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Confederate Railroads: Changing Priorities During the War Years

Joel Kurtz

Southern Scholars Senior Project

Spring 2010

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#### Introduction

Scholar and enthusiast alike have speculated about the reasons why the South lost the Civil War. One area of study that yields fruitful results is that of the Confederate railroads. One of the most intriguing elements of the American Civil War was the participation of railroads—on both sides. This was the first major conflict in which they played a significant role, and historians have been busy studying the revolutionary contributions of the railroads ever since.

Despite the attention, there are still many unanswered questions. What role did the political philosophy of the Confederate government play in its management of military transportation? How did the railroad executives feel about being pressed into military service? Which way did railroad companies lean when faced with a choice between aiding their government and making a profit? Southern railroads were vitally important to the Confederate cause—was the Confederate cause equally important to the railroads? Without answers to these questions, our understanding of the motivations behind the actions of the Southern railroads—and their role in larger picture of the Civil War—is incomplete.

Thomas Cooper DeLeon recorded an anecdote that highlights the main idea of this paper. He tells of a black slave in the employ of Tredegar Iron Works who was riding along with a shipment of company freight into Petersburg, Virginia, when the conductor spotted him. Surprised to see a slave riding a train at a time when transportation was scarce, the conductor accosted the man as to his reason for being on the train. When the Tredegar employee informed him that he had a special pass, the conductor assumed that he must be working for the government. "No—sah!" the slave responded proudly, "[I work] fur t'uther

consarn!"<sup>1</sup> This is precisely the situation of Southern railroads during the war. At first glance it is easy to assume that they were in the service of the government, but upon closer inspection, we find that they were really working for "t'uther consarn."

## Historiography

Many studies have been written on the significance of railroads in the Confederacy. In 1917, Charles Ramsdell published the first major scholarly article on the subject, entitled "The Confederate Government and the Railroads." He looked primarily at the impact of the Confederacy's governmental policies concerning Southern railroads, concluding that the Confederacy was never able to surmount the numerous problems connected with the railroads, and that this failure was a major factor in their defeat. <sup>2</sup>

In 1925, Francis B. C. Bradlee included a large chapter on "The Railroads and the Confederacy," in his book *Blockade Running During the Civil War*. Although he examines the topic rather disjointedly, mixing pages of military anecdotes with various observations about the relationship between the Confederate government and the railroads, he added to our understanding of the roads' military significance. He concludes, as have most other researchers, that although the Confederate States had a logistical advantage in transporting troops and supplies via the interior railroad lines, this advantage was not adequately utilized by the government, and thereby contributed to the defeat of the Confederacy.

Thirty-five years later, Robert C. Black wrote what is perhaps the foundational work on the topic. His book, logically titled *The Railroads of the Confederacy*, offers the most

<sup>&</sup>lt;sup>1</sup> Thomas Cooper DeLeon, *Four Years in Rebel Capitals: An Inside View of the Life of the Southern Confederacy, From Birth to Death; From Original Notes Collected in the Years 1861 to 1865,* (Spartanburg, SC: Reprint Company, 1975), 112.

<sup>&</sup>lt;sup>2</sup> Charles W. Ramsdell, "The Confederate Government and the Railroads," *The American Historical Review* 22, No. 4 (Jul., 1917), 794-810.

comprehensive scholarly review of Southern railroads during the Civil War period available, touching on the physical infrastructure, major players, military significance, wartime construction, prices and profits, and more. Black highlights the numerous difficulties with which the railroads struggled during the war, concluding that in addition to the obvious physical deficiencies of the railroads, a lack of "wholehearted public cooperation" and a comprehensive government railroad policy were the main themes in the tragic story of Confederate railroads.<sup>3</sup>

Since Black, more work has been done on the subject. A number of excellent regional studies have been completed on the history of specific railroads or areas, and these are useful to flesh out the details of the overall picture. <sup>4</sup> While all of these researchers, from Ramsdell to the present, have contributed helpful information to the study of Southern railroads in the Civil War, none of them adequately addresses the complex balance of relationships between the railroads, their commercial clients, and their governmental users.

#### *Purpose*

This paper seeks to sketch the broad picture of Southern railroad stakeholder relationships during the Civil War by looking at how the railroad companies balanced the demands of the Confederate government with their commercial customers at each stage of the conflict. I will begin with a review of the commercial and governmental attitudes toward railroads prior to the Civil War, and then examine how all three of these characters

<sup>&</sup>lt;sup>3</sup> Gary W. Gallagher, foreword to *The Railroads of the Confederacy* by Robert Black, (Chapel Hill: UNC Press, 1952, reprinted in 1998), xii.

<sup>&</sup>lt;sup>4</sup> See Virginia Railroads in the Civil War by A. J. Johnston, The North Carolina Railroad, 1849-1871 by Allen W. Trelease, Southwest Virginia's Railroad: Modernization and the Sectional Crisis by Kenneth W. Noe, Alabama Railroads by Wayne Cline, The Railroads of Johnson City by Johnsy Graybeal, or Vital Rails: The Charleston & Savannah Railroad and the Civil War in Coastal South Carolina by H. David Stone.

interacted during the initial years of the war, the extended middle period, and the final months of the conflict. What I intend to establish is that the difficult operational circumstances of the war forced railroad companies to prioritize their relationships. As the Civil War progressed, Southern railroads' enthusiastic support of the Confederacy waned, and they increasingly placed their economic wellbeing above the military success of the Confederate States of America.

### Overview of Antebellum Railroads

In the years directly prior to the Civil War, railroads were taking the South by storm. In 1860, the South could boast approximately 8,700 miles of track and over 250 different railroad companies.<sup>5</sup> After a long period of skepticism on the part of many Southerners who viewed the railroads—and indeed any industrial innovation—as an extension of Northern power, the tangible benefits of vastly improved transportation offered by the railroads succeeded in winning over most of the doubters.<sup>6</sup> Railroads presented many possibilities, but perhaps the largest advantage was that of speedy shipping. Slow horse-drawn coaches took days to cover the rutted roads, and the new steamship lines, while fast, were indirect, and therefore often slower to use than railroads.<sup>7</sup>

Faster shipping was one benefit; another was the potential of lucrative returns afforded by investment in the railroad companies. As early as 1852, J. D. B. DeBow, editor of *Debow's Review*, a monthly journal devoted to encouraging technological development, could cite examples of railroad returns of 8 to 12 percent. And, he noted, this profit was in

<sup>&</sup>lt;sup>5</sup> *DeBow's Review,* Vol. 28, Issue 3: 342-346; Vol. 28, Issue 5: 593.

<sup>&</sup>lt;sup>6</sup> H. David Stone, *The Charleston & Savannah Railroad and the Civil War in Coastal South Carolina*, (Columbia: University of South Carolina Press, 2008), 47; Black, 2.

<sup>&</sup>lt;sup>7</sup> J. D. B. DeBow, "Rail-Road Prospects and Progress," *DeBow's Review*, Vol. 12, Issue 5: 493; Allen W. Trelease, *The North Carolina Railroad, 1849-1871.* (Chapel Hill: University of North Carolina Press, 1991), 10-11; *DeBow's Review* Vol. 30, Issue 2: 133.

addition to increasing land values, raising commerce levels, and opening up new markets for farmers.<sup>8</sup> Many railroads realized even higher profits. By the end of 1858, the Mobile & Ohio Railroad reported an after-interest profit of about \$300,000 on total revenue of \$1.1 million—a profit margin of 27 percent.<sup>9</sup> Robert C. Black cites numerous other examples of profitable railroads, including the Atlanta & West Point Railroad with a 15.74 percent profit margin in 1859, and the astounding case of the Georgia Railroad with \$544,363 in net profits and a 47 percent profit margin, also in 1859.<sup>10</sup> Little wonder everyone was getting excited.

Railroad fever was not limited to the commercial sector, however. State and local governments also reflected the public enthusiasm. They believed in the vitalizing economic power of the railroads and were anxious to have railroads constructed in their states.

Historian H. David Stone sees this support as "a microcosm of Henry Clay's 'American System,' [which was] based on the tenet that public agencies should lend aid to private business endeavors that were considered desirable for the public good."<sup>11</sup>

To this end, states and municipalities proffered a variety of aid to the incipient railroads. One scholar estimates that as much as "55 percent of the cost of antebellum southern railroad construction came from the public sector." Whether it was land grants, bond purchases, straight cash subsidies, or an assortment of other aid packages, states were almost tripping over themselves to encourage railroad development. Some states even went so far as to develop and operate their own railroads; the Western & Atlantic of

<sup>8</sup> DeBow's Review Vol. 12, Issue 5: 494-495

<sup>&</sup>lt;sup>9</sup> DeBow's Review, Vol. 27, Issue 5: 602.

<sup>&</sup>lt;sup>10</sup> Black, 46.

<sup>&</sup>lt;sup>11</sup> Stone, 50.

<sup>&</sup>lt;sup>12</sup> Trelease, 17.

<sup>&</sup>lt;sup>13</sup> *Debow's Review*, Vol. 2, Issue 2: 194; Ibid., Vol. 26, Issue 4: 458-459; Black, 42; cf. "State Aid to Railroads," *DeBow's Review*, Vol. 28, Issue 2: 224-226, Black, 41-45.

Georgia is one example. As another scholar concludes, it was "a thoroughly mercantilist union of governmental policy and private interest." <sup>14</sup>

Business may have been booming, but the incipient railroad companies did not lack for challenges. Many of these problems resulted from a lack of long-term planning on the part of original builders. The Southern railroad system was hampered by an inefficient track layout, frequent lack of connections between roads, and the poor quality of road construction, among other things.

Most railroads were initially constructed for the purpose of transporting freight from inland plantations to coastal ports. As such, the Southern rail network was composed of many short, individual lines, running primarily on an East-West axis, and was notably lacking in major trunk lines. In other words, railway lines were not designed to connect large commercial centers by means of the most direct route—they were for bringing cotton and other goods from rural locations into the cities. As one scholar aptly put it, "What seemed at first a fairly well-developed railway system dissolved on closer scrutiny into mere fragments." 16

Related to the track layout problem was the lack of physical connections between adjoining railroads. Frequently two or more railroads would enter a town and rather than utilizing a common terminal, they would each build separate depots at different locations. This required that through freight<sup>17</sup> be offloaded, transported to the appropriate station, and reloaded for continued shipment.<sup>18</sup> This problem had two causes. First, track gauges

<sup>&</sup>lt;sup>14</sup> Black, 42.

<sup>&</sup>lt;sup>15</sup> Ibid., 4.

<sup>&</sup>lt;sup>16</sup> Ibid.. 5.

 $<sup>^{17}</sup>$  Through freight refers to cargo that must be shipped through several depots before reaching its destination.

<sup>&</sup>lt;sup>18</sup> Ramsdell, 797.

were not standardized, and it was impossible to connect a four foot eight and a half inch wide track with a five and a half foot track.<sup>19</sup> Second, even when the gauges were the same, transporting the goods across town was an easy source of revenue for the town's residents, and they were naturally opposed to options that would eliminate the need for their service.<sup>20</sup>

The towns were not the only constraining factor however; the railroads themselves often failed to see the benefit of enabling through freight on their lines. Even when tracks connected, railroad companies frequently would not allow the cars from another railroad to be run on their line, necessitating further unloading and loading delays.<sup>21</sup> William Burwell, an avid proponent of southern industrialization, wrote a lengthy article in the February 1861 issue of *DeBow's Review*, in which he pinpointed the lack of coordination between railroad companies and the subsequent impossibility of shipping through freight as a major impediment to further commercial development.<sup>22</sup>

In addition to the lack of connections and the inefficient layout, another problem was the poor quality of the tracks the railroads were built on. Ties were laid directly on the ground, bridges were built with timber instead of iron, and roadbeds were poorly drained.<sup>23</sup> The claim that southern railroads utilized less expensive construction techniques can be validated by a comparison of the average southern railroad expenditure per mile with that of the North. Estimates vary slightly, but figures cited in a November, 1860 article in *DeBow's Review*, put the average Southern railroad cost per mile at around

<sup>&</sup>lt;sup>19</sup> Francis B. C. Bradlee, *Blockade Running during the Civil War*, (Salem: Essex Institute. 1925, reprinted, Philadelphia: Porcupine Press, 1974), 178.

<sup>&</sup>lt;sup>20</sup> Black, 9.

<sup>&</sup>lt;sup>21</sup> Stone, 46.

<sup>&</sup>lt;sup>22</sup> DeBow's Review Vol. 30, Issue 2: 142-146.

<sup>&</sup>lt;sup>23</sup> Black, 12.

\$26,832. In contrast, railroads in the North frequently reported expenses of over \$40,000 per mile.<sup>24</sup> Clearly southern railroads were cutting corners, and the events of subsequent years proved this cost-cutting measure to be an unfortunate decision.

Pre-war rail shipping was also hampered by the poor quality of service. In a letter written in 1860, one businessman recorded his frustrations with the Wilmington & Manchester Railroad, saying "the manner in which the R.R. Companies have acted, by breaking [barrels] to pieces and carrying them as above stated [rain-damaged] has worked very much to my injury . . . . "25 The poor quality of the tracks and roadbed and the lack of modern amenities, such as airbrakes or suspension on the cars themselves, made for a rough ride, with adverse effects on the cargo. 26

Despite their many shortcomings, Southerners were proud of their railroads. As one author proudly asserted in the months preceding the dissolution of the Union,

There is a too numerous class of persons, resident in the Northern States, who from effective information or perverted party statements, have adopted most erroneous impressions as to the commercial status of the vast section of country located south of Mason and Dixon's line. They pride themselves on the idea that all the commercial enterprise of the country has by some unknown means centered in among Northern people. It is a settled fact in their minds, that the Southern States are half a century behind the advanced civilization of the rest of the Union, and that that region of country is in an altogether raw and undeveloped condition. The railroads of the South, however, are a standing refutation of all such misconceptions.<sup>27</sup>

Indeed, railroads had played a tremendous role fostering "commercial enterprise" in the South, but they were to play an even more important role in the upcoming struggle.

## Early War Period

<sup>&</sup>lt;sup>24</sup> *DeBow's Review*, Vol. 28, Issue 5: 593; Ibid., Issue 3:342, cf. Black, 4.

<sup>&</sup>lt;sup>25</sup> David Cowan to Col Daniel W. Jordan, May 2, 1860, quoted in "A Businessman in Crisis," by Henry Carrison.

<sup>&</sup>lt;sup>26</sup> Black, 12; Carrison, 347.

<sup>&</sup>lt;sup>27</sup> "Southern Railroads," *DeBow's Review*, Vol. 28, Issue 5: 592.

The commencement of the War Between the States opened a new chapter in the history of Southern railroads. In the early months, railroad companies responded enthusiastically to the needs of the Confederate government. Most were simply expressing the general patriotism of the times, but a few had a personal stake in the well being of the Confederacy. President Fontaine of the Virginia Central Railroad gave two sons to the Confederate cause.<sup>28</sup> Others, such as railroad presidents Major William Sheppard Ashe, Colonel V. K. Stevenson, and Brigadier General William Mahone sought to balance the demands of serving their stockholders with those of serving their country by enlisting in the Confederate army.<sup>29</sup>

As a tangible expression of their support for the Southern cause, most Southern railroads offered free or greatly reduced transportation to the Confederate troops in 1861. In May the Quartermaster General appreciatively acknowledged the "liberal and patriotic tender of the services of [the New Orleans, Jackson & Great Northern Railroad], free of charge, for transportation of troops and munitions of War.<sup>30</sup> The *Dallas Herald* reported that "The Directors of the Vicksburg, Shreveport & Texas Railroad have offered and are carrying all troops, munitions, &c., and all men associated with military affairs, over their road free of charge."<sup>31</sup> Even the unfinished Mississippi & Tennessee Railroad gallantly offered its services gratis to the Confederate States.<sup>32</sup>

On April 26, 1861, just two weeks after the start of hostilities, a convocation of railroad representatives met in Montgomery, AL to discuss some of the changes

<sup>&</sup>lt;sup>28</sup> Black, 22.

<sup>&</sup>lt;sup>29</sup> Ibid., 65, 72, 217.

<sup>&</sup>lt;sup>30</sup> A. C. Myers to H. J. Ranney, May 1, 1861, http://www.csa-

railroads.com/Essays/Orignial%20Docs/NA/NA,\_NOJ\_and\_GN\_5-1-61.htm, (accessed November 12, 2009).

<sup>31</sup> Notice, The Dallas Herald, May 29, 1861, http://www.csa-

 $rail roads.com/Essays/Originial \% 20 Docs/NP/DH/NP, DH\_5-29-61.htm, (accessed November~12, 2009).$ 

<sup>&</sup>lt;sup>32</sup> Black, 50.

necessitated by the war. After discussing how the postal service would be run, they moved on to the more important business of military transportation rates. They unanimously agreed to charge just two cents per mile for troops and half of the local rates for governmental freight, "a unanimity almost without parallel in the history of conventions," gushed the Montgomery *Daily Mail*. In addition, they agreed to accept payment in Confederate bonds or treasury notes in the absence of cash.<sup>33</sup> While these rates were an increase over free service, they still represented a significant discount. Stone states that the prices the railroaders quoted the government covered only half of the actual cost of transportation.<sup>34</sup> This was a time of enthusiastic support that the railroads would later live down.

## Heavy Traffic and Confusion

The government was quick to take advantage of the discounted services offered by the railroads. The war-related demand for rail transportation during this period was extremely high, as states clamored for armament, and the newly formed Confederate Army rushed troops and animals around, along with the supplies necessary to sustain them. Records from Tredegar Iron Works in Richmond, the main artillery manufacturer in the South, show that in January 1861, the company was sending almost daily rail shipments of armaments to South Carolina for the fortification of the Charleston harbor. By the fall of that year, the Richmond & Petersburg railroad could not keep up with the amount of flatcars Tredegar needed. The increased demand for Tredegar armaments throughout the

<sup>&</sup>lt;sup>33</sup> Quoted in Black, 53; United States War Dept, *The War of the Rebellion: a Compilation of the Official Records of the Union and Confederate Armies*, Series IV, Vol. 1 (Washington: Government Printing Office, 1901), 269. Hereafter referred to as *Official Records*.

<sup>&</sup>lt;sup>34</sup> Stone, 306.

Confederate States meant that the company's flatcars were slow in returning to be reused.<sup>35</sup>

An increase in direct governmental traffic during this period is evident in the annual reports of the railroads. The Wilmington & Weldon Railroad reported an 81 percent increase in passenger traffic in 1861, a rise "of course due to the transportation of troops." The company also reported substantial "wear and tear of machinery and track," and foresaw the need for more freight cars to accommodate the increased traffic. Other railroads saw an equally impressive amount of government freight and passengers, as well as widespread deterioration of rails and rolling stock due to the traffic.

With this rise in traffic inevitably came an increase in confusion. In the early part of the war, government rail management was piecemeal. Different officers issued conflicting orders to railroad crews, governmental directives from one department clashed with those from other departments; things were in a state of disarray. Although the Quartermaster Department of the Confederate Army was tasked with the transportation of troops and supplies, including rail transportation it was years before the government managed any coordinated form of rail transportation supervision.<sup>38</sup>

That is not to say that they did not make any efforts in this direction. In July 1861, President Davis appointed William Shepperd Ashe to the position of assistant quartermaster for the purpose of the coordinating the Confederate armies' rail

<sup>&</sup>lt;sup>35</sup> Charles B. Dew, *Ironmaker to the Confederacy: Joseph R. Anderson and the Tredegar Iron Works,* (New Haven: Yale University Press, 1966), 72-73; 117-118.

<sup>&</sup>lt;sup>36</sup> President and Director's Report of the Wilmington & Weldon Railroad, published November 25, 1861 in the *Wilmington Journal*. http://www.csa-railroads.com/Essays/Orignial%20Docs/NP/WJ/NP,\_WJ\_11-25-61.htm. (accessed October 13, 2009).

<sup>&</sup>lt;sup>37</sup> Including the North Carolina Railroad and the Charleston & Savannah Railroad. Stone, 63; Trelease, 182; ibid. 154.

<sup>&</sup>lt;sup>38</sup> Official Records, IV, Vol. 1 (Washington: Government Printing Office, 1901), 114-115.

transportation. Ashe made a valiant attempt to address the enormous challenges entailed in such a commission, but due to a lack of cooperation from railroad companies reluctant to submit to the meddling of the Confederate government, and because of the unwillingness of that government to provide him with the necessary authority, he made little headway. Six months later, after several notable failures, and subsequent to a quarrel with the Quartermaster General, Ashe effectively disappeared from the scene. His position was not to be filled for another year.<sup>39</sup>

As may be expected, this tangle of uncertain authority had deleterious effects on railroad operations. One historian noted with pointed understatement, "[the confusion] was apt to create exciting results on single-track roads (as most were) with trains operating in both directions." <sup>40</sup> C. S. Anderson, a conductor on the Virginia Central Railroad recalls one such "exciting result;" an incident in early 1862 where a Confederate colonel from Louisiana and his men commandeered an Orange & Alexandria train while rushing to Richmond. Their haste resulted in a terrible collision with an oncoming train when, in their hurry to obey the orders of the soldiers, the crew failed to notice the signals to stop. Anderson calls this "the worst collision that ever happened on our road," and notes that soon after this, "circulars were issued by the Government forbidding any military officer to interfere with the railroad management unless he had positive instructions from the General commanding armies." <sup>41</sup> Unfortunately, because the response of the

<sup>&</sup>lt;sup>39</sup> Black, 65-70; Ibid., 109.

<sup>&</sup>lt;sup>40</sup> Trelease, 180.

<sup>&</sup>lt;sup>41</sup> Carter S. Anderson, *Train Running for the Confederacy 1861-1865*, ed. Walbrook D. Swank. (Shippensburg, PA: White Mane Publishing, 1990), 34-37.

government was limited to little more than the circulars, the railroads continued suffer incidents like this during the early years of the war.<sup>42</sup>

## Commercial Activity

As for the commercial sector's transportation activity, the immediate effect of the war was to decrease traffic, and it was not until 1862 that commercial activity began to pick up again. Other than an initial spike in volume early in 1861, caused by a few farsighted plantation owners hurriedly trying to move their cotton to a safe haven abroad, commercial freight traffic declined in 1861.<sup>43</sup> Freight records kept by the South Carolina Railroad show a representative year-over-year decline in volume of 62 percent for bales of cotton, 83 percent for barrels of naval stores, and 58 percent for bales of merchandise between 1860 and 1861.44 The Charleston & Savannah Railroad's civilian freight traffic fell by one-third.<sup>45</sup> The 1861 Annual Report of the Northeastern Railroad mentions that the company's revenue had been on track to show an annual increase, but that during the period from December 1860 to April 1861, revenues fell 22 percent year-over-year. The President of the Northeastern Railroad attributes this marked decrease in traffic "to the grave political occurrences of the past few months, the effect of which -- in diverting trade and travel from the Road -- must be sufficiently apparent to you without special comment from us."46 Clearly, the prospects of war had depressed freight traffic on the Southern railroads.

<sup>&</sup>lt;sup>42</sup> Black, 104.

<sup>&</sup>lt;sup>43</sup> Black, 79.

 $<sup>^{44}</sup>$  "Disruption of Normal Trade into Charleston," <code>http://www.csa-railroads.com/Essays/Disruption\_of\_Normal\_Trade\_to\_Charleston.htm.</code>

<sup>45</sup> Stone, 84

<sup>&</sup>lt;sup>46</sup> Report on the Annual Meeting of the Northeastern Rail Road Company, *Charleston Courier*, April 4, 1861, http://www.csa-railroads.com/Essays/Orignial%20Docs/NP/CC/NP,\_CC\_4-4A-61.htm

The primary cause of this decline was the Union blockade of Southern ports. Begun on April 19, 1861, the blockade was not initially very effective at cutting down shipping. 47 Soon however, Winfield Scott's Anaconda began to tighten its stranglehold on Southern commerce, and with it, railroad freight revenues. Businessmen, cut off from outside markets, both in the North and abroad, had little reason to ship their products to the ports via railroads. Total revenue from the Macon & Western Railroad fell from over \$40,000 in April to \$22,000 in June, and similar declines were noted in the annual reports of other railroads. 48 Southern railroads were also feeling the squeeze.

The explanation for the decline in shipping is attributable to more than just the blockade and the general economic malaise of war, however. Another reason, paradoxically, was that Confederate government also semi-officially discouraged the exportation of cotton. There was an idea among many that cutting off the supply of cotton to the European countries would force them to support the Confederacy in order to regain access to Southern cotton. <sup>49</sup> Because cotton was the main item of transportation and the primary source of income for many railroads, the institution of this policy negatively affected their bottom line. <sup>50</sup>

An additional cause for the drop in commercial traffic was that many of the providers of produce were leaving their farms and plantations, and enlisting in the newly formed Confederate Army. Less producers entailed a diminished supply, and lower

<sup>&</sup>lt;sup>47</sup> Mary E. Massey, *Ersatz in the Confederacy: Shortages and Substitutes on the Southern Homefront*, (Columbia: University of South Carolina Press, 1952), 11.

<sup>&</sup>lt;sup>48</sup> Black, 79.

<sup>&</sup>lt;sup>49</sup> John C. Schwab, *The Confederate States of America, 1861-1865: A Financial and Industrial History of the South during the Civil War,* (New York: Charles Scribner's Sons, 1901), 250-51; cf. Mary Chesnut, *A Diary from Dixie,* Edited by John Ames Williams, (Boston: Houghton Mifflin Company, 1949), 53.
<sup>50</sup> Stone, 305.

shipping volumes and revenues. This problem only became worse throughout the war, as more and more laborers were pulled to support the war effort.<sup>51</sup>

All of these factors—general economic depression relating to the uncertain effects of the war, the Union blockade, the unofficial repression of cotton exportation, and the drop in available labor—resulted in financial hardships for Southern railroads during 1861. Even though the total volume of traffic increased, due to the amount of government troops and freight being transported, the low rates levied on government traffic meant that this source of revenue was insufficient to offset the decline in commercial shipping and the increasing costs of maintenance.<sup>52</sup>

The railroads were not slow in comprehending the situation, and they quickly took measures to cut costs. Some general examples of this tendency are evident across the industry, including the reduction or cessation of dividend payments, elimination of extraneous services and trips, and slower train speeds. They largely avoided raising prices in the early period, but this restraint would quickly be forgotten as demand increased. <sup>53</sup>

The natural interplay of supply and demand also began to correct the imbalance. As economists can testify, a decrease in supply without a corresponding decrease in demand will result an upward shift in prices, enticing producers to increase supply. Applied to the Southern commercial situation during the early stages of the war, this principle predicts that private freight traffic would pick up again, as merchants and farmers attempted to take advantage of the increased profits available due to higher prices in the cities.

<sup>&</sup>lt;sup>51</sup> Massey, 27.

<sup>&</sup>lt;sup>52</sup> Black, 80.

<sup>&</sup>lt;sup>53</sup> Ibid., 81.

This pattern is indeed evident in the data. Commodity prices in Richmond increased steadily during 1861, ending the year 87 percent higher, before dropping slightly at the beginning of 1862.<sup>54</sup> And as might be expected, freight traffic increased as well. Total eastward freight for the 1862 fiscal year (July 1, 1861-June 30, 1862) on the Virginia & Tennessee Railroad, a major feeder line for Richmond, showed 25 percent increase over the previous period.<sup>55</sup>

In summary, the initial period of the war saw a burst of patriotic fervor from Southern railroads. As the combined effects of increased military traffic and reduced commercial revenues began to take effect however, their enthusiasm began to fade. Southern railroads had begun to realize what the war would entail, and they did not like what they saw.

#### Middle Period

As time went on, it became apparent that the war was not going to be over quickly. This realization led to changes in the ways the railroads related to both the government and the commercial sector. Government dependence on rail transportation grew, and with it came an increasing willingness to interfere with the operations of the railroads. Prior arrangements with the Confederate government had been based on the widely held assumption that hostilities were going to be fairly short, but during this period, both the government and the railroads took steps to formalize their relationship in the light of an extended struggle.

<sup>&</sup>lt;sup>54</sup> Roger L. Ransom, ed., "Confederate States of America" In *Governance and International Relations*, vol. 5 of *Historical Statistics of the United States: Millennium Edition*, ed. Susan B. Carter, Scott Sigmund Gartner, Michael R. Haines, Alan L. Olmstead, Richard Sutch, and Gavin Wright (New York: Cambridge University Press, 2006), 794, Table Eh131.

<sup>&</sup>lt;sup>55</sup> Data compiled from the 1861-1864 Virginia & Tennessee Annual Reports, http://www.csa-railroads.com/Virginia\_and\_Tennessee\_Tonnage,\_Eastward.htm.

The railroads also initiated changes in their relationship with commercial shippers. As inflation rose, freight tariffs also rose. While this meant that many smaller suppliers were unable to afford rail transportation, it also entailed higher revenues from the more prosperous shippers—revenue which the railroads dearly needed.

Effective Confederate military activity required efficient transportation. The Confederate armies were on the move and they looked to the railroads for support. Lee, maneuvering deftly throughout Virginia and northward needed a constant supply of provisions and support via rail. Southern railroads also carried General Hardee and the Army of Mississippi, at least 25,000 men, around General Buell and the advancing Union forces and into Chattanooga to bolster Confederate forces there. And Bragg's victory at Chickamauga was made possible by Longstreet's reinforcements from Virginia, hurried into position in the nick of time by the coordinated efforts of at least 13 different railroads. The Confederate government had come to rely on Southern railroads as an indispensable ally in the lengthening war.

## **Difficulties**

But the railroads' service was certainly not without complications. For one thing, the physical condition of the trains and rails continued to deteriorate from the heavy use, and the railroads were unable to obtain the supplies necessary to maintain them.<sup>58</sup> Prior to the war they had relied heavily on Northern factories for hardware and cars. Now these suppliers were out of reach. The Tredegar Iron Works was able to turn out some hardware when it was not occupied with military commissions, but this was hardly adequate for

<sup>&</sup>lt;sup>56</sup> Black, 180-181.

<sup>&</sup>lt;sup>57</sup> Stone, 152; Black, "The Railroads of the Confederate States as of June 1, 1861," map.

<sup>&</sup>lt;sup>58</sup> Trelease, 154.

tremendous demand. <sup>59</sup> Railroads across the South reported severe shortages of cars and supplies; the Montgomery & West Point had no tires for its cars, the Central of Georgia had lost 45 cars, and none of the companies could get new rails. <sup>60</sup> But somehow the railroads soldiered on.

Another problem that remained unsolved was the lack of government coordination. As in the beginning period of the war, confusion accompanied the high levels of traffic. A case in point occurred in January 1863. Commissary-General Northrop explained aggrievedly in a report to Secretary of War Seddon that the Army of Virginia's lack of meat was "due to the delay of railroads in bringing the bacon hither," and was not his fault at all. Someone had ordered the railroads to "[keep their] cars unemployed to meet expected removal of troops," and this was "[crippling] transportation,' and keeping him from supplying the necessary rations.<sup>61</sup>

## Government Oversight

Situations such as this gradually drove the Confederate government to the realization of the need for a formal system to oversee railroad relations. After Major Ashe's departure, the responsibility of dealing with the railroads had fallen to the overworked head of the Quartermaster Department, Abraham C. Myers.<sup>62</sup> Myers quickly realized the enormity of the task after his office became the recipient of a deluge of complaints—from Confederate officers about the absence of materiel and lack of cooperation from the railroads, and from the railroads about interference from the military and a corresponding shortage of necessary supplies. Both the military and the railroads excoriated the

<sup>&</sup>lt;sup>59</sup> Ibid., 22-24; 126; 152; cf. Dew, 271, for a record of Tredegar's railroad-related production during the war.

<sup>&</sup>lt;sup>60</sup> Black, 125-126.

<sup>&</sup>lt;sup>61</sup> Official Records I, Vol. 51, part II, 674-5.

<sup>&</sup>lt;sup>62</sup> Black, 96.

Quartermaster Department. In response to one particular incident, when a railroad conductor refused to stop and pick up a Knoxville-bound ammunition shipment, resulting in a four day delay, Myers confessed despairingly that "he had no control over the railroads," a fact that was only too evident by late 1862.<sup>63</sup>

Jefferson Davis himself addressed the situation several times. In an August 18, 1862 address to the Confederate Congress, he urged, "The necessity for some legislation for controlling military transportation on the railroads and improving their present defective condition forces itself upon the attention of the Government, and I trust you will be able to devise satisfactory measures for attaining this service." 64

Within a few months, the Army took steps to "control military transportation on the railroads" by appointing one William Wadley "to take supervision and control of transportation for the Government on all the railroads in the Confederate States" in December 1862.<sup>65</sup> Colonel Wadley wasted little time in setting up a small Railroad Bureau in the War Department and beginning to address some of the numerous problems in the government-railroad relationships. He was handicapped, however, because as President Davis had hinted to Congress, the government currently did not have much legislative authority over the railroads.<sup>66</sup>

In answer to President Davis' call, the Confederate Congress decided it was time the railroads received some specific attention. The problem had been raised before, but without any tangible results. In January of 1862, Congress had appointed a committee to

<sup>63</sup> Ibid., 95-106; Sarah Wadley Journal Vol. II, 119, quoted in Black, 105.

<sup>&</sup>lt;sup>64</sup> Jefferson Davis, "To the Senate and House of Representatives of the Confederate States," in the Gilder Lehrman Institute of American History Collection.

 $http://www.gilderlehrman.org/search/display\_results.php? id=GLC00699; \textit{Official Records}, IV, Vol.~II, 348.$ 

<sup>&</sup>lt;sup>65</sup> Ibid., 225

<sup>&</sup>lt;sup>66</sup> Black, 114-115.

look into allegations of military misuse of the railroads. The committee came back with the radical proposal that the military should take direct control of several critical rail lines including those leading into Richmond, Nashville, Memphis, and Atlanta. Regarding the Legislature's failure to take action concerning the report, Stone explains, "To a governing body built on the foundation of states' rights, this proposal was tantamount to heresy. Since it violated their fundamental objection to a strong central government, Congress simply ignored the report." 67

But by April of 1863, Congress overcame its reluctance to railroad legislation and, in a secret session, approved Senate Bill 112, "to facilitate transportation for the Government." This bill allowed the President to take temporary control of vital railroads and use them for government purposes. It also gave him the power to distribute cars and rolling stock and property from one road to another as necessary for the efficient operation of the roads, and, it authorized the impressment of the property of uncooperative railroads. Now the Railroad Bureau had the legislative support to implement its commission.

Davis rarely resorted to his newly expanded regulatory powers, however, and Senate Bill 112 collected dust for nearly a year.<sup>69</sup> Finally its provisions were put to the test in March 1864. Once again the railroads were unable to keep Lee's army sufficiently provisioned, even though there were adequate supplies in Georgia. However, with the transportation law, the military now had some recourse. The Quartermaster's Department placed the entire railroad line from Augusta to Weldon under temporary military control,

<sup>&</sup>lt;sup>67</sup> Stone, 85.

<sup>&</sup>lt;sup>68</sup>Journal of the Congress of the Confederate States of America, 1861-1865, Vol. III, (Washington: Government Print Office, 1904-1905), 354-55; Black, 121-122.

<sup>&</sup>lt;sup>69</sup> Ibid., 164, Trelease, 179.

with a notable effect. By allowing only one passenger train per day and devoting the remainder of the trains to government freight for 12 days, Lee's army received fifteen days' supply of meat and 36,000 bushels of corn. Given the success of this and other instances of direct governmental control, it is surprising that the Confederate government failed to use its authority. Historians conclude that the most likely cause for this was the excessive Confederate faith in the doctrine of States' Rights."

There were conspicuous exceptions to this idea, however, mainly within the military arm of the government. One such authoritative action concerning the railroads happened in the summer of 1862. In his annual report, the President of the fledgling Milledgeville Railroad Company announced glumly that the government had impressed virtually the company's entire store of rails. He noted, "In a time of war, private rights are often made to yield to the necessities of Government, but it must have been a most extraordinary public exigency to justify such an invasion of private rights as that involved in the seizure of this iron."

Another took place in December of 1863. In an effort to ensure the adequate transportation of government cotton to Wilmington for export, Stone writes that new Quartermaster General, Alexander Lawton, ordered that "any train running to Wilmington for private interests must reserve half its capacity for government freight." Lawton also told military authorities in Wilmington to seize any train violating the order, which they subsequently did, to the furor of concerned railroad companies.

<sup>&</sup>lt;sup>70</sup> Richard D. Goff, *Confederate Supply*, (Durham, NC: Duke University Press, 1969), 199.

<sup>&</sup>lt;sup>71</sup> Black, 63-65, 164, Trelease, 179, Goff, 201, Stone 85, 165.

<sup>&</sup>lt;sup>72</sup> Report of the President, Directors, &c., of the Milledgeville Rail R. Co., to the Stockholders. Oct. 6, 1862, University of North Carolina at Chapel Hill, http://docsouth.unc.edu/imls/mvillerr/mvillerr.html, accessed October 21, 2009.

<sup>&</sup>lt;sup>73</sup> Stone, 166.

These examples demonstrate that despite its aversion to governmental control of private enterprise, the Confederate government was increasingly willing to play hardball with the railroads during this period. Whether it was seizing iron or trains or temporarily commandeering an entire railroad, the authoritative actions of the Confederate States show that they were prepared to make some compromises given the exigencies of war.

## Changing Attitudes and Railroad Conventions

The pressures of the lengthening war also effected changes in the attitudes of the Southern railroads. They were increasingly unhappy with the direction of affairs, and they set about obtaining some recompense. Evidence for this shift can be seen in the actions the railroads took at a series of conventions from late 1861 through 1864. At these conventions, representatives from Southern railroads met together to discuss their material needs and their relationship with the government. Typically the results were to call upon the government for aid in procuring supplies and, beginning in December 1862, to steadily raise governmental rates.

That December convention, held in Augusta, was originally called by the idealistic new government railroad coordinator, William Wadley. Wadley hoped to address one of the most troublesome and persistent factors hindering the efficient flow of supplies—the lack of through shipping. His innovative plan consisted of convincing the railroads to allow their cars to be transferred to adjacent lines, under the supervision of government agents, who would ensure their safe return. In exchange for surrendering a little bit of control and allowing their cars to be used for through freight, Wadley offered government aid, in the form of cash for railroad supplies. Unfortunately, the railroads' distrust of government

<sup>&</sup>lt;sup>74</sup> Official Records IV, Vol. 1, 868; 272-278; 508-512.

involvement and their longstanding aversion to interchanging rolling stock wrecked Wadley's hopes. The gathered representatives rejected the plan after a brief discussion. Instead, they decided to raise troop rates to two and a half cents per mile and institute an across the board increase in government freight. Apparently the government did not feel confident enough of its authority to refuse the charges; Wadley recommended that the new rates not be followed, but the official government response was to swallow hard and pay the new rates.<sup>75</sup>

This was merely a foretaste of things to come. On April 20, 1863, the railroads met again with Colonel Wadley in Richmond. At this meeting, the representatives agreed to officially recognize Wadley's Railroad Bureau—not as a means for him to dictate policy, but as a conduit for increased public aid to the railroads. They specifically resolved "that it be made the duty of such bureau, through its chief and assistants, to superintend all Government transportation, but not to have the control or direction of the motive power or cars by which such transportation is made." Instead, the Bureau was to supply the railroad companies "with all such tools and materials as the Government can, consistently with the wants of the Army and Navy, from time to time furnish." To aid in the procurement of these supplies, the railroaders offered several suggestions, including building more factories to produce and refurbish rails, redistributing material from the less important roads to the more heavily traveled ones, and obtaining additional resources and skilled laborers from Europe. How the railroads expected the government to be able to do all this is uncertain, but it is eminently clear that they wanted aid, not control.

<sup>&</sup>lt;sup>75</sup> Stone, 127-128, *Official Records* IV, Vol. 2, 273-276.

<sup>&</sup>lt;sup>76</sup> Black, 119-120.

<sup>&</sup>lt;sup>77</sup> Official Records IV, Vol. 2, 508-510.

By the next railroad convention, in November 1863, the topic of discussion had returned to government rates. The railroad officials had little to say about the military transportation snarls; instead they addressed their own financial needs. Richard R. Cuyler, president of the Central of Georgia stated bluntly at the beginning of the meeting, "the object of the meeting is for the purpose of considering the propriety of advancing the present rates paid by the government for transportation." And that is exactly what happened. The close of this meeting saw the adoption of a price increase to three cents per mile for troops and a 50 percent boost in the amount charged for transporting military horses. One scholar concludes, "Previously the railroads had been paying their exorbitant bills at the expense of their civilian customers. It was now time for the Confederacy to ante up."

And ante up they did. There is no record that the Confederate government refused to pay the rates settled upon by the conventions. In April 1864, at the last railroad convention, the companies again raised rates, increasing the government freight tariff by 50 percent and doubling the passenger fare to six cents per mile. They also took advantage of the opportunity to express their feelings regarding the injustice of the exorbitant income tax the Confederate Congress had recently imposed which specifically targeted railroad profits. They reminded Congress of their distinguished service and the severity of the treatment they had received in return, listing the following considerations in their favor:

1st. That no interest except banking Corporations, has done so much to aid the finances and sustain the credit of the Government

<sup>&</sup>lt;sup>78</sup> Black, 172.

<sup>&</sup>lt;sup>79</sup> Stone, 168.

<sup>80</sup> Black, 218.

2nd. That on *the first organization of the Government*, the Railroads readily gave up the mail contracts with the old Government, and substituted contracts with the new, at an average reduction of more than 30 per cent!

3rd. That they agreed to transport troops and munitions, and all other property of Government, for half the usual rates to individuals, which did not repay the cost of the work, and *by which the Government has saved millions!* 

4th. That the Government has claimed, and the Companies have conceded, a preference, and after the exclusive use of their roads, greatly encroaching upon and curtailing a more profitable private business.

5th. That Government by seizing and appropriating their iron has ruined some works and inflicted lasting injury on others!

6th. That Government by monopolizing rolling mills, iron works, and other sources of supply, have deprived them of the materials necessary for raising and repairing their roads or advance the slender stock within their reach to most fabulous prices.

7th. By a system of seizures and impressments, their [rolling] stock has been carried to distant parts and either wholly lost, or returned in a ruined and dilapidated condition!<sup>81</sup>

This statement clearly spells out the attitude of railroads. They had suffered severe depredations because of their support of the Confederate war effort, and they did not appreciate being asked sacrifice their profits in addition to their assets and services.

#### **Profits**

Given the circumstances, it may come as a surprise that in general, Southern railroads were actually making decent accounting profits during this period. Rising inflation and the growing blockade-running traffic allowed them to steeply increase their prices for commercial users, and because the companies' operating expenditures were constrained by the lack of materials with which to conduct repairs, their profit margins grew. These profits were of little real value, but they did occasion a fair amount of criticism from the public.<sup>82</sup> The railroads apparently had little compunction about collecting money

<sup>&</sup>lt;sup>81</sup> "Memorial to the Honorable the Senate and House of Representatives," University of North Carolina at Chapel Hill Electronic Collection, http://docsouth.unc.edu/imls/railroad/railroad.html. <sup>82</sup> Black, 220; 219.

from their customers; indeed, evidence suggests that they even pursued these profits to the exclusion of government shipping.

The tremendous increase in freight fees was widespread and paralleled or even exceeded the rate of inflation.<sup>83</sup> The Central Railroad of Georgia published a notice in the June 1, 1864 issue of the *Augusta Constitutionalist* announcing, effective immediately, that the shipping rate for cotton was doubled. Then just one month later, the railroad posted an across-the-board freight fee increase of 33.3 percent. The North Carolina Railroad boosted both its freight and passenger rates by 50 percent in March of 1864. The Virginia Central was also raising rates in July 1864, instituting a 100 percent increase for their entire freight charges. <sup>84</sup> But the generally impoverished condition of the citizens of the Confederacy during the latter part of the war raises the question: who was paying these inflated prices? <sup>85</sup>

For many businesses, the risk of running the Union blockade put foreign markets out of reach. But with high risk, comes an opportunity to gain a high return. Cotton that could be run through the blockade was practically worth its weight in gold, and many investors within the Confederacy were willing to run the risk of losing their investment in order to realize the immense profits possible with a successful shipment. As previously mentioned, the Confederate government even got in on the idea, arranging to operate a joint blockade-running venture with some of the private enterprises. They purchased cotton domestically and then attempted to ship it to the Bahamas for transport to Europe, where it was sold and the proceeds used to purchase provisions for the army, such as

<sup>83</sup> Ibid., 217.

<sup>&</sup>lt;sup>84</sup> Notice, *Augusta Constitutionalist,* June 1, 1864; *ibid.* July 1, 1864. Accessed at csa-railroads.com.; Trelease, 175; Black, 218.

<sup>85</sup> Massey, 163-164.

bacon, beef, and shoes.<sup>86</sup> Most private investors were not so public-spirited; the real money was not in trading cotton for commodities like bacon or beef, but in speculating on light luxury items, such as lace, liquor, and drugs.<sup>87</sup>

These speculators were the customers who were able to afford the high freight costs levied by the railroad carriers. All of the cotton for export had to be transported to the Southern ports, and consequently it constituted a large proportion of the traffic on the railroads leading to blockade-running centers such as Wilmington and Charleston during this period.<sup>88</sup>

Richard Peters, an Atlanta businessman who started a blockade-running company in 1864, is an example of one of the atypical, public-spirited exporters. He would purchase cotton in Georgia, ship it by rail to Wilmington, and then export the lot to England, where one of his partners would load up beef, pork, coffee and other needed supplies for the return trip.<sup>89</sup> Nimrod J. Bell, a conductor for various Southern railroads during the war was also a participant in cotton shipments in the 1864. Writing after the war, he recalls, "We hauled cotton to Wilmington and goods back to Augusta. The cotton was shipped to Nassau [in the Bahamas], and the goods came from the same place." Bell admits, "I made

<sup>&</sup>lt;sup>86</sup> Stanley Lebergott, "Through the Blockade: The Profitability and Extent of Cotton Smuggling, 1861-1865," *The Journal of Economic History*, Vol. 41, No. 4 (December, 1981), 867-8; Harold S. Wilson, *Confederate Industry: Manufacturers and Quartermasters in the Civil War*, (Jackson: University Press of Mississippi, 2002) 164, 168. The whole saga of blockade-running during the Civil War is a fascinating study—cf. *Northern Naval Superiority and the Economics of the American Civil War* by David G. Surdam and *Lifeline of the Confederacy: Blockade Running during the Civil War* by Stephen R. Wise.

<sup>&</sup>lt;sup>87</sup> Massey, 14; Stanley Lebergott, "Why the South Lost: Commercial Purpose in the Confederacy, 1861-1865, *The Journal of American History* 70, No. 1 (Jun., 1983): 71n48.

<sup>&</sup>lt;sup>88</sup> ---, "Blockade", 883; Lebergott estimates that approximately 400,000 bales of cotton were shipped abroad; all of which had to be transported on the railroads.

<sup>&</sup>lt;sup>89</sup> Royce Shingleton, *Richard Peters: Champion of the New South, (*Macon, GA: Mercer University Press, 1985) 98.

some Confederate money speculating on cotton and corn, but nothing to what some men made that followed it for a business." 90

Of course, the lucrative returns that Bell referred to caught the attention of the struggling railroads. It did not take them long to find ways to get their share of the profits. The primary method by which they sought to profit from the speculator trade was through increased freight rates, discussed above. Another method was to exact indirect fees, such as double billing for freight shipments traveling in one railroad's cars on track owned by a different railroad, a practice Bell recounts in his memoirs. Even more covertly, railroad employees were known to accept bribes to transport lucrative luxuries after the Confederate Congress banned importing such items as wine, lace, or jewelry in 1864.

The most basic method the railroads used to profit from the activity of the blockaderunners was to increase the amount of commercial freight hauled. Since there was no way
to raise their total freight capacity, transporting more speculator goods meant cutting the
amount of government freight carried by the railroads. H. David Stone describes how in
the fall of 1863, the Confederate Ordnance Bureau (in charge of exporting cotton for the
government) and commercial speculators were competing with each other for scarce
transportation space to ship their cotton to Wilmington. Ironically, neither had much luck

<sup>&</sup>lt;sup>90</sup> N. J. Bell, *Southern Railroad Man, Edited by James A. Ward (Dekalb: Northern Illinois University Press,* 1993). 31

<sup>&</sup>lt;sup>91</sup> A specific example of a rate increase likely related to blockade-running traffic was on the North Carolina Railroad, a feeder line for Wilmington. It raised its freight rates 50 percent in March 1864. Allen W. Trelease, *The North Carolina Railroad, 1849-1871,* (Chapel Hill: University of North Carolina Press, 1991) 175.

<sup>92</sup> Bell. 30.

<sup>&</sup>lt;sup>93</sup> Senate Bill 183 - An Act to Prohibit the Importation of Luxuries, February 6, 1864, Felix Hargett Collection, University of Georgia Libraries,

http://fax.libs.uga.edu/JK9708x1864/1f/act\_to\_prohibit\_import\_of\_luxuries.pdf, accessed November 19, 2009; Trelease, 181.

because the short supply of rolling stock meant that abundant piles of cotton, both private and public, piled up at depots along the lines leading to the port.<sup>94</sup>

Contemporary observers also noticed where the railroads' priorities were. John B. Jones, a clerk in the War Department, wrote that the government agent in Wilmington reported that "while the government steamers can get no cotton to exchange abroad for ordnance stores, the steamers of individuals are laden, and depart almost daily." Another observer commented that, "vast stores of provision and supplies were blocked on the roads, while speculators' ventures passed over them." The *Daily Richmond Examiner* exclaimed in March 1864 that the railroads were most certainly "managed in the interest of speculators and extortioners." Internal Confederate reports also blamed railroads' inadequate governmental space allotments for the lack of supplies. 96

Scholars concur that Southern railroads were frequently guilty of working harder for the interests of the private sector than for the government.<sup>97</sup> But these companies can hardly be blamed; the duty of a responsible business is to increase the wealth of its stockholders. The idealistic notion that for-profit enterprises will nobly serve the public interest without concern for compensation is a temporarily held principle at best.

#### Late Period

The final days of the Confederacy were busy ones for the railroads. Sherman's devastating march from Chattanooga to Savannah, and then northward into South Carolina effectively cut the Confederacy in half and reduced the relative advantage of interior rail

<sup>&</sup>lt;sup>94</sup> Stone, 164-167.

<sup>&</sup>lt;sup>95</sup> John B. Jones, *A Rebel War Clerk's Diary*, Edited by Earl Schenck Miers, (New York: A. S. Barnes & Company, Inc, 1958), 226.

<sup>&</sup>lt;sup>96</sup>DeLeon, 351; quoted in Richard D. Goff's *Confederate Supply* (Durham, NC: Duke University Press, 1969), 198; *Official Records*, IV, Vol. III, 209.

<sup>97</sup> Black, 194, 225; Trelease, 181; Stone, 168.

transportation.<sup>98</sup> In Virginia, the head of the Confederate states had been practically severed from the body. Grant's siege of Petersburg succeeded in cutting the easternmost railroad leading into Richmond, and eastern Tennessee route to Richmond had long been put out of commission by the operations of Federal troops, leaving only the inadequate Piedmont line to support Lee's remaining men.

As Sherman, Sheridan, and Grant drew the Union noose ever tighter, fewer and fewer railroads remained available to the Confederacy. Within that noose, these remaining railroads provided the means for a frenzy of activity. Railroads carried provisions north to Richmond, men and supplies were mustered via railroad to face Sherman's approach from the south, civilians, accompanying as much of their valuables as the trains would hold hurried west to get out of the way of the approaching soldiers, and in April 1865, Jefferson Davis and the remnants of the Confederate government fled south on the Piedmont Railroad, leaving behind the ruins of Richmond. The hopes of the Confederacy were spiraling into total collapse, along with the Confederate railroads.

Considering all of the physical deficiencies of the Southern railroad system exacerbated by three brutal years of war, the high level of government activity on the roads, and the ever deeper depredations of the Union armies, it is amazing that the railroads had not fallen apart before now. The remaining functional Southern railroads, existing primarily in North and South Carolina, were focused primarily on day-to-day survival during the last few months. The loss of Wilmington, the final open Confederate port, early in 1865, spelled the end of organized blockade running, and with it, the source

<sup>98</sup> Black, 268.

of most of the railroads' revenues.<sup>99</sup> This fact, along with the tremendous transportation needs of the Confederate army meant that railroads were basically run at the behest of the government. There were simply no other remaining customers.

It was during these dark hours that the Confederate Congress apparently woke to a full realization of the desperate state of the railroads and the need for centralized control. In a frantic effort to fix the problems, Congress executed a flurry of railroad-related activities in the closing months of the war. Early in 1865, it approved a bill appropriating \$21 million in direct aid to the most vital Confederate railroads. And in a classic case of closing the gate after the horse has gone, on February 19, 1865, the Confederate Congress finally worked up the nerve to pass a bill drafting all the employees of important railroads into the military, under the direct supervision of the government. Less than two months later, Lee surrendered, and the Confederate railroads reached the end of the track. 100

So ends the saga of Southern railroads in the Civil War. Without a doubt, the inefficient use of railroads was a factor in the Southern defeat. Scholars are nearly unanimous in placing most of the blame for this on the government, because of its shortsighted failure to centralize railroad management earlier in the war. <sup>101</sup> But while governmental shortcomings are a commonly emphasized cause, another very real component was the lack of continued support for the war effort by the railroads.

After the surge of initial enthusiasm, the cold realities of the conflict and the lure of potential profits whittled away their devotion to the Confederate cause. As the war went on, the balance of favor tipped ever further towards self-preservation. Attempting to meet

<sup>&</sup>lt;sup>99</sup> Massey, 12.

<sup>&</sup>lt;sup>100</sup> Trelease, 189, Black, 228-229, 280.

<sup>&</sup>lt;sup>101</sup> See Black, 294-295, Ramsdell, 810, Goff, 244, 250, Trelease, 179, George E. Turner, *Victory Rode the Rails: The Strategic Place of the Railroads in the Civil War.* (Indianapolis: Bobbs-Merrill, 1953), 246.

the overwhelming needs of the government while operating a profitable enterprise proved impossible for the Southern railroad companies. Perhaps a fitting summary of the relationship between the railroads and the Confederate government during the war years can be found in the words of Scripture; "No man can serve two masters: for either he will hate the one, and love the other; or else he will hold to the one and hate the other." 102

<sup>102</sup> Matthew 6:24, (KJV).

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