Economic Activity Following the Civil War
Indexed by Postal Money Order Data
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Abstract

Following the Civil War the southern states were in dire economic condition. In an attempt to deal with this problem, the policy of Reconstruction was put in place. Reconstruction is widely regarded as a massive failure since, far from helping the former Confederate states to regain a high level of economic activity and prosperity it resulted in decades of economic stagnation. However, there has been little objective data on the degree to which the former Confederate states lagged behind the former Union states in the years following the war. In this paper we use data on the number and value of postal money orders issued and cashed in the reconstructed states as a measure of their economic well being as it changed in the years following the Civil War. The time course of changes in money order activity in the former Confederate states will also be compared to that of the Union states.

The primary data will be from the Annual Reports of the Postmaster General for the years 1865 to 1890. These reports provide, for each year, a table listing, by individual state, the total number and value of domestic postal money orders issued and cashed. However, this data alone is not sufficient for comparisons. The several states obviously differed in population and these population differences will need to be taken into account. State by state population data is available in the reports of the United States Census. Finally, the states also differed in the number of money order offices in each state. Data on this variable is not found in the Postmasters General reports. It is, rather, found in the Official United States Postal Guides for the period in question.

Combining the data from these three sources we will be able to describe the pattern of economic activity in the former Confederate states over the 25 years following the Civil War and compare that to whatever economic changes took place in the former Union states.