc-

24. Vandiver, *Ploughshares into Swords*, 75; In addition to these sources of gunpowder, Confederate authorities also sought expansion of the Sycamore powder mill in Nashville, and the state of North Carolina attempted to establish a powder operation in Raleigh. See John C. Barrett, *The Civil War in North Carolina* (Chapel Hill: Univ. of North Carolina Press, 1963), 27; The best complete study of George Washington Rains and the innovations implemented in the construction and management of the Augusta Powder Works is C. L. Bragg et al., *Never for Want of Powder: The Confederate Powder Works in Augusta, Georgia* (Columbia: Univ. of South Carolina Press, 2007). This book contains detailed sketches of the powder works along with excellent biographical data about Rains and his importance to the Confederate war effort; Col. George Washington Rains, “History of the Confederate Powder Works,” *Newburgh Daily News Print* (Newburgh, N.Y.: Newburgh Daily News, 1882), 4–7, 27, 3–4.

tion and select private industries survived, and some even benefited from government intervention into the munitions market.

Gorgas officially possessed sole responsibility for final decisions of state ownership but relied on subordinates, especially superintendent of armories James H. Burton, to assess national ownership potential and practicability. There was no consistent or uniform policy for state ownership of firms, rather an ad hoc determination based on circumstances and factors that included priority of manufactures, effectiveness of private management, and productivity. For example, “the pistol factory operated by Messrs. Spiller & Burr in Atlanta was purchased in January, 1864, and its machinery transferred to the Macon Armory” but when “the Red Mountain Iron and Coal Company . . . inquired if the government would bail them out . . . Burton reported the plant as unsatisfactory, incomplete, and thoroughly inferior . . . [and] refused to recommend its acquisition.”<sup>25</sup> Iron was a priority commodity for the Confederate war effort, especially for the resource-starved railroad companies, but Burton refused to advise purchase of the facility, because of its poor private management and low productivity potential. State ownership apparently required immediate promise of productivity or at least the assurance that a facility would fill a niche not already covered by the growing war industries.

On April 8, 1864, Gorgas reflected on his three years as head of the Ordnance Bureau and proudly noted, “I have succeeded beyond my utmost expectations.” Boasting of his organizational accomplishments, he listed the numerous state-owned facilities that had been created from limited resources and were now supplying the Confederate armies with sufficient war equipment and munitions.<sup>26</sup> Gorgas succeeded thanks to excellent judgment and selection of subordinates. He was flexible enough to pursue state ownership in sectors he deemed vital to the war effort but prevented unnecessary nationalization of other less essential southern industries.

The ad hoc policy of state ownership best suited Gorgas and his subordinates to their primary task: provision of Confederate armed forces with war munitions in the immediate future. If the purchase of a productive private firm would further this goal, then the Confederate government added the specific industrial concern to the growing constellation of state-owned factories. There was no preplanned blueprint for the creation of vast state-owned industrial complex and certainly no grand design to implement state socialism. Due to the initial lack of arms and low capabilities of munitions

25. Vandiver, *Ploughshares into Swords*, 231–32.

26. *Ibid.*, 240–41.

production, “the Confederate government perforce plunged unprepared into manufacturing” because the rapid mobilization and need for supply meant that “it could not afford to depend solely upon private industry, most of which was on a small scale, incapable of sudden and effective expansion.” Initially, there were “strong objections against any undertaking by the government of duties which [could] be fulfilled by private enterprise,” declared a writer in the *Charleston Courier*, and this was the normal attitude of that era.”<sup>27</sup> Nationalized Confederate industries represent an expedient policy implemented solely to fill the necessary gaps of military production. State-owned facilities were not the foundation of a long-term policy of industrial development.

Private economic sectors and industries also played key roles in the Confederate war effort, and their experiences best symbolize the actions of a corporatist state. In addition to being capitalist, counterrevolutionary, and critical of liberalism, “corporatism comprises an ongoing, integrated, system of representation, policy-formation and policy implementation, which is organized in terms of the function in the division of labour of those involved.”<sup>28</sup> The state allows powerful private-interest blocks to provide leadership in policy formation and implementation in return for loyalty and priority of production. Most historians focus on the Confederate government’s regulation of private industry as a top-down type of “statist” or “command economy” in which the regime forced compliance through fixed prices, control of labor supply, and regulation of market access. Important private industries, especially those vital to the war effort, possessed great leverage in dealing with Confederate authorities, and some even influenced policy creation for their economic sector. The term “patriotism for profit” used by historian Mary DeCredico to describe Georgia’s wartime urban entrepreneurs might also be applied to larger private interest blocks, which arguably placed profits before patriotism. Far from being a simple “command economy,” the relationship between the state and these private interest blocks was symbiotic: both parties received benefits from the other and depended on each other survival. This relationship was meant to assure Confederate leaders of sufficient manufacturing production and access to reliable transportation. In exchange, carefully selected private industries received government subsidies and patronage,

27. Lester J. Cappon, “Government and Private Industry in the Southern Confederacy,” in *Humanistic Studies in Honor of John Calvin Metcalf*, Univ. of Virginia Studies series (Charlottesville: Univ. of Virginia Press, 1941).

28. Jessop, “Corporatism and Syndicalism,” 404.

protection from competition, and occasionally a direct role in Confederate policy formation. Two major private industrial blocks, private munitions factories and railroad companies, symbolize this corporatist relationship.

In addition to Gorgas's array of state-owned industries, private corporations continued to operate and augment military production, often with the aid of the Confederate government. A variety of private industries continued wartime production for the rebel armies, but of interest here are the experiences of two important corporations and their relationship with the Confederate government: the Tredegar Iron Works of Virginia and the Shelby Iron Company of Alabama.

The Richmond-based Tredegar Iron Works was arguably the most important heavy industrial complex in the Confederacy. Its products competed with larger northern firms during the antebellum period. Once the war closed off outside sources of iron products, the firm gained immense influence as a contributor to the Confederate effort. Joseph Reid Anderson, a devoted nationalist, headed operations at the Tredegar works, and he initially offered the company for sale or lease to the new nation in 1861. Immediately after Virginia's secession, the Tredegar appeared to be on the brink of insolvency because southern railroad companies were defaulting on payments, but new orders for munitions from the individual states and a growing business relationship with the Confederate government revived the Tredegar's fortunes. Anderson oversaw the expansion of "perhaps the largest single enterprise which did business almost exclusively with the government." The Tredegar experienced dramatic growth and "employed 700 workers in February 1861 [and] by January 1863 the work force numbered 2,500." Confederate patronage allowed the business to expand, and "owner Joseph R. Anderson created an industrial empire composed of two rolling mills, a foundry, machine shops, and forges at Richmond; and elsewhere in Virginia nine iron furnaces, two coal mines, a tannery, shoemaking shops, a sawmill, a fire-brick factory, nine canal boats, a sea-going blockade runner, and a farm."<sup>29</sup>

The Tredegar Iron Works directly benefited from government subsidies and favorable government contracts that tended to protect the vital industry in a controlled market. On April 19, 1862, the Confederate Congress passed legislation that allowed the government "to loan up to 50 per cent of the capital needed to erect or expand 'all establishments or mines for the

29. Dew, *Ironmaker to the Confederacy*, 150–51; Thomas, *Confederacy as a Revolutionary Experience*, 89–90.

production of coal and for the production and manufacture of iron.” Only ten days later, Anderson signed a new contract that “was a precedent setting document, establishing the basic pattern which the Confederate government later used to induce the expansion of other Southern iron establishments.” In the new agreement the Tredegar received a \$300,000 “interest free loan,” which did not require repayment “until the expiration of the contract on December 31, 1864.” The Confederate government also promised to supply the scarce resources of pig iron and essential labor to keep the facilities in operation in return for Anderson’s vow that “the orders of and work for the Confederate States shall at all times have priority.” This contract represented a symbiotic relationship between the Tredegar and the Confederate government, in which each party helped ensure the survival of the other. Government promotion of the Tredegar’s development effectively eliminated competition from other private sources because the supplies of pig iron could be largely controlled by the state. Other private iron manufacturers continued to provide the Confederacy with products, but none profited from government patronage and protection like the Tredegar works. Anderson and his partners retained control of the Tredegar throughout the war and used their leverage to expand facilities, production, and profits. The firm was so important to the war effort that “Confederate officials were willing to grant almost any legal demand the Tredegar management might make.” Far from being victims of arbitrary state policies, Anderson and the Tredegar illustrate the potential power of select private munitions companies to influence policy development in a corporatist structure.<sup>30</sup>

Other private concerns, like the Shelby Iron Company of Alabama, followed the precedent set by the Tredegar and took advantage of government subsidies and profited from government protection. Horace Ware started the company in 1846, and thanks to southern railroad construction grew during the 1850s. After government incentives for iron production became available in 1862, Ware opened ownership opportunities to “new stockholders” who were “inexperienced in iron manufacture” but were eager to profit from the Confederate war effort, because “their decision to make the investment (so they asserted later) was predicated on certainty of securing a government contract.” The new owners included President Andrew T. Jones who was “inclined to be uncompromising and arbitrary in his dealing, he antagonized his customers and especially the government agents who learned to expect

30. Dew, *Ironmaker to the Confederacy*, 143–48.

few favors from his hand.” Another company leader, John W. Lapsley, “resented the interference of government in the affairs of private business” and complained of payment in depreciated Confederate currency. In one example of private leverage, “the company inserted a guarantee against depreciation of Confederate paper,” and in retaliation, “the government withheld one-third of its promised advance.” The Shelby Iron Company’s managers frustrated Confederate ordnance representative Colin McRae and his successor, William Richardson Hunt, because “the directors fully appreciated their strategic position as producers of pig iron, urgently needed by . . . the government,” and from the perspective of the Ordnance Bureau, “they were inclined to assert unwarranted independence at times and overlook their obligations.” In the final year of the war, the firm squabbled with government agents over the contracts’ terms, leading Hunt to complain that the company’s “leading idea seems to be to build their establishment up during the War & have it in good running order after peace is declared.” The actions of the Shelby Iron Company are similar to the self-interested ones of the Tredegar. Both firms leveraged their vital products to secure enormous subsidies from the Confederate government and increase profits.<sup>31</sup>

Private war munitions companies like the Tredegar and Shelby Iron indirectly set Confederate policy in their specific economic sector through tough negotiation and realization that their products were essential to Confederate survival. The notion that these firms were coerced to perform the bidding of the Confederate government in some form of dictatorial economy is not supported by the Tredegar and Shelby examples, and while “the government did not begrudge them a ‘reasonable’ profit . . . it never developed an effective system of bureaucratic control over rampant individualism.”<sup>32</sup>

Southern railroad corporations were also viewed as vital to the Confederate war effort and influenced state policy. During the antebellum years, southern railroad companies often enjoyed a close developmental relationship with individual states, and “the relative increase in railroad mileage between 1850 and 1860 was somewhat greater in the South than in the North.” Competent management and operation of the South’s extant railroad facilities were an important factor in the Confederate war effort especially in terms of utilizing interior lines of defense and ensuring proper supply of armies at the front. Thus, one might expect the Confederate government to implement

31. Cappon, “Government and Private Industry,” 178–83.

32. *Ibid.*, 184.

a centralized plan for state management of the rail network, but Confederate railroad “policy is difficult either to recognize or define, for it was in no sense comprehensive and its inconsistencies frequently cast doubt on its actual existence.” There was a Confederate railroad policy, but it consisted of an ad hoc approach designed and submitted by the managers of private rail companies and usually approved with little government oversight. The Confederate government opted for a hands off policy and “was never to exert an effective supervision over its railways,” because of a philosophical atmosphere “wherein private interests were to remain inviolate.”<sup>33</sup>

Due to the primacy of private concerns in the development of public policy, Confederate railroad policy represents the best example of expedient corporatism in operation. Both northern and southern leaders understood the importance of rail transportation to military success but utilized different methods to meet their goals. The U.S. government acted to ensure coordination of the northern rail network and implemented a policy that allowed “the President to take possession of the railroads if and when, in his judgement, the welfare and the safety of the country demanded it.” The mere threat of state takeover was sufficient to keep northern rail companies in line and allowed Union administrators to more effectively coordinate the transportation network. The Confederate Congress debated granting these same powers to Jefferson Davis in August 1861, but the “bill authorizing the President to regulate and take control of railroads in certain cases” never passed. Why did the Congress balk at giving this power to the Confederate executive and potential control of the rail network to Confederate bureaucrats? Issues of state and property rights likely played important roles in this decision, but the basic reason for refusal was lack of experience in this economic sector. “Perhaps it would have been too much to expect of the lords of the cotton kingdom . . . [to] suddenly become masters of mechanized transportation” and create an effective transportation policy without the expertise of professional railroad managers.<sup>34</sup>

Railroad owners and managers exhibited a robust patriotism in 1861 when both sections believed the war might be a short affair. Southern railroad executives sincerely wanted to help the Confederate war effort but only on

33. Robert C. Black III, *The Railroads of the Confederacy* (Chapel Hill: Univ. of North Carolina Press, 1952), 2; George Edgar Turner, *Victory Rode the Rails: The Strategic Place of Railroads in the Civil War* (Indianapolis: Bobbs-Merrill, 1953), 233; Black, *Railroads of the Confederacy*, 63–64.

34. Turner, *Victory Rode the Rails*, 246, 318; *Journal of the Confederate Congress*, 7 vols. (Washington, D.C.: GPO, 1904–05), 1:379.

their own terms, not through a system of direct government intervention and oversight. Several rail lines offered free transport for government business in early 1861, and others that “were enjoying a government patronage which greatly exceeded their former business” foresaw that competitive rate cuts would be detrimental to all their interests and “came to the early conclusion that some effort should be made to establish uniform charges for government transportation.” Leaders of southern rail companies called a cooperative convention, which convened in Chattanooga, Tennessee, on October 4, 1861. The managers agreed to establish a “schedule . . . [that] divided the freights into four classes with a uniform rate of so much per one hundred miles for each class,” which was approved by Quartermaster General Abraham C. Myers, who, in turn, “urged it upon the roads not represented at Chattanooga.”<sup>35</sup> Railroad executives created the policy for freight rates and received government sanction for general application throughout the rail network. Railroad companies responded to a loose strategic agenda and were left to their own devices and technical expertise as to how to accomplish the government’s goals. The initial stages of Confederate railroad operation represent a powerful interest group directly creating policy on its own terms, a prime characteristic of a corporatist arrangement.

In 1862, military leaders started to call for uniform state control instead of the private policies adopted by the Chattanooga convention. On March 20, Robert E. Lee sought to alleviate the lack of coordination and recommended that “the movements of railroad trains should be under one undivided control.” Conflicts between military commanders seeking emergency powers over rail traffic and private railroad managers threatened to undo the corporatist policy. Due to logical arguments of military necessity, Myers agreed to adopt uniform control, but the uniformity would come from the private sector not the state. He explained his position in fall 1862 and declared he was “opposed to taking military possession of the roads” because the rail workers “would promptly resign rather than be subject to the orders of officers of the Army . . . wholly ignorant of railroads and their management.” He recommended that instead of military control, there should be “the appointment of an able, methodical, and energetic person as chief of transportation, to have entire control over and power to regulate all matters pertaining to transportation . . . and after conference or correspondence with the several railroad presidents

35. Charles Ramsdell, “The Confederate Government and Railroads,” *American Historical Review* 22 (1917): 795–96.

and superintendents to bring into harmonious action the different roads in the Confederacy.”<sup>36</sup> Confederate politicians sided with Myers’s position and allowed continued self-management of the rail network.

William M. Wadley was appointed rail transportation supervisor. Myers did not select Wadley; he was selected based on his previous experience as the president of the Vicksburg and Shreveport Railroad. He came highly recommended through a letter of introduction to President Davis from Charles T. Pollard, president of the “Alabama and Florida R. R. Co.” which praised Wadley “as one of the most energetic and reliable men connected with railroad service in the Confederate States.” Although his experience and new position allowed for potential improvement in coordination of Confederate rail transportation, “Wadley’s activities perforce depended upon the good will of railway men and military personnel over whom he possessed no authority.”<sup>37</sup>

Wadley’s first major effort to reform the system came in the form of another railroad meeting to be held in Augusta, Georgia, on December 15, 1862. Besides Wadley, “forty-two delegates representing forty-one companies were present, including every important southern road lying east of the Mississippi River.” The main issues to be resolved were “through train schedules” to expedite the transportation of supplies to armies at the front and a “real system of freight car interchange” to provide greater availability of supply cars. Railroad presidents were obviously less concerned with these vital war-effort concerns than with those of rates and government payments.

Wadley’s request for a pool of interchangeable cars failed to meet the approval of the delegates because “the interests of individual companies” would not be served by such a plan. Instead, the delegates offered “a substitute resolution, adopted by a vote of twenty-five to eight” that “paid extravagant personal compliment to Wadley and pledged the usual ‘cheerful cooperation,’ but provided nothing of value.” In addition to this outright refusal to cooperate with the government plan, “the committee on government tariffs produced something very substantial; a passenger fare increase . . . plus satisfying boosts through the whole schedule of government freight charges.” Wadley reported the proceedings to his superior, Inspector Gen-

36. *The War of the Rebellion: A Compilation of the Official Records of the Union and Confederate Armies*, 128 vols. (Washington, D.C.: GPO, 1880–1901), ser. 4, vol. 1: 1010–11, ser. 4, vol. 2:108–9 (hereafter cited as *OR*).

37. *Ibid.*, ser. 4, vol. 1, 1048; Black, *Railroads of the Confederacy*, 110.

eral Samuel Cooper, on December 31 and described how “a resolution was introduced expressing an earnest desire to co-operate with me in carrying on Government transportation, but failing to agree upon any definite plan of action I regarded the resolution as of no value beyond the expression of the good wishes of the convention.” According to Wadley’s review, convention delegates also opposed uniform rates and sought to address “the disregard many army officers have for the private property of railroad companies.” The practice of “impressing cars and engines” caused disruptions and “the demoralization of railroad employees.” Wadley recommended the creation of an advisory committee and sent “a circular to the presidents of the railroads in the country . . . asking that the superintendent of each road be allowed to act as [his] assistant in conducting Government transportation.” Secretary of War James Seddon acted on Wadley’s recommendations; “they were . . . issued to all commands of the army in the form of general orders.” Wadley later admitted to Seddon that the only foolproof way to guarantee coordination of rail transportation was for the Confederate Congress to allow for government control, but the preponderance of advice and action by Wadley “reflected the ideas, and indeed, the prejudices of a railroad man,” and “if Congress would not give him an effective law . . . he preferred that the railroads should stay in the hands of railroad men.”<sup>38</sup> Wadley approached the problem of rail coordination in a corporatist manner and arguably put the interests of the railroad companies before the interests of the government.

Secretary of War Seddon decided to reconvene the meeting of railroad managers in Richmond on April 20, 1863. Wadley presented a proposal that “the carriers at once countered with a program of their own,” but in reality, “there was little difference between the two; both advocated government aid in the purchase and manufacture of supplies; both called for the coordination of rail service in behalf of the government.” The final agreed upon resolutions “gave formal recognition to a ‘Railroad Bureau,’ recommended its moderate expansion, and suggested that it supervise the extension of public aid to the carriers,” but the most important decision “provided that the Government was to abstain from direct control of railway operations.” The Richmond convention achieved practically nothing with regard to better rail coordination, and “its resolutions and recommendations meant very little, and both Wadley and Seddon knew it.”<sup>39</sup>

38. Black, *Railroads of the Confederacy*, 111–12, 113–16; OR, ser. 4, vol. 2:270–73.

39. Black, *Railroads of the Confederacy*, 119–20.

The Confederate Congress attempted to intervene and establish a new railroad policy. Simultaneous to the railroad managers' convention, Senator Louis Wigfall busied himself with the introduction of "Bill S. 112, to facilitate transportation for the Government." After clearing the Committee on Military Affairs, the senate awaited the results of Seddon's railroad convention before putting the bill to a vote, adjusting it if necessary, based on the secretary of war's postconvention recommendations. Seddon reported that the railroads had merely exhibited "the selfish interests inherent in money-making corporations" and recommended that the "power of regulation should be vested in a single agent of the Government . . . and if his directives were willfully disobeyed, the Executive should possess specific authority to seize the offending carrier." With Seddon's support, the bill passed the Senate and the House, and Davis signed it into law on May 1. The new railroad legislation "gave the Executive power to require any carrier to devote its facilities to the support of the army . . . [and] obliged railroads to adhere to through schedules prescribed by the government." The law also "provided for the impressment of those roads which refused to cooperate, and it authorized the taking of rails, shop machinery, or other movable property from the premises of one company to insure the proper maintenance of another."<sup>40</sup> Now Wadley and government officials possessed the legal apparatus to coerce the railroad companies into compliance through threat of government seizure. This new law opened the opportunity for state control of the southern rail network, but Wadley and the government did not immediately implement it.

Capt. Frederick W. Sims replaced Wadley in June 1863 and showed promise of greater coordination with the new quartermaster general, Alexander Lawton. This relationship was vital; the railroad law placed the Railroad Bureau under the supervision of the Quartermaster's Department, but "Sims could see no reason for changing the fundamental program of his predecessor" because "in so far as transportation was concerned, he had been wholly Wadley-trained." Sims acted as the liaison between the Quartermaster's Department and the railroad managers in an attempt to coordinate rail operations. Like Wadley, he represented the concerns of the rail companies, and in a letter to Lawton dated October 23, 1863, he blamed the government for the imminent collapse of the rail system. He remarked, "The roads have

40. *Ibid.*, 120–22.

no means . . . for keeping their machinery in proper repair. . . . It is utterly impossible to continue in the present destructive course. . . . What the roads ask, and what they must have, is iron ore, permission for foundries and rolling-mills to work for them, and a liberal system of detailing machinists from the Army. . . . Nothing else will do.”<sup>41</sup> Sims’s argument summarized the grievances of southern rail companies, which declared that only more government subsidies and resource allocation could stave off ruin. This was an example of corporatist rationality at work, in which private companies continued to request government assistance but maintained resistance to any type of government intervention or control over their affairs.

Sims followed Wadley’s precedent and called another railroad convention to be held in Macon, Georgia, during November 1863. As in the previous meetings, Sims appeared “practically helpless, with the carriers doing the dictating,” and he could only vocally protest when “freight rates and certain classes of passenger fares were sharply increased.” He watched as the attending railroad companies adjusted Confederate railroad policy to conform to their specific needs, and, as in the past, “the Government stood helpless before [the] determined railroad interest; to protect itself it possessed nothing save the impressment statute and the railroad variant of May 1, 1863, neither of which it cared or dared to invoke.” This pattern continued throughout the desperate year of 1864.<sup>42</sup>

The Confederate government neglected centralized control over the rail system until February 1865. The tardy effort at railroad reform “authorized the Secretary of War to place any railroad, canal, or telegraph line under such officers as he should designate, to place the regular railroad officials, agents, and employees . . . on the same footing as soldiers in the field, and to maintain any road in repair or to give it any necessary aid.”<sup>43</sup> Obviously this was too late to correct the endemic problems of the southern rail network, but one might argue that earlier state control and coordination of rail resources might have provided Confederate armies with a greater chance of ultimate victory.

Why did the Confederacy hesitate to provide centralized control over the southern rail network until 1865? Congress contemplated legislation on August 21, 1861, but the “bill authorizing the President to regulate and take

41. *Ibid.*, 171; *OR*, ser. 4, vol. 2:881–83.

42. Black, *Railroads of the Confederacy*, 172.

43. Ramsdell, “Confederate Government and the Railroads,” 809.

control of railroads in certain cases” did not pass. Perhaps at this early stage, Congress was apprehensive about giving the executive powers of property confiscation. By May 1, 1863, it clearly understood the importance of centralized railroad coordination and provided President Davis with the coercive legal tools to compel compliance upon recalcitrant railroad company managers. In March 1864, Davis allowed Seddon to temporarily take state control of the rail networks in the interest of immediately supplying Lee’s army in Virginia. After the Quartermaster’s Department finished restocking Lee’s army, state control ended, and although “it is not clear who gave this order to end strict military control of railroad transportation . . . it is probable that Davis made the decision.”<sup>44</sup> Why Davis did not go forward with state control is a mystery, and unfortunately this study can only add to the historical speculation.

Entrenched ideological beliefs concerning the sanctity of private property and a general *laissez-faire* mentality among Confederate leaders may have inhibited state control of the southern rail network. Railroad managers and their company interests possessed great influence in Richmond. When the Confederate congress opened the possibility for state intervention and control, the railroad managers could only hope that Davis would not implement the law. It appears that neither the Confederate congress, initially, nor, later, President Davis wanted to implement state confiscation and coordination of railroads, due to concern for the relationship between the state and private property. Eminent historian of the Confederate railroad system Charles Ramsdell argued that “imbued as the Southern people were with *laissez-faire* ideas, their government was slow to take a hand in the operation of the roads, and when finally compelled by force of circumstances to interfere, it came only by degrees to any assumption of control.” Ramsdell’s assertion of state *laissez-faire* attitude toward railroads might better be interpreted as lack of will to implement government policy.

At their most basic level, “corporatist systems are not *laissez-faire* systems; on the contrary, they are systems in which governments play an active part not only in the macroeconomic management of the economy, but in microeconomic policies affecting individual . . . industries.”<sup>45</sup> In the case of southern railroads, the Confederate government threatened, but did not apply, state intervention, although it did try to manipulate the railroad companies into

44. *Ibid.*, 808; Goff, *Confederate Supply*, 199.

45. Ramsdell, “Confederate Government and the Railroads,” 799; Graham K. Wilson, “Why Is There No Corporatism in the United States?” in *Patterns of Corporatist Policy Making*, ed. Gerhard Lehbruch and Philippe C. Schmitter (London: Sage, 1982), 221.

patriotic behavior. The relationship between the Confederate government and the railroad companies was neither laissez-faire in nature nor state dominated but instead exhibited corporatist tendencies that, despite government attempts to cajole the rail companies into compliance, benefited the private sector and practically allowed the rail companies to define the limits of their own power.

One reason railroad managers refused government control and did not wholeheartedly devote their machines and infrastructure to the Confederate war effort was that, unlike the potential complete loss of property for slaveholders, Union victory would not necessarily destroy the foundation and financial assets of southern railroad companies. There would be inevitable damage to lines, cars, locomotives, and human resources, but these losses could be eventually recovered. Perhaps this aspect of long-term self interest explains the railroad managers' conditional support for the Confederate war effort, but it does not explain why Davis did not coerce or nationalize the southern rail system. Davis and other Richmond bureaucrats continually had to prioritize Confederate policies based on circumstances and often could not produce sufficient munitions and also provide for the necessary repairs and resource allocations to keep southern railroads operating at optimal capacity. Also, "the Confederates committed two major sins" with regard to management of the southern rail system. First, "railroad owners, managers, and even employees were unwilling to make serious sacrifice of their personal interests" in exchange for more centralized organization and operation of the rail network. Also, and perhaps more importantly, "the Confederate Government was loath to enforce the kind of transportation policy the war effort demanded . . . [, and] without either wholehearted public cooperation, or government coercion" the feeble Confederate railroad policy contributed to the eventual collapse of the Confederacy. The nature of the relationship between the Confederate government and the railroad companies represents a system in which "the state tries to structure . . . [and] control . . . to better integrate and organize state policy . . . [as] the corporate groups try to maintain some level of autonomy from the state and bargain [to] promote the best interests of their members." The power to formulate railroad policy represents just such an example of "this dynamic between state and society," and "this tension and struggle, lies at the heart of the theory of corporatism."<sup>46</sup>

46. Black, *Railroads of the Confederacy*, 294–95; Wiarda, *Corporatism and Comparative Politics*, 24.

What are the implications of applying a corporatist model to aspects of political economy in American history? Corporatism is troubling for some historians and students of American history because “the individualistic and liberal pluralist ethos and ideology are so strongly ingrained in the American political consciousness [that] Americans are reluctant to admit the power of certain groups in our society to control the economic and political system, . . . but powerful interest groups tied to a strong state are precisely what corporatism is all about.” Corporatist theory counters the belief in representative government and conjures images of undemocratic institutions that directly control the economy.

The corporatist model also implies connection to some extremely unsavory examples of governance. “The term ‘corporate state’ still has negative associations in the eyes of many political influentials and the public at large,” largely due to twentieth-century corporatist regimes in Europe. “Corporatism is a doctrine with a history, and a pretty unpleasant history at that,” which includes examples like early-twentieth-century Germany and Italy, both of which eventually evolved into fascist states.<sup>47</sup> This study does not argue, or imply, that the Confederacy was a proto-fascist state or that, had southern independence been achieved, the Confederacy would have evolved into a fascist nation. The most extreme analysis that should be inferred here is that the Confederacy occasionally used corporatist methods to mobilize and harness southern industry and society.

The Confederacy exhibited many of the characteristics of later corporatist governments. Some of these include “a limited and insecure establishment of liberal democracy, . . . a political system characterized by a dominant ruling elite,” and an economy “with industry playing only a minority part in national output and with agriculture . . . being predominant.” All of these preconditions existed in the American south at the outset of war in 1861. The Confederacy also conforms to the idea that “corporatism . . . appears to have been established in response to growing tensions of transition from a relatively backward agrarian economy to an essentially modern industrial capitalist one.” The war forced a rapid mobilization and industrialization and corporatism evolved as an expedient response to the needs of Confederate survival.<sup>48</sup>

47. Wyn Grant, *The Political Economy of Corporatism* (London: Macmillan, 1985), 27; Wilson, “Why Is There No Corporatism in the United States?” 219.

48. Peter J. Williamson, *Corporatism in Perspective: An Introductory Guide to Corporatist Theory* (London: Sage, 1989), 41–42.

Did corporatism help or hinder the Confederate war effort? The expedient corporatist arrangement satisfied the immediate needs of Confederate leaders and helped to fill army ranks and munitions requests. In the short run, it allowed the Confederacy to survive during a time of constant crisis, and it assisted national existence for four years. However, corporatist public policies, like conscription, caused dissent and eroded Confederate nationalism among the southern populace. Private companies that benefited from the corporatist arrangement also undermined the Confederate war effort and crafted their own self-serving policies, which arguably weakened the military effort. Expedient corporatism helped the Confederacy overcome each immediate crisis but created an authoritarian relationship between the government and the people that some citizens found unworthy of further defense.