Confederates and Cotton in East Texas

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The Union naval blockade of the Confederate coastline severely disrupted existing marketing practices. Cotton producers east of the Brazos found their efforts to market their crops disrupted by the unavailability of shipping and the accelerating breakdown of the factorage system that had served their needs since the 1830s. The Union blockade, distance from the Mexican border and the main blockade--running port at Galveston, and the unavailability of enough wagons and teams for overland transport of crops kept the gold value of their cotton in the low range.

Government policies originating from the Confederate capital in Virginia and implemented by the Confederate army also affected the production and marketing of cotton in Texas east of the Brazos. The Confederate Produce Loan in 1861, a government cotton purchasing agent in 1863, Cotton Bureau policies in 1864 and early 1865, and in the last few months of the war, new Confederate Treasury Department rules greatly impacted the lives of cotton producers. Texas east of the Brazos did not share in the large profits that cotton producers in western Texas enjoyed during the war, but planters were able to survive economically despite the blockade and despite the coerced sales of half their crops. Some large planters successfully resisted both coerced sales and impressments, thereby preserving their ability to benefit from the short-lived high prices for cotton that prevailed in the third quarter of 1865.

Students of the Confederate Army's Trans-Mississippi Cotton Bureau have generally concluded that the Bureau failed to achieve its mission to acquire cotton to pay for imported supplies required by the army. They have focused on the cotton that crossed the Rio Grande in payment for supplies and concluded that only a small percentage of the cotton that crossed the Rio Grande was government-owned.1 This study of Cotton Bureau actions east of the Brazos demonstrates the complexity of Cotton Bureau success in utilizing cotton in support of the war effort. Some of the cotton was indeed sent across the Rio Grande, but, in an

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effort to reestablish the government's credit, most of the government-owned cotton in Texas east of the Brazos was paid in eastern Texas to firms that had delivered goods to Confederate military officials in advance of payment. Another large portion went to Houston to purchase supplies run in through the blockade or to be exported to England to pay Confederate debts and build a fund for further purchasing. All the cotton acquired by the Cotton Bureau was used for the needs of the Confederate army, but little of it reached the Rio Grande as army property. This study also throws light on a second issue about the Cotton Bureau that has been controversial: To what extent did the Cotton Bureau impress (commandeer) cotton for government use, when farmers and planters refused to sell for the price the Bureau offered? The evidence is very strong that in this region, almost all producers sold the Bureau half their cotton because Cotton Bureau agents threatened to impress all of their cotton if they would not sell half, but no actual impressments of cotton took place.

Students of the private cotton trade or the government acquisition of cotton in Texas have traditionally looked at the Rio Grande area from Brownsville to Eagle Pass. They have also studied the transport of cotton southward from San Antonio and Alleyton (below Houston); the conflict between Texas Governor Pendleton Murrah and the Confederate Commander of the Trans-Mississippi Department, Edmund Kirby Smith; the effort of the Texas government to acquire and transport cotton in western Texas; and the political response in Texas to Confederate cotton policies. Other than one small book that focused on one Confederate quartermaster operating in the northeastern most part of Texas, historians have totally ignored operations of the TMD Cotton Bureau east of the Brazos River.

Texas Civil War historians have long lamented the lack of attention to the economic history of Texas, especially its agricultural aspects, but few scholars have responded to the challenge. Historians of agriculture have especially neglected the marketing of cotton. Morton Rothstein pointed out in 1970 that few studies addressed the "transportation, marketing, or banking relationship to cotton culture" in the nineteenth-century South. Again, few have responded. As recently at 2003, Gavin Wright included government regulations of agricultural marketing among sadly neglected topics in agricultural history. Harold D. Woodman's path breaking study of cotton factors limits his discussion of Civil War cotton marketing in the Trans-Mississippi area almost exclusively to New Orleans. In 1965, Paul Gates—another of the few exceptions—devoted one-third of his
highly respected *Agriculture during the Civil War* to the South, but two of his main conclusions—that the war devastated the South and that King Corn displaced King Cotton during the war years—do not appear to be accurate for Texas. Richard Lowe and Randolph Campbell’s 1983 *Planters and Plain Folk* added considerably to our understanding of antebellum Texas agriculture but lacked a discussion of marketing networks. John Solomon Otto’s short 1995 book on southern agriculture, 1860-1880, does address marketing as well as government agricultural policies during the Civil War, but mentions Texas only in his closing chapter. This study’s focus on the impact of government cotton policy in a major cotton-producing area of Texas—the area east of the Brazos River—where the Union naval blockade had severely disrupted marketing practices contributes to our understanding of the Texas economy during the Civil War.

An outline of the major events is useful. Many cotton producers east of the Brazos patriotically pledged to lend part of the proceeds of the sales of their 1861 crop to the Confederate government, but when it came time to market their crop they found that the blockade prevented exports and had depressed cotton prices well below pre-war levels. Neither factors, other private buyers, nor government purchasing agents, were interested in buying their cotton until the winter of 1862-1863, and then only in the westernmost parts of the region. Cotton could only reach Galveston to run the blockade or the Rio Grande to cross into Mexico by wagon transport, and there were too few wagons, teams, and drivers. Finally, when all the cotton of western Texas had been exported, private buyers and Cotton Bureau agents competed to buy cotton farther and farther east. By 1864, the Bureau required all owners of cotton in Texas to sell half to the government, and almost all producers east of the Brazos complied with the requirement. They then could sell the rest to private buyers or hold it until after the war ended, when they expected the blockade to end and cotton prices to rise.

For at least the first eighteen months of the war, cotton traders in Texas acquired cotton only west of the Brazos and transported it to the Rio Grande for export. Texans, Mexicans, and some others attempted to export cotton across the Rio Grande because the Union blockade of the Confederate coastline made exports from seaports risky. The blockade created a shortage of cotton and high cotton prices in Europe and in the North, as well as a surplus of cotton and low cotton prices inside the Confederacy. Overall, the Union blockade of Confederate ports reduced the commerce into and out of the Confederacy to about 1 percent of
the pre-war trade. Although many vessels entered and left Confederate ports during the first year or two of the blockade, these were small vessels with limited cargo space. The large sailing vessels that had carried cotton to England, Europe, and New England could not get insurance to run the blockade and abandoned the trade for the duration of the war. Confederate army officers, in their official capacities, began to purchase cotton in western Texas with quartermaster and ordnance funds for transport to the Rio Grande where it would pay for arms, ammunition, and quartermaster stores available there. 

Cotton producers east of the Brazos found the marketing and transporting of the fall 1861 crop (which would normally would have been exported during the winter and spring of 1861-1862) disrupted by the unavailability of shipping and the accelerated breakdown of the factorage system that had served their needs since the 1830s. Most plantations were located on or near navigable rivers and, before the war, transported their crop on steamboats to the coast where it was loaded in small vessels, which carried it to Galveston or New Orleans. Some cotton went by wagon short distances to rail heads that connected to Shreveport or Houston for forwarding to New Orleans or Galveston. The blockade closed these routes. The high cost of transporting cotton the long distances from northern or eastern Texas to the Rio Grande discouraged exports from the area so much that cotton prices remained low there, and the 1861 crop remained, for the most part, where it had been grown, harvested, ginned, and perhaps baled. The well-established marketing patterns had been disrupted.

The Confederate government in 1861 urged planters throughout the Confederacy to subscribe to a Produce Loan, pledging to lend the government part of the proceeds of their crop. The Confederate Treasury Department intended to use the loan’s certificates as security for borrowing in England or France pounds or francs to purchase supplies to be run in through the blockade. However, the large ships, which left in May 1861 with remnants of the 1860 crop did not return until the blockade was lifted four years later. Southern debtors refused to reimburse Northern creditors until the war ended, causing Northern credit, which was essential for factors to conduct their business, dried up. Cotton factors soon understood that only small amounts of cotton would get through the blockade and that the port warehouses would overflow. The New Orleans cotton factors placed a notice in the newspapers, to the effect that they would not accept cotton shipments that they could neither ship nor store.
This decision affected part of the crop in east Texas that previously had been marketed through Shreveport, Louisiana to New Orleans factors. More importantly, all factors in the major Confederate seaports faced the same problems as their New Orleans colleagues. When export proved to be almost impossible, the Confederate government accepted in the summer of 1862 the cotton itself in return for Produce Loan bonds; when necessary, it would pay for up to half of the cotton in Confederate currency rather than in bonds. Some Texas planters subscribed to the Produce Loan, giving the Confederate government ownership of 25 % to 100 % of their crop; this cotton remained on the plantations and eventually became the security for a major bond issue in Europe that raised over $8 million (specie value) for the Confederacy. Produce Loan records show that producers in Texas, mostly east of the Brazos, subscribed over 14,000 bales of cotton. The producers were paid primarily in Confederate bonds that promised 8 percent interest twice a year in specie. (The government, however, actually paid the interest in Confederate notes.) Some producers may have demanded and received partial payment in cash instead of bonds. In mid-1862, it took $1.50 Confederate dollars to equal $1.00 in gold; by mid-1863 it took $9.00. After the fall of Vicksburg in July 1863 cut the Trans-Mississippi off from the Confederacy east of the river, it is unlikely that enough Confederate currency reached the TMD to pay this interest. Nevertheless, the interest payments to bondholders may have provided a small income from mid-1862 through mid-1863. Those who got some of their subscription in Confederate dollars could have spent them in 1862 without much loss, but would have lost five-sixths of their value if they held them until 1863.

At cotton planting time in early spring 1862, Confederate hopes for a quick victory were still high. Many cotton planters optimistically planted a full crop, or nearly so, with perhaps more acreage than usual devoted to food crops. After the Confederacy quickly won the war, it would be good to have a large crop growing in the fields. The Confederate defeat at Shiloh in April and the fall of New Orleans in May came after planting. In April 1862 the Confederacy began conscripting young white men who had not volunteered for military service. The small family farms east of the Brazos, which produced about 20 percent of the total cotton crop, lost virtually their entire labor force. Some enrolled in the Texas militia but were soon sent to the western frontier; others avoided the Confederate troops that hunted down draft evaders, but few were able to continue their normal labor. The production of cotton and food crops by small
farms necessarily declined. During 1862, the Confederate government was increasingly unable to meet the army’s needs. In Texas, as well as in the entire Confederacy, military commanders short of food, draft animals, wagons, and forage authorized impressment from the local population. It had long been the practice of Europe and the United States to authorize impressments necessary to keep an army functioning. Officers supervised the seizures and gave detailed receipts. Impressment of draft animals and wagons interfered with the moving of cotton to market.7

Because of their distance from the Mexican border and from the main blockade-running port at Galveston, producers east of the Brazos found that the gold value of their cotton remained in the low range (in comparison to 1860 prices) throughout the war except for a short-lived rise in 1863. In November 1862, the Confederate authorities in Richmond attempted to prevent competition among quartermasters in Texas by appointing Major Simeon Hart, an El Paso merchant, as the only quartermaster in Texas authorized to import supplies and acquire and transport cotton to the Rio Grande to pay for them. By the time Hart took charge, cotton prices in western Texas were so high that he used most of his limited fund of Confederate currency to purchase cotton in eastern Texas. Some businessmen also began to buy cotton in the area, causing real (gold equivalent) cotton prices to rise. Hart struggled for the next year and a half to move that cotton to the Rio Grande. Small amounts reached the Rio Grande border in the summer of 1863, but some of his East Texas cotton was still on the plantations in the summer of 1864.8

Because Hart’s cotton would not be available soon enough, Kirby Smith created in August 1863 a Trans-Mississippi Department Cotton Bureau to acquire cotton to pay for imported supplies arriving in Mexico. Colonel William A. Broadwell, a prominent New Orleans cotton factor, headed the new agency, and by November 1863, Lt. Col. William J. Hutchins headed a sub-unit, the Texas Cotton Office. Hutchins’ charge was to acquire cotton in western Texas for forwarding to the Rio Grande. He was also to buy cotton near Houston to pay for supplies arriving at Galveston through the blockade or to send to the Rio Grande. To avoid impressment of all of a producer’s cotton crop, he had to sell half to the government and deliver it to Cotton Bureau depots. To a large extent, the Bureau acquired cotton under this plan only near Houston or in the area between the Brazos and Trinity rivers.9

The army quartermasters were busy in late 1863, setting up depots to collect a tax-in-kind the Confederate Congress had passed in April.
By October 1, 1863, agricultural producers had to pay ten percent of the 1861 and 1862 crops not yet sold, and by February 1864, they owed ten percent of their entire 1863 crop. The tax applied to virtually all agricultural products, including cotton. For goods already impressed or sold to the government, the tax was ten percent of the sale or impressments price. Congress later extended this “tithe” to the 1864 and 1865 crops. The dried peas, grains, hay, and bacon were consumed by the troops nearby. Quartermasters delivered the cotton to Treasury agents, who at first held it as security for potential foreign loans but later exported some to England to buy supplies. The farmers and planters apparently did not have to provide an additional ten percent of their cotton after selling half to the Cotton Bureau.  

Unlike cotton growers elsewhere in the Confederacy, Texas cotton producers never experienced occupation by Union troops during the war. Their slaves may have known about the Emancipation Proclamation but had no opportunity to escape to Union lines. Their masters knew better than to send them near the Mexican border, where they could easily slip to freedom across the Rio Grande. The Confederate armies sometimes impressed slave labor, and slaves sometimes acted as teamsters hauling government cotton. Because fewer white men supervised their labor on plantations, the slaves could slack off in their work. They experienced deprivation, since planters could not import cloth, clothing, and shoes for their use. Since the Texas antebellum planters generally produced all the food needed for their families, laborers, and animals, slaves probably did not see a decline in their diet. All in all, Texas planters encountered far fewer problems controlling their slaves than those in other parts of the Confederacy. The war only minimally affected cotton production of plantations east of the Brazos.  

Texas planters also enjoyed at least the possibility of selling their cotton for export across the Rio Grande. Consequently, producers in western Texas experienced rising prices for their cotton as businessmen, state agents, army quartermasters, and eventually the Cotton Bureau competed to buy their crop. By 1863, that competition for cotton reached the area between the Trinity and Brazos rivers, and by early 1864 it had penetrated even east of the Trinity, where the prices were limited, however, by the costs of transporting cotton greater distances.  

After the fall of Vicksburg, Kirby Smith ordered the removal of government-owned cotton (mainly Produce Loan cotton near the Mississippi River) to safety farther west. As Produce Loan agent and
then Cotton Bureau agent, Andrew W. McKee worked from July until the end of December 1863, moving 3,600 bales of government cotton from Louisiana south of the Red River to Niblett’s Bluff on the Sabine River. Captains W. W. Barrett and Noble A. Birge, Cotton Bureau agents, hauled 7,000 additional bales from Louisiana to the Sabine River from August through December 1863. They also transported cotton from northwestern Louisiana or points on the Sabine River by wagon train to Waco for eventual shipment to the Rio Grande. Barrett and Birge were extremely efficient at hiring drivers with their teams and wagons, organizing trains, repairing wagons, managing the livestock, selecting routes with adequate forage, and personally supervising the trains en route. Within a few months they had 350 loaded wagons on the road to Waco. The wagons returned to departmental headquarters at Shreveport, Louisiana with quartermaster, ordnance, and medical stores imported across the Rio Grande. These wagon trains made regular round trips, except when diverted for other military purposes. By November 1864, Barrett and Birge’s trains had hauled 6600 bales to Waco or San Antonio, had 965 bales on wheels to those places, and had delivered almost 1100 bales of cotton to other depots—for a total of 8,660 bales transported westward through Texas east of the Brazos.12

The Cotton Bureau also arranged to move cotton from farther east in Louisiana to Pulaski, Burr’s Ferry, and Sabinetown on the Sabine River. Broadwell then contracted with Moore and Smoker, and later Davenport and Burns, Captain B. H. Perry, and Captain J. W. Polk, to build sheds to protect the merchandise on the Sabine, build flatboats, put the cotton in order (it suffered from deteriorating bagging and rope and lack of shelter during transport and to some extent while on the plantations), and at the first rise of the river to ship it to Orange, Texas. From there it could be shipped by steamboat and then rail to Houston or even southwest of Houston to Alleyton, a depot for wagon trains to Brownsville on the Rio Grande. Altogether 12-14,000 bales of cotton accumulated at the Sabine River from Louisiana or nearby areas of Texas, on their way to Houston and beyond. Minimal rises of the Sabine River in the drought of 1863-1864 delayed shipping. Other delays included the need to buy cotton presses and import bagging and rope to put the cotton into good order, the need to load it on steamers or wagons at Orange for transport to the railhead at Beaumont, and the paucity of labor available to accomplish these tasks. The first Sabine cotton arrived at Orange in July 1864, and some was still at Pulaski when the war ended. Some reached Houston
by rail in the late winter and spring of 1865 and some was delivered at Sabinetown in payment on a huge debt owed to R. King & Company.\textsuperscript{13} Although the agents and government contractors had many advantages, including freedom from impressments of their equipment or transport and an occasional work detail from the military, moving fewer than 14,000 bales of cotton overland to the Sabine River and then to the railhead at Beaumont highlight the difficulties private businessmen and producers encountered in moving cotton to market.

Once established in August 1863, the Cotton Bureau took over existing government cotton contracts and cotton operations, most of them in Texas west of the Brazos or near Houston. By November Hutchin's Texas Cotton Office expanded the purchasing effort to east of the Brazos. The TCO directly administered the area between the Brazos and Trinity Rivers, the area surrounding Houston, and an area eastward along the coast to the Sabine. The TCO area to the east of Houston extended northward about 90 miles on the Sabine River end and about 125 miles northward on the Trinity River end, encompassing Orange and Beaumont in the southeast and Crockett in its northwestern corner. Soon the TCO established major depots at Waco, Marlin, and Mosely's Ferry on the upper Brazos River, and Navasota, Magnolia, and others between the Brazos and Trinity rivers north and northwest of Houston.\textsuperscript{14}

In January of 1864, the TMD Cotton Bureau required planters to sell half their cotton to the Confederate government or have all of it seized. Broadwell directed Barrett and Birge to purchase cotton in a large area of northern and eastern Texas—north and east of a line drawn diagonally along the eastern boundary of Anderson County, to Dallas County at the northwestern end and Sabine County at the southeastern. The western boundary of the area bordered on the upper Trinity River, and the southern bounds met the TCO-administered area that stretched eastward along the Gulf Coast. Barrett established his headquarters at Henderson and Birge operated from Jefferson. They attempted to buy half the cotton of their districts. They could offer the schedule price for half, and exemptions from impressments for the rest if the producers hauled the government half to depots within twenty-five miles of their plantation. For permits to export their half, producers had to deliver the Cotton Bureau's half the longer distances to Marlin on the upper Brazos River or Magnolia (nearer to Houston), for instance. Barrett and Birge were only minimally successful until the system was reformed five months later. Five factors limited their success. Entrepreneurs who had previously
confined their activities to western Texas began buying cotton during the winter of 1862-1863 not only between the Brazos and Trinity rivers but also in the western parts of Barrett’s and Birge’s districts, pushing prices up. From early 1864 to the end of the war, Governor Henry W. Allen of Louisiana employed agents to buy cotton in Louisiana and northeast Texas and move it to Waco and then through San Antonio to the Rio Grande. There, his agents exchanged it for medicine, cotton cards for the hand manufacture of cloth, and other civilian necessities. Allen’s operation seldom came into conflict with Cotton Bureau agents, and when it did, Broadwell quickly negotiated mutually acceptable solutions. More importantly, by March 1864, Texas government agents offered growers who sold cotton to the state protection from impressment for an amount equal to the amount sold to the state. State agents offered higher prices than the Cotton Bureau. They also claimed that the Cotton Bureau was not legally authorized to impress cotton and denounced its agents as corrupt. Most planters therefore preferred to sell to the state. A fourth factor was a February 1864 law of the Confederate Congress that transferred control of cotton exports to the Treasury Department. But, a key reason the Cotton Bureau’s January 1864 plan failed was the simple fact that growers did not have the teams and wagons to transport more than a few bales, and the January 1864 Bureau plan relied on producers to take the initiative to deliver the cotton to get exemptions from impressments and export permits.  

In June 1864, Broadwell and Kirby Smith designed a new plan for acquiring cotton and by early July Governor Murrah agreed to no longer oppose the Bureau cotton purchasing program. Again, the threat of impressments was at the heart of the plan. Cotton Bureau agents visited every farm and plantation and offered to buy half the crop at the schedule price in return for exemptions from impressments for the rest. An officer with the authority to impress all their cotton visited producers who did not sell half to the government. Usually, at that time, the producers agreed to sell half to get the other half exempted. Everywhere east of the Brazos except in Barrett and Birge’s districts, producers also got export permits for delivering the government bales to nearby depots. In 1864, cotton with export permits sold for almost twice as much as other cotton, but permits were out of reach for most of the producers east of the Trinity River. To obtain export permits for their half, they would have had to haul the cotton they sold to the Bureau from 120 to 200 miles cross country to points on the Brazos River or near Houston. The value of cotton in
these easternmost areas was only 2 to 3 cents (specie), because buyers deducted the cost of transport to market. Broadwell used export permits to encourage producers to bear the cost of transport at least as far as the Brazos. Barrett and Birge proved unable to convince Broadwell that the producers simply lacked the means to move their cotton that far. 16

Whereas almost all producers east of the Brazos sold half their cotton to the Bureau, in several counties the largest owners refused to sell even when the impressment officers arrived, claiming the Bureau had no authority to impress cotton. Kirby Smith based his authority on directives from the Secretary of War and President of the Confederacy when the surrender at Vicksburg brought about a separation of the Trans-Mississippi states from the Confederacy east of the Mississippi River. They instructed Kirby Smith to exercise the civil and military authority of the Confederate government in the Trans-Mississippi and do what was necessary to supply the army in that area. In August 1863, Trans-Mississippi governors agreed to cooperate with Kirby Smith and most often did so. (The exception was Texas governor Pendleton Murrah, from early March to early July 1864.) Kirby Smith also pointed out that the Confederate Congress had confirmed that traditional military authority for impressments. When in early August 1864, new regulations arrived from Richmond with an order to turn control of cotton over to the TMD Treasury agent, Kirby Smith convinced him that the Overland Regulations were impractical and received permission to continue as before until February 1, 1865. Cotton Bureau agents corresponded regarding the desirability of impressing cotton. Most agreed that there was no way to keep the army supplied without acquiring cotton and that the army had no money to pay for cotton or supplies. Because of that necessity, many believed it important to demonstrate the resolve of Kirby Smith and to make an example of the few large planters who refused to sell. They argued that fairness to the smaller planters and farmers who had sold cotton to the Bureau required impressments. Others suggested that while impressments of supplies was lawful, impressment of the wherewithal to pay for imported supplies might not be. Since the Texas legislature had passed laws requiring full payment at the time of impressment and requiring Texas authorities to arrest anyone who attempted illegal impressment, officers in the field tried to shift responsibility up the chain of command but could not obtain a clear order to impress particular cotton. The correspondence of the Cotton Bureau indicates that no impressments of cotton took place in Texas east of the Brazos. 17
Although in January 1865 some large planters successfully defied Cotton Bureau threats to impress their cotton, the June 1864 program to coerce sales through threats of impressment had made it possible for the Bureau to acquire nearly half the cotton east of the Brazos. When Governor Murrah agreed in July 1864 to stop opposing the Bureau purchasing program and officers began arriving on farms and plantations to impress all of the cotton of those who were slow to sell, almost all producers sold half their cotton to the Bureau. The growers believed impressment was imminent and needed the promised payment. Moreover, those west of the Trinity River got permits to export the other half. Even in Barrett and Birge’s districts, producers sold half to the government, in the hope that the exemptions would allow them to sell the rest. Private buyers, some of whom brought wagons and Mexican drivers into eastern Texas, could get the export permits for the other half (which increased its value considerably) if they hauled the government half to the Brazos River.

Cotton Bureau agents east of the Brazos used the large amounts of cotton they purchased from June 1864 through January 1865 in various ways. They transported some to Waco or San Antonio for reshipment to the Rio Grande and some to Navasota (at the junction of the Navasato River with a short rail line to Houston) or other depots for shipment to Houston, to pay for goods being run in through the blockade at Galveston. Hutchins paid 13,700 bales of cotton at Houston, from July through October 1864, for goods run in through Galveston, or to creditors of the Cotton Bureau. After the last blockade-running port on the east coast fell in mid-January 1865, Hutchins could export larger amounts of cotton on blockade runners that shifted their operations to Galveston. This cotton was shipped to Havana, to pay creditors or to Liverpool for sale on government account. During the last five months of the war, the Texas Cotton Office exported 7100 bales of cotton from Galveston on government account.

But most of the cotton purchased by the Bureau east of the Brazos appears to have been used to pay for army stores delivered during the preceding two years. To improve government credit, to maintain their honor and the government’s, and to induce contractors to continue importing army supplies, Broadwell and Kirby Smith directed that cotton be paid to Bouldin and Newell, R. King and Company, Bouldin, Riggs and Walker, Governor Morehead, and a few others who had delivered supplies when needed instead of demanding payment before delivery. In the spring of 1865, Bouldin, Riggs and Walker was still awaiting payment
for thirteen tons of lead delivered to the arsenal at Marshall in January of 1864, and R. King and Company awaited payment for supplies delivered in June 1864 and advances made to Broadwell at that time so that the Cotton Bureau might sustain its cotton acquisition and transport program. In some instances, the Bureau delivered cotton to contractors at depots east of the Brazos. Eventually, the Bureau transferred to King and Company, and others to whom cotton was owed, the government half of the cotton of entire counties where it lay on the plantations. The contractors' agents then took possession of the cotton directly from the producers and attempted to transport it to the Rio Grande or run it out through the blockade at Galveston or the mouth of the Sabine River. 20

Few buyers in Barrett and Birge's districts, however, could obtain Cotton Bureau export permits, because most did not have wagons and teams to deliver cotton to the Brazos River. Those who wished to sell their cotton could sell it to private buyers who brought teams and wagons into the district. Generally, private buyers paid in Confederate currency equivalent to the specie value. Thus, if Broadwell's upper estimate that cotton in Barrett and Birge's districts was worth 3 cents per pound (specie) was correct, the buyers would pay 60 cents per pound in Confederate dollars in July 1864. The Bureau, on the other hand, paid a set price, 20 cents per pound in early 1864 (and 25 cents in late 1864) in certificates that could be exchanged for Confederate dollars when the currency became available and, moreover, was dilatory in providing certificates. Bureau buying of cotton and issuing of exemptions and export permits ended February 1, 1865. 21

Through coerced sales, the Bureau's effective cotton-buying program in Texas east of the Brazos - under the authority of Kirby Smith as Commander of the Trans-Mississippi Department - lasted seven months. In that time, it had acquired nearly half the cotton of the area for the use of the Confederate Army.

Congress's February 1864 law mandated that importers and exporters make available to the government half of their cargo space and effectively transferred control of cotton exports from the army to the Treasury Department. Treasury Department regulations under the new law envisioned exporting to England half the cotton of the Confederacy and prohibited both payment in cotton for purchases of supplies in the Confederacy and contracts providing for payments in cotton in the Confederacy for imported supplies. All cotton would go to England to purchase supplies there at wholesale prices. The Treasury Department
planned to acquire cotton from exporters at the ports (and, in Texas, also at Alleyton and Waco), since the exporters could ship cotton only if half the cargo was government-owned.  

The Treasury Department developed regulations for exports by sea and by overland transport in April 1864. They reached Kirby Smith in early August 1864. Peter W. Gray, former Confederate Senator from Texas, had become the Treasury agent for the Trans-Mississippi Department in February and soon established his headquarters at Marshall, Texas. When Kirby Smith and Broadwell pointed out to him the impracticality of the overland regulations, Gray allowed Cotton Bureau operations to continue while he requested modification. He allowed the Cotton Bureau to buy and transport cotton, and issue exemptions and export permits until February 1, 1865. The Cotton Bureau and those with export permits could continue to export cotton without Treasury Department interference until May 1. From early August on, however, Gray refused to provide any new issue Confederate dollars for cotton buying and directed that payment be made in certificates, or old issue currency that the Cotton Bureau might have on hand. When the modified regulations arrived in early October 1864, Gray published them but did not gain control of Cotton Bureau staff until mid-November. Gray slowly familiarized himself with the practices of the Bureau and in the meantime allowed the June 1864 plan to continue for the overland trade. By December 1864, Gray regretted having agreed to the permits for export and indirectly approving impressments. In early January, Gray published a notice that he had never approved impressments of cotton, and soon after, Kirby Smith withdrew his authority for impressments of cotton, thus undercutting the threat of impressment that was at the heart of the June 1864 program. But by that time, the Cotton Bureau had already acquired a large part of the cotton of the region.

Although the June 1864 Cotton Bureau program had been in effect for seven months, for the last three and a half months of the war the threat of impressments was gone. Cotton producers could freely sell cotton they had not previously sold. The buyers would then attempt to transport it to the Mexican border or Galveston. In either case, buyers intending to export cotton eventually would have to sell half to the government because half the cargos leaving the Confederacy had to be government-owned. Similarly, wagon trains carrying cotton past Alleyton or Waco toward the Rio Grande had to provide half the cargo space to the government, so the traders had to sell to the government half of their stock. Given the
time it took for wagon trains to move cotton from northern and eastern Texas, few if any cotton buyers were able to export cotton from east of the Brazos under the Treasury Department plan. An unexpected obstacle appeared when the drought that had plagued Texas since early 1864 broke with drenching rains in the winter of 1864-1865 and spring of 1865, producing mud that bogged down wagon trains across the state. 24

By late 1864, realizing that the Confederacy had lost the war, some planters became unwilling to sell to private buyers at any price, expecting lifting of the blockade and reopening of the traditional routes. They hoped that the specie price of cotton would then rise considerably. At the time of the surrender, much cotton remained on the plantations. Indeed, many factorage firms returned to business soon after the war ended and exported large amounts of cotton in late 1865 and early 1866. The specie price of cotton at Galveston in the summer of 1865 was 50 cents, more than seventeen times the price east of the Brazos during most of the war. Although the price at Galveston quickly fell to a high of 31-32 cents during 1866 (the 1865 crop marketing year), that was ten times the price that Texans east of the Brazos could get during the war and five times the usual pre-war price. 25

Texas east of the Brazos did not share in the large profits that cotton producers in western Texas enjoyed during the war, but the planters survived economically despite the blockade and the coerced sales. Although for thirteen months (January 1864 through January 1865), cotton producers faced government policies that demanded that they sell half their cotton or have all of it impressed, producers could, after complying, then sell the other half at higher prices, since it was exempt from impressments. Some major producers apparently successfully held out against this government coercion and probably sold their cotton to private buyers during the summer or fall of 1865, taking advantage of much higher prices once the blockade was lifted.

This study illuminates two important aspects of the economy of Texas east of the Brazos River during the Civil War: the economic lives of cotton producers, as the Union blockade disrupted well-established marketing arrangements for cotton; and the Confederate Cotton Bureau's efforts to acquire half the cotton of Texas.

After the people of eastern Texas found it almost impossible to export or sell their cotton during the first year and a half of the war, the revised Produce Loan provided a little relief in late 1862, and some
buyers appeared in the western part of the area in 1863. In early 1864, the demands of the Confederate Cotton Bureau that they sell half their cotton at low prices or have the entirety impressed dashed local hopes to sell cotton at good prices. Private buyers in some areas paid higher prices for the other half but struggled to get permits to export it. By late 1864, many producers preferred to hold their half in anticipation of higher prices after the war was over. It was not until the war ended, the army disbanded, and the blockade was lifted that cotton marketing could hope to return to the pre-war routes and practices.

The TMD Cotton Bureau was successful in the last year of the war in acquiring in eastern Texas large amounts of cotton to pay for military goods imported into Texas. This success was based on coercion by threats of impressing all of a producer’s cotton if he or she would not sell half to the army. As a few influential Texans refused to comply and a much larger number protested to the state legislature and Confederate Congress, Kirby Smith withdrew his authorization for impressing cotton. The army, however, required the overwhelming majority of producers who had signed contracts under that threat to deliver their cotton as contracted. Clearly, if the war had continued for another year, the unwillingness of Texas citizens to sell cotton at low prices to the Confederate army would have prevented the army from continuing to import essential military supplies.

This study also demonstrates the complexity of the Confederate use of cotton to pay for imported goods. The Confederate Treasury Department used Produce Loan cotton where it lay on the producer’s land as security for borrowing in England and Europe. The Confederate Army in Texas paid cotton on delivery of imported goods on the Rio Grande and at Galveston, delivered cotton at depots along the Brazos River to contractors who had delivered goods in advance of payment, and delivered half the cotton of entire counties to contractors who had advanced huge sums of money to the Cotton Bureau. Finally, in 1864 Confederate Treasury agents exported large amounts of cotton for sale in England.

The Confederate army in Texas increasingly understood the importance of cotton in its ability to protect Texas from Union forces. The inability of producers of cotton in Texas east of the Brazos to export or sell their cotton eliminated their main source of income. The resulting tension was one example of a weakening of support for continuing the war that was evident by late 1864 in most parts of the Confederacy.


Although Woodman reports that the 1862 crop planted was less than a third of the 1861 crop, his sources are overwhelmingly from east of the Mississippi, where all the states took steps to restrict the planting of cotton. The governments of Louisiana and Texas took no such steps; Woodman, King Cotton and His Retainers, 209. Lebergott, “Why the South Lost,” 50-51, 69; Kerby, Kirby Smith’s Confederacy, 382; Woodman, King Cotton and His Retainers, 203, 209, 216; Moneyhon, The Struggle of Reconstruction, 11-12; Jewett, An Experiment in Nation Building, 105, 108, 111-12, 115-16, 121; Thomas B. Alexander and Richard E. Beringer, The Anatomy of the Confederate Congress: A Study of the Influences of Member Characteristics on Legislative Behavior, 1861-1865 (Nashville, TN: Vanderbilt University Press, 1972), 108-9.)

8 Simeon Hart to Henry Sampson, 16 May 1863, Henry Sampson Collection, Archives Department, Rosenberg Library, Galveston, Texas; Letters Received, Texas Cotton Bureau, Entry 301, Record Group 365, National Archives, Washington, DC, files 3928, 3936, 3955-56 (hereafter referred to as E301-3928); E291-886; and Lebergott, “Why the South Lost,” 64. 9E291-87, 99, 187; Kerby, Kirby Smith’s Confederacy, 175-78; Todd, Confederate Finance, 51-52, 140, 147-48; Goff, Confederate Supply, 84-87; Nichols, Confederate Quartermaster, 43-44; Jewett, An Experiment in Nation Building, 146-48, 183-88.

10 Todd, Confederate Finance, 51-52, 140, 147-48; Goff, Confederate Supply, 84-87; Nichols, Confederate Quartermaster, 43-44.


12 E291-97, 317, 434, 899, 1687, 1694, 1700, 1851; E301-473, 3435, 3441, 3876, 3943, 3963; Entry 288, Files 391, 392 (14 Mar. 1864), Record Group 365, National Archives, Washington, DC; and Quartermaster


E291-56, 62, 110, 117, 246, 269, 314, 318, 345, 352, 383, 441, 1432, 2208, 2280; E301-40, 2685, 2996, 2997, 3339, 3434, 3436, 3451, 3876; Quartermaster Records, A4, File 138 (21 May 64), File 193 (27 Nov. 1864); Ballinger Papers, A1, File 81 (10 July and 19 Dec. 1864, and 5 Jan. 1865); Box 10, Letters, Governors’ Papers, Archives Division, Texas Archives and Library, Austin, TX, (11 Feb. 65) (hereafter cited as Governors’ Papers); Alexander and Beringer, Anatomy of the Confederate Congress, 139-44; Kerby, Kirby Smith’s Confederacy, 138, 141-42, 407-410; Jewett, An Experiment in Nation Building, 183-89, 193-94, 198-205; Maretta, Ballinger, 157-58; Goff,
Confederate Supply, 136.


18 Quartermaster Records, A4, File 193 (27 Nov. 1864); Jewett, An Experiment in Nation Building, 199.


20 For payments to creditors in north and east Texas, see E291-806, 1010, 1355, 1603, 1744, 1854, 2356; E301-1838, 2600, 2626, 2636, 2983, 3354, 3365, 3874, 3876; E288 (14 March 1864); Quartermaster Records, A4, File 138 (11 Mar. 1864).

21 See note 15. E291-269; E296-5:398-99, 5:469, 5:495, 6:3; E298-480; Alexander and Beringer, Anatomy of the Confederate Congress, 139-44, 204-6; Todd, Confederate Finance, 188-94; Ball, Financial Failure and Confederate Defeat, 96-99; Goff, Confederate Supply, 178-82; Nichols, Confederate Quartermaster, 75-79.


24 E291-365, 432; Kerby, Kirby Smith's Confederacy, 384.

25 The Union soldiers and Treasury agents who occupied Texas after the war seized only the government-owned cotton (Woodman, King Cotton and His Retainers, 230, 248-50); Jewett, An Experiment in Nation Building, 178; Moneyhon, The Struggle of Reconstruction, 6-9, 11-12, 23, 37.