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**Book Review: Lowenstein, Roger. *Ways and Means: Lincoln and His Cabinet and the Financing of the Civil War*. New York: Penguin Press, 2022. 431 Pp.**

When the Civil War began, Congressman John Sherman worried that the challenge facing the Union was “not whether we can muster the men, but whether we can raise the money” (1895, p. 251). At the start of Abraham Lincoln’s presidency, the country had a \$25.2 million federal budget deficit, and carried \$76.4 million in debt, the largest peacetime debt in US history (Flaherty 2009, p. 252). Cotton, the white gold of US trade, accounted for 51 percent of the country’s exports; the bales would now sit behind the Union blockade, potentially a serious disruption to trade. Yet, five years later, according to Roger Lowenstein, “The federal government had not only paid for the war, it had emerged from it financially stronger;” whereas the Confederacy had vaporized “the savings of millions of southerners” (p. 310).

Lowenstein, a former reporter for the *Wall Street Journal*, and author of six earlier books on different aspects of American economic history, has produced a lucid and succinct examination of the good, the bad, and the imprudent financial policies crafted by the Union and Confederate governments. The primary strength of Lowenstein’s book is the dual focus on both governments’ actions. By juxtaposing the struggles in Washington and Richmond, one comes away with a greater appreciation of how important fiscal policy and financial decisions were in the overall war effort. He effectively argues that Confederate success in the battlefield was continually overwritten by their “egregious errors: the failure to export cotton early, overreliance on money printing; lopsided allocation of men and material to the military; resistance to centralized direction” (p. 240).

Conversely, Lowenstein praises the efforts of the Union government, particularly Treasury secretary, Salmon P. Chase. Lowenstein presents Chase as the pivotal force of the Union wartime economic policy. This appraisal is a departure from earlier, more critical examinations of Chase’s efforts. Consequently, this study reconsiders the primacy of Congress in setting the economic agenda of the Union. At the heart of Lowenstein’s evaluation of Chase is his role in creating the National Banking System and fostering the development of the Greenback.

A central theme coursing through the book is Abraham Lincoln’s vision of what the nation could accomplish once the war ended. “Few purposes were closer to Lincoln’s heart than broadening opportunity for commoners” (p. 112). Lincoln’s lifelong support of internal improvements, according to Lowenstein, was a driving force in the creation of the transcontinental railroad. His belief in upward mobility for all men, black and white, became a central theme of the Republican Party during his presidency. Whereas Jefferson Davis, president of the Confederate States, “was much criticized for mismanaging the Confederate armies, but his economic errors hurt his cause more” (p. 255).

Even while praising the Union fiscal policies, Lowenstein offers critical reflection. He does not shy from noting Chase’s flaws: his obstinance, lack of humility, and his much-too-cozy relationship with Jay Cooke, the financier who created the successful domestic bond drives that became the fuel for the Union war machine. After the Civil War, “Old Greenbacks”,

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as Chief Justice of the Supreme Court, wrote the 1870 decision declaring the Legal Tenders Acts unconstitutional. The National Banking System helped corral the chaotic and unstable antebellum banking system, and the myriad of currencies printed by these banks, yet also led to the concentration of banking capital in New York. After the war, “rural communities suffered from a lack of credit” under the new system (p. 321). Addressing the exigencies of the war undermined the antebellum federalist system, consolidating power in the federal government; according to Lowenstein, this undermined the vision of the nascent Republican Party and created the postbellum political system that defended “the financial elite” over farmers and free labor (p. 322).

A real strength of this book is Lowenstein’s ability to take complex financial dilemmas and explain them in lay terms, clearly and concisely. His experience as a financial writer is evident in the discussion of the “oscillating” gold market, the depreciation of the Greenback, and the impact of the National Banking System. His perspective on the wartime inflation is relatable and offers a new context. “Greenbacks amounted to only a sixth of the federal debt after the war. Thanks to such prudence, northern inflation was no worse than America’s later experience during the two world wars” (p. 318). By contrast: “in the South [inflation] was 9000 percent; ... a barrel of flour had cost 220 Confederate notes early in 1864; by the second week of 1865, it cost 1000 notes” (pp. 318, 320).

Rarely does one wish that an economic study be longer, but this book seems incomplete. Lowenstein shies away from using his knowledge and clarity in writing to discuss or summarize, even briefly, the repercussions of Civil War policies: the political tumult of the Greenback Era; the impact of the Fourteenth Amendment sanctifying the Union debt while repudiating the Confederate debt; and most importantly, emancipation, which ended the nation’s greatest curse, while also liquidating more capital than was invested in any other sector of the American economy. A summary chapter would have strengthened this book.

That said, Lowenstein has made a valuable contribution to the literature on the economic changes during the Civil War era. This study will be an excellent addition to an undergraduate course on either nineteenth century economic history, or a general course on the American Civil War.

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### Works Cited

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