

Sacred Debts: State Civil War Claims and American Federalism, 1861-1880

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Review

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The cost of war:

Paying for the army

By the end of the Civil War, the Federal government had spent an estimated 3 billion dollars on the war effort, and the states themselves had grounds to claim an estimated 468 million dollars from the government. **Sacred Debts: State Civil War Claims and American Federalism, 1861-1880**, by Kyle S. Sinisi, is an examination of this indemnification process, which provides a window into the administrative operations of U.S. federalism from 1861-1880.

Sinisi points out on page xi-xii that he treats federalism as a working system of intergovernmental operations. For the author, this means the administrative interaction of the national government and the states. By defining federalism in this manner, Sinisi takes on two giants of history and political science, Stephen Skowronek and Richard McCormick, who have claimed that the court system and political parties controlled nineteenth century U.S. government. Sinisi correctly believes that the emphasis on courts and parties needs to be modified. While these entities do play a role in Sinisi's narrative, they are secondary to the importance of the administrative bureaucracy generally and the process of indemnification specifically. What then are we to understand is the most important part of the actual process? Sinisi would like us to believe that the increasing popular demand on the growing national government, fraught with contradictions surrounding retrenchment and indemnification, are of primary consideration. Add to that a host of local concerns, such as Indian troubles, fears of debt repudiation, and overworked officials, and you have a distracted bureaucratic and political effort that characterized the process of indemnification. This point is significant because many scholars have placed the origins of the modern state in the years immediately following the Civil War.

Sinisi does not seek to debunk the modernization thesis just merely qualify it. On page 26 he writes, Although America may have been on the verge of modernizing its constitutional and economic structure, the administrative structure of Congress changed little during the nineteenth century.

In order to explicate the process of indemnification and make his case, Sinisi provides a detailed explanation on the origins of the claims system and follows with an examination of Kansas, Missouri, and Kentucky which he claims are broadly representative of the Union states in their efforts to gain reimbursement from the federal government. Each state relied upon commonly used officials and methods of claims, filed collectively for every type of claim in the post war era, and had contrasting financial conditions during and after the Civil War. Though these states might have held common attributes regarding the process of indemnification, without research into the indemnification process of the other, and more solid Union states, we can only take Sinisi for his word that these border states are representative of the Union.

Contemporaries believed the Civil War would be a short lived conflict. As such, state officials threw financial caution to the wind in their support of the war effort. When an end did not come quick, state politicians began to clamor for money, knocking on Washington's door, believing it the responsibility of the Federal government to reimburse states for their contribution to the national cause. Sinisi points out that history provided precedents for indemnification in the French and Indian conflict, the assumption of debts in the post-Revolutionary War era, and Congressional acts of indemnification after the war of 1812.

On July 27, 1861, Congress heeded the call of the states and passed an act to indemnify the states. The bill, as others passed during this session, escaped the scrutiny of debate. Moreover, the wording of the bill was vague enough, as Sinisi points out, seemingly to minimize controversy over indemnification. Congress, however, did not make it clear as to how the bill should be interpreted. This responsibility then fell to Salmon P. Chase, Secretary of the Treasury, who wielded a tight grip on the treasury during an era of retrenchment and laid down strict rules and requirements for indemnification, thus making the process of reimbursement more difficult. With the emergence of Chase's rules, we see the beginning of that conflict Sinisi attempts to expose — the rising popular demands on the government combined with retrenchment. It is here that Sinisi is at his best. He describes in elaborate detail the political relationships within the Federal and state governments and between Washington and the states over Chase's rules

and the process of indemnification. His research and attention to detail is a model for historians and political scientists seeking to understand political and bureaucratic relationships in any era. Sinisi convincingly proves his thesis by revealing that while the process of indemnification occurred at the national level where the states battled an uncooperative federal government, the states failed to cooperate among themselves on a vital issue of mutual interest. Thus, modernization, at least in an administrative sense, is nowhere to be found.

To explicate this, Sinisi dissects the process of indemnification in each of the above mentioned states. In Missouri's case, the author highlights the indemnification precedent set by the state, the role of lobbyists, the rise of state agents, political turmoil, fraud, and the Crafton Commission. Instrumental to Missouri's indemnification saga was the Crafton Commission, created in 1874 and headed by Adjutant General J. D. Crafton. The Crafton Commission had the responsibility of auditing and reauditing all outstanding claims against the state by the August 1 deadline. The Commission audited 11,961 claims, approving 7,554 worth over two million dollars with the claimants receiving certificates for their claims. Herein lay one of Missouri's main problems — the issuing of scrip, which led to speculation. In the end, Missouri generally failed to capitalize on reimbursement, and Sinisi reveals that the state's indemnification troubles were plagued by localistic concerns such as political conflict between the governor and the legislature, the fear of corruption among state agents, and fraud associated with the Crafton Commission.

For Kentucky, that state's problems were somewhat different. The Bluegrass state suffered from intergovernmental tensions, basically failing to realize the sacredness with which Congress held Chase's rules for indemnification. Kentucky continually challenged the rules, but to no avail. This challenge was born out of the state's mistrust of the Republican led Federal government that Kentucky wrongly believed was actively hostile toward the state. The obstacle of Chase's rules would plague Kentucky's claims throughout the 19th century.

Although the amount of Kansas' claim was small in comparison to that of other states, it is important for furthering our understanding of the process, and thus central to Sinisi's thesis. For Kansas, the most prominent feature of the indemnification process was the fact that it was shaped by local efforts in the absence of a state bureaucratic apparatus. The Congressional delegation rather than specific agents, controlled the indemnification process of the state. For Kansas, Sinisi highlights the effort of the state to receive reimbursement from

the Price raid. Confusion, however, over the types of claims allowed plagued the state's efforts for reimbursement. High hope existed for reimbursement for property damage. Kansas though was thus unaware of or ignored Chase's rules and the precedent it established for rejecting property damage claims. Furthermore, the distractions of the frontier, a controlling congressional delegation, and political inexperience all weighed on the Sunflower state. Thus, at least when it came to the Price raid, Kansas fared no better than the other states in its attempt to gain reimbursement.

Sinisi convincingly proves in each state that intergovernmental relations were shaped by local political, economic, and military concerns. More importantly, because the author actually tests the relationship between the individual, state, and federal government, he has provided a significant contribution to the field. Historians and political scientists that adhere to modernization theory, and those historians of the Confederacy, would do well to take a lesson from Sinisi. **Sacred Debts**, part of the North's Civil War series, is a necessary read.

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