

Gold and Freedom: The Political Economy of Reconstruction

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It is common for historians of the antebellum, civil war, and reconstruction-era United States to talk of ‘the Northeast’, ‘the South’, or ‘the West’ as offhand for a wide range of interests, like the Confederacy, slaveholders, or industrial capitalism. Nicolas Barreyre’s well-written and largely persuasive account of Reconstruction-era political economy suggests that historians may have to be more careful when using these terms in their own work. Contemporaries, he suggests, conceptualised the American economy in geographic terms, believing it self-evident that the Northeast, South, and Midwest were separate competing economic interest groups with different needs. And no issue was more divisive that the conflict between the North’s supposed need for a stable currency and the Midwest’s professed need for soft money. This leads to Barreyre’s more provocative argument: that the ongoing rivalry between North and Midwest, far from taking place separately from the issues of readmission, black suffrage, and land redistribution, in fact guided the course of Reconstruction policy towards the South. Therefore, far from seeing Reconstruction as a contest taking place in Southern state legislatures, union leagues, and plantations, *Gold and Freedom* reinterprets it as part of the national reconstruction of American economic geography.

Perhaps we should not be surprised that a European historian – Barreyre being based at the École des Hautes Études en Sciences Sociales in Paris – has come to take seriously the American tendency to describe the multiple class, racial, and political tensions within Reconstruction in broader geographic terms. For many years, the Eurozone too has been grappling with how to reconcile a South demanding a generous money supply to relieve regional imbalances in wealth and a North insisting on hard money and fiscal retrenchment to ward off inflation and preserve the value of capital. And in Europe too we have a contest between politicians and financial interests who cast this as a dispute over geography between Southern fecklessness and Northern prudence, and activists who conceptualise it as a conflict between classes rather than places. The parallels between our European Union and the Gilded Age United States – emerging from depression, divided over currency, with dysfunctional central government – make the political economy of Reconstruction a timely topic for historical enquiry.

Gold and Freedom is above all else a study of Reconstruction grounded in antebellum political economy. Barreyre begins his introduction acknowledging the historiography of Reconstruction, and this makes clear how provocative his account is. Most historians of this period, despite describing Reconstruction as a

continuation of the Civil War between a 'North' and a 'South' do not see Reconstruction as a product of conflict between places but instead as a product of conflict between races and classes on both sides of the Mason-Dixon line. As historians like Eric Foner, Sven Beckert, and Heather Cox Richardson have shown, the Northern middle class began to see freed people as a labouring class equivalent to the permanent proletariat class that appeared in Northern cities and laid claim to capital in the 1870s. This led them to oppose turn away from Reconstruction and economic reform in the North and embrace the classical liberal economics of the gold standard, free trade (in some states), and low taxes.[\(1\)](#)

What makes Barreyre's contribution so original is that he reads the narrative of Reconstruction against the background of a growing body of literature on the geography of capital in the 19th-century United States. In other words, he considers the relationship between two areas of historical research – party politics and economic geography – that are often only considered separately. Barreyre himself cites Charles and Mary Beard's economic interpretation of Reconstruction – that it was a policy that the industrial Northeast used to impose capitalism on a pre-capitalist South and West – as inspiration for his observation that contemporaries saw Reconstruction-era political economy simply in terms of antagonistic geographic economic interests.[\(2\)](#) However, more recent scholarship by Walter Johnson, Heather Cox Richardson, and more controversially Marc Egnal has begun to take this issue of sectional economic identities seriously, and used it to explore the course of the sectional crisis in the 1850s and the progress of Reconstruction.[\(3\)](#)

Barreyre divides his argument into two parts. *Gold and Freedom* begins with the mid-century sectional divide in economic identity between the North and the Midwest. Americans believed the North was divided between these two economic sections, just as the Union itself was divided between free and slave states. Indeed, they had for so long imagined the Midwest as a land of agricultural plenty that they had come to believe that agriculture and farming defined the region itself. And this, of course, led them to define the Northeast as a commercial and manufacturing section. Economic interests therefore became sectional identities based on crude stereotypes about regional economies. And when it came to votes in Congress on tariffs, internal improvements, and currency, these sectional identities helped marshal votes in the same way that parties did on other issues. When Americans encountered the problem of paying war debts and reconciling its two competing gold and paper currencies in 1866, they assumed that the two sections within the free states stood for different financial interests and that section was a useful category to analyse policy.

The second and third chapters show how the 'money question' and tariffs transformed from ideological to sectional issues within the North itself in the early 1870s. The idea of an urban mercantile and manufacturing Northeast and a rural agrarian Northwest had a long pedigree in America's imagined economic geography. It might seem to us that these questions of political economy might have affected national interest groups found in the North, South, and Midwest, like bankers, merchants, or farmers. But because Americans linked competing interest groups to specific regions, they framed these economic questions in sectional terms of the Northwest against the Northeast. Sectional stereotypes helped Americans discuss these issues in terms of competing places rather than competing interest groups. There were also political imperatives to discuss these issues in sectional terms. The reality of majority rule meant that dissenting voices within each region, like Western manufacturers or free traders in New York, were often crowded out on a national stage, giving a false impression of sectional unity. Division between Boston and New York merchants and Philadelphian manufacturers might look like unity on a national scale. Moreover, since few congressmen, editors, and observers understood the minutiae of the economic policy they were debating, they instead resorted to discussing it in the kinds of simplistic moral terms that easily translated into an East-West sectional divide. Parties, Barreyre concludes, were too weak to organise this debate over political economy on partisan lines, given this sectional outlook.

After setting out this sectional mindset, Barreyre moves to show in the second part how this sectional competition within the North impacted Congress's ability to formulate Reconstruction policy. In 1865–6, Republican leaders recognised the need to separate Reconstruction policy, on which they were more united, from fiscal policy, which divided Northeastern from Northwestern congressmen. Barreyre takes the Democratic decision in 1867 to put fiscal policy at the heart of their election campaign – endorsing

repayment of the national debt in depreciated paper currency – as the unravelling of this Republican stratagem. Despite campaigning on Reconstruction during election campaigns, sectional divides on fiscal policy within the North resurfaced between elections within the Republican caucus in particular. Events like the impeachment of Andrew Johnson in 1868, Jay Gould's attempt to manipulate the gold market in 1869, and even the 1870 census kept the issue firmly on the table. The compromise – returning to hard money once Reconstruction had been imposed upon the South – deferred these hard choices to the future, but fundamentally linked Reconstruction to debt and the money question. Republicans' attempts to heal the divide between their Northeast-Northwest divide by focusing on Reconstruction was therefore unsustainable. Using Reconstruction and the 'Bloody Shirt' to impose party unity on the tariff and money question, Barreyre argues, created a tension that worked in the short run but backfired spectacularly in 1872.

In chapters five and six, Barreyre shows how this contradiction between party logic and sectional discontent undermined federal implementation of Reconstruction. The readmission of the South in the late 1860s disrupted the Republicans' attempts to keep the party system focused on a North-South Reconstruction divide rather than an East-West economic divide. The fact that Reconstruction applied to the North through the Enforcement Acts meant that Reconstruction legislation became more vulnerable to sectional tensions, as Northern sections wondered whether it set a precedent for intervention on fiscal matters. And the very success of Reconstruction legislation in imposing party discipline in Congress convinced free traders that they needed to break away from the Republican Party and the bloody shirt, leading to the Liberal bolt in 1872. While they were unable to achieve electoral success, their criticism of the Grant administration and the success of the Democrats in the South fatally weakened the Republican Party. Realising they could not win in the South on Reconstruction and they were divided in the North over currency, the Republicans decided to drop using Reconstruction as a rallying post, abandon the South to the Democrats, and reconcile their Northeastern and Northwestern wings.

The end of the second part and in the epilogue of *Gold and Freedom* left America with the unstable late 19th-century American party system, with its fierce partisanship, indecisive elections, and sectional divides. The economic and social changes of the early 1870s helped spur the rise of liberalism in the North and the weakness of the Republican administrations of the South left American partisan politics polarised on a North-South axis, as the South became a one-party state with Democrats opposing the legacy of Reconstruction. Political exigency made this divide necessary, but prevailing assumptions about American economic geography made an East-West axis more sensible, as Northeastern and Northwestern politicians believed their constituents had opposing economic interests. Democrats were therefore free to govern the South based on white supremacy, while Northeastern and Northwestern Republicans were left trying to build a Northern party across a deep economic sectional divide.

Put simply, Barreyre's central argument in *Gold and Freedom* is that the American party system could not simultaneously organise around a North-South divide on Reconstruction and a perceived East-West divide on tariffs and money. This contradiction guided the course of Reconstruction and led to its ultimate failure. At first glance, this might seem like an extremely provocative argument, challenging the long-held assumption that class and race, not party logic, killed Reconstruction. Some may well legitimately question whether this interpretation relegates the conflicts within each section – between freed slaves and planters, workers and employers, and farmers and merchants – to a sideshow. However, Barreyre's argument can complement the work of the many historians who have studied Reconstruction through the lens of class and race. These conflicts might explain the violent end of Reconstruction on Southern plantation and in the minds of the Northern bourgeoisie, but *Gold and Freedom* provides an interesting take on how the partisan infrastructure of federal intervention evaporated in Congress too. After all, he argues that politicians were not responding to the reality of a sectional conflict between the Northeast and the Northwest. Rather, they responded to a perception of one, even when it made little sense to do so. Perhaps one of the greatest insights of *Gold and Freedom* might not be that greenbacks killed Reconstruction, but that the extent that the American party system and decision-makers in Congress completely misread and oversimplified the conflicts taking place in cities, plantations, and farms, that many other historians have accurately described.

Gold and Freedom therefore cleverly integrates the political history of the emerging Third Party System and changing economic landscape as it existed in the minds of America's political establishment. Of course, there are areas where Barreyre's argument might be stronger. His contention that Americans saw the tariff in sectional terms between Northeast and Northwest in part one is less convincing than the chapters on currency and broader sectional identities. However, since his argument in part two relies more on the money question than the tariff as a sectional thorn in the side of Reconstruction, this hardly detracts from his thesis. Moreover, since *Gold and Freedom* seeks to explain the paradoxes within the emerging Third Party System, it would further his case to describe them in a little more detail once this party system reached maturity in the years after Reconstruction.

These are minor queries in a well-structured, interesting, and well written book that will be of interest to scholars for its methodology as much as its argument. Obviously it is to be recommended to historians looking for a new way to think about the narrative of Reconstruction, but its interest will go well beyond this. Political historians in both the antebellum and Gilded Age eras will want to interrogate the consequences of sectionalism within the United States for national party politics in their own eras. They may well also want to rethink the role of the party in the antebellum period, for while they seemed weak in the face of sectional identities and tensions, both Republicans and Democrats were more than strong enough to overcome them and remain powerful organizations capable of perpetuating their power and embracing their own interests. Southern historians, too, may have to consider why Northern sectionalism did embrace disunion, unlike its Southern colleagues. Historians of the economic geography of the United States will find this book intriguing, especially as scholars of 'urban imperialism' and 'city boosterism' so often assume that Americans mentally divided their country into city-hinterlands rather than larger sectional blocs.

In this volume, Barreyre cleverly uses a growing and interesting area of historical research to richly contextualise and shed new light on the high politics of Reconstruction. Combining economic geography and political history in this way really can be more than the sum of its parts.

Notes

1. S. Beckert, *The Monied Metropolis: New York City and the Consolidation of the American Bourgeoisie, 1850–1896* (Cambridge, 2002); E. Foner, *Reconstruction: America's Unfinished Revolution, 1863–1877* (London, 1990); H. C. Richardson, *The Death of Reconstruction: Race, Labor and Politics in the Post-Civil War North, 1865–1901* (London, 2001).[Back to \(1\)](#)
2. See C. A. Beard and M. R. Beard, *History of the United States* (New York, NY, 1921), pp. 295–506. [Back to \(2\)](#)
3. M. Egnal, *Clash of Extremes: The Economic Origins of the Civil War* (New York, NY, 2009); W. Johnson, *River of Dark Dreams: Slavery and Empire in the Cotton Kingdom* (Cambridge, MA, 2013); H. C. Richardson, *West from Appomattox: the Reconstruction of America After the Civil War* (London, 2008).[Back to \(3\)](#)

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[1] <https://reviews.history.ac.uk/item/161705>