

# Thoughts Out of Season

An Occasional Review with Notes  
Of Mutual Interest  
Compiled by Tim Forward

## Frankly, Scarlett . . .

President Lincoln, with his Whiggish faith in commerce as a healing solvent, was perhaps too eager to normalize trade relations with the South. Treasury Secretary Solomon Chase similarly felt that restrictions should be as “moderate as possible.” After Vicksburg fell <sup>1</sup>, Chase telegraphed customs officials at Ohio River cities and at St. Louis: “Clear boats and cargoes except of prohibited articles to New Orleans if desired.” But it was not so simple. Grant sent a scorching letter, strenuously protesting. “No matter what the restrictions thrown around trade”, the general sniped, “if any whatever is allowed it will be made the means of suppling . . . the enemy.” He cynically added that no law-abiding merchant would realize a profit, “hence none but dishonest men go into it.” However, pressure from business interests was too strong for even Grant to overcome. Attorney General Edward Bates protested in cabinet meetings that the Federal trade restrictions were far too onerous. (Not coincidentally, Bates hailed from St. Louis, where the merchant lobby was most insistent.) Over the summer, Chase worked at the thankless task of revising the trade regulations with the South. His new scheme would divide occupied Rebel territory into five districts, know as Agencies, each supervised by a special agent of the Treasury Department. His aim was to widen the funnel for north-south trade while still preventing supplies from reaching the Rebel forces, a hopeless assignment. No wonder that when Lincoln signed the Treasury’s new rules, he self-protectively added, “You understand these things; I do not.”

The President was well tiring of the cotton question, but he was scarcely done with it. He was besieged by requests from merchants and others seeking special trading permits, including from friends and his (or Mary’s) family. In August, he had to review the record of twenty-seven officers charged with improper cotton dealing, a painful affair. Earlier in the summer, he had been pestered by William Kellogg, a former Illinois congressman who wrote to Lincoln after Chase had turned down his request for a permit to trade cotton out of Helena, Arkansas. The President’s irritation leapt off the page when he wrote back to Kellogg:

I have received, and read, your pencil note. I think you do not know how embarrassing your request is. Few things are so troublesome to the government as the fierceness with which the profits of trading in cotton are sought . . . The matter deeply affects the Treasury and War Departments, and has been discussed again and again in the cabinet . . . I know it is thought that one case is not much, but how can I favor one and deny another.

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<sup>1</sup> The Siege of Vicksburg, Mississippi (May 18, 1863 – July 4, 1863) was a decisive Union victory during the American Civil War (1861 – 1865). The victory was significant in the overall war effort for the North. With the capture of Vicksburg and subsequent capture of Port Harbor days later, the Union finally controlled the entirety of the Mississippi River.

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In fact, Lincoln did grant exceptions, on this matter, Grant had the surer grasp of priorities. Trade with the South (regulated or not) extended to Dixie's vital economic lifelines, especially because fewer supplies were arriving by sea. According to Confederate naval records, from the start of the war through October 1863, only 200,000 bales of exported cotton had successfully run the blockade. That was roughly the amount shipped during one month before the war. And the Union's grip was tightening. While only one vessel in ten was caught in the early months of the fighting, by 1863 the capture rate had climbed to an estimated one in four. Rebel shipping agents were growing desperate. In one missive, John Tory Bourne, the agent in the Bermudan port of St. George's, darkly warned his English counterparts, "I do not think it prudent to hire ships to bring cargoes . . . and let hem lie in the harbor." By the fall his warning rang true: "I regret to state that the Yankees have made wholesale captures; five out of seven of our blockade runners have fallen into Union hands." By December, the Union navy had notched off more than a thousand captures.

Union seizures aggravated the Rebels' shortage of machinery and spare parts. This led to serious shortages in factories, machine shops, and railroads. Union captures also led to embarrassing press coverage. Northern news papers delighted in printing sensitive correspondence seized on board southern ships. De Leon, a Confederate diplomat, indiscreetly wrote Jefferson Davis from his comfortable lodgings in Paris, "It is useless to disguise the fact that the men you have around you do not inspire confidence." The world soon read his criticism of the Davis cabinet. The unwanted publicity cost De Leon his job.

Successful runners still reaped fabulous profits, however, the heightened risk led them to alter the composition of their cargoes. Captains favored lighter goods that might fetch windfall profits, goods that did not take much space below deck. Counterintuitively, as the Confederacy grew poorer, runners stuffed their holds with pricey luxuries such as silk and household items. And frowned on bulkier, heavier goods such as arms and machinery. (Later scholars termed this the Rhett Butler effect.) Quinine, morphine, expensive fabrics, ribbons, laces, brandy, and playing cards got through, according to one ship's captain, Thomas E. Taylor, who threaded the blockade twenty-eight times, the most of any sea captain. Captain Taylor said flatly, "it did not pay merchants to ship heavy goods."

Jefferson Davis was furious that scarce cash was being squandered on luxuries and frills. The government engaged a British partner to start its own blockade-running venture, though it consisted of only five ships, not enough to make a difference. But neither private nor Confederate agents prioritized ordinary consumer necessities. Shortages for the common man grew steadily more acute as the war dragged on. By the fall of 1863, a pair of boots in Richmond fetched \$100 – a 300-percent increase in only a year. Southerners, who had complained of near famine the previous spring, now reported that rations had been reduced. One is recorded, "I have lost 20 pounds and my wife and children are emaciated to some extent." And added woefully, "We are a shabby looking people now." <sup>2</sup>

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<sup>2</sup> Roger Lowenstein, *Ways and Means, Lincoln and his Cabinet and the Financing of the Civil War*. (New York: Penguin Press, 2022) Pages 213-216.