

### Confederate Political Economy: Creating And Managing A Southern Corporatist Nation

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## Review

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**Bonner, Michael** *Confederate Political Economy: Creating and Managing a Southern Corporatist Nation*. LSU Press, \$48.00 ISBN 9780807162125

### Beyond a Backwater: Confederate Corporatists in the Civil War

A great deal of work has been done attempting to explain the relationship between the Confederate government and the business leaders of the fledgling nation. Building on this work, Michael Bonner, in his new book *Confederate Political Economy: Creating and Managing a Southern Corporatist Nation*, explores how the Confederacy was really a corporatist nation, a form of economy traditionally associated with a much later point in history where industrial leaders, the government, and labor unions work together. While, as labor did not play a major role in Confederate political economy, “Confederate modernization involved a complicated process of give-and-take between bureaucrats and industrial managers, with each group liable and responsible to the other for mutual success.”(3) Bonner deftly reaches into the history of the Confederacy and shows how government and business leaders interrelated with each other in such a way so that manufacturers were able to direct government policy to the benefit of business while still serving the needs of an ever-centralizing government. To make his points, Bonner explores three main topics: the working of specific parts of the Confederate government, industries owned by the government, and industries owned privately that worked with the government.

Bonner begins his book with a review of how this new Confederate government functioned, focusing on the use of secret sessions by the Confederate Congress and the trials and tribulations the Supreme Court faced in trying to form, a goal that the southern leadership never achieved. Secret sessions seemed to be against the freedom that the Confederate people left the Union to preserve. But, the problems of fighting a war were difficult to deal with, and secrecy seemed to be the best way to marshal the resources of the

nation to fight and establish that freedom. Thus, southern leaders established that they were willing to go to whatever lengths they must to secure independence, no matter how distasteful, including the centralization of power in a strong executive, needed for the creation of corporatist state. Moreover, by using secrecy, the Confederate government created, “a sense of unified purpose between the legislative and executive branches.”(41) This would be important as the government later attempted to work with business leaders to keep the war effort moving forward. Finally, not establishing the Supreme Court authorized by the Confederate Constitution allowed for greater consolidation of power by the executive branch.

At first, Confederate officials turned to private munition industries to support the war effort and keep armies in the field. Government officials entered into contracts with these firms to buy their production, contracts that were constantly re-negotiated to the benefit of the business owners. Bonner’s major examples were the Tredegar Iron Works and the Shelby Iron Company. In those instances, the owners of the firms supported the Confederate government and the war effort, but, they entered into contracts with the government based on their own needs. These contracts were often seen later in the war as profiteering, but, in the end, they were just business direction of governmental policies, as the business owners were seen as the ones who understood their industries the best. Moreover, business leaders created strong allies in the government creating a strong working relationship in this centralizing state.

Private industries could not support the needs of the entire war effort, thus state owned munition industries were founded to help fill the gap. Bonner tells the story of George Washington Rains and the success of the government owned powder factory in Augusta. He also relates information about private industrial firms, such as the Selma Foundry, purchased and run by the government. In both cases, private business owners were involved in either the purchase or running of these firms on the government’s behalf. The government did not control production in these cases, they just reserved the right to purchase the production, so the business owners really had more control in this relationship than government officials did. Moreover, the lines between businessman and government official blurred as men moved back and forth in positions with both. In addition, as Bonner explains, “The unusual mixture on nationalized and privately owned industries symbolized the flexible nature of Confederate capitalism.”(126)

Moreover, as we can see from the Confederate pass system, the government grew and changed over time in response to the problems of fighting the war. The passes, at first, were just to watch for, and control, espionage. But, as the war continued, the pass system spread from a local to a national system that heavily impinged upon the freedom of Confederate civilians. But, as with the use of secret sessions for Congress, Confederates were willing to curtail their own freedom for the good of the nation, at least during the war. Moreover, we can see how as the war went on, the Confederate government organized and marshalled the people of the nation towards winning the war, the centralizing tendencies of the government to fight the war led from a small local system of passes to protect specific areas to a national organization controlled by the ever expanding power of the state.

The last governmental relationship that Bonner reviews is the relationship between the railroads and the Confederate authorities, perhaps one of the most important relationships that business and governmental entered into. This relationship could have developed in many ways. But, the railroad management dictated how the various roads would be used as part of the war effort. They set the rates and determined usage, even in the face of governmental pressure. As Bonner explains, “From 1861 through 1864 Confederate railroad policy was formulated by the several conventions of self-interested railroad managers.”(181) Again, while some railroad executives were seen as profiteers, the government acquiesced to their demands as they were the only ones who understood how the rail network of the nation worked and cooperation served the needs of the Confederacy better. Even when the public and government object to some railroad practices, railroad executives were basically given free rein to implement policies.

Bonner states, “The war forced Confederate leaders to be innovative in terms of political culture, industrial policy, and their methods of mobilization and handling of the transportation network for the war effort.”(202) Traditionally, the Confederate economy and its ability to be marshalled into a war effort for independence was seen as stunted and backwards at best. But, instead of backwards, Bonner argues that the Confederacy was ahead of its time with the corporatist policy that it followed to try to win the war. The interactions between the government and private business leaders mirrored events that took place much later, and, even without the participation of labor unions, as in later corporatist systems, the Confederate government and its political economy, Bonner argues, was the result of adapting to the situation at hand the best that it

could, centralizing and expanding while allowing businesses free rein.

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