

TRADING IN THE SHADOW OF NEUTRALITY: GERMAN-SPEAKING EUROPE'S COMMERCE WITH UNION AND CONFEDERACY DURING THE AMERICAN CIVIL WAR¹

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"You are closer to the war than we are," wrote a German immigrant from California to his parents in Saarbrücken in 1862 as the American Civil War entered its second year.² He was not wrong. Around 1860, a journey from the eastern states of the United States (the main scene of the Civil War) to California by land and sea took longer than an Atlantic crossing from Bremen or Hamburg to New York or Charleston. Due to the geographical conditions of the Atlantic, America and Europe formed a traffic zone in the middle of the nineteenth century that was already over 300 years old: favorable trade winds, deep rivers that were navigable even for larger ships, such as the Elbe, the Rhine and their tributaries, had created cis-Atlantic hinterlands,³ contiguous trading regions and informal niche spaces between the continents,⁴ which, intentionally or unintentionally, could put the people living on them into momentous interdependence with one another.

Although research on the global history of the American Civil War (1861–1865) has made extremely innovative progress in the last 20 years, knowledge of the effects of the war outside the United States is still limited by comparison. This is especially true for German-speaking Europe.⁵ Although we now know a great deal about events and contexts outside the borders of the American Empire⁶ that can be understood as the prehistory of the war, we know surprisingly little about how the war per se affected regions

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2 Peter Klein to his parents, May 1, 1862, in *Deutsche im Amerikanischen Bürgerkrieg: Letters from Front and Farm, 1861–1865*, ed. Wolfgang Helbich and Walter Kamphoefer (Paderborn, 2002), 382.

3 "Cis-Atlantic" in this context means the history of states, regions, cities or

institutions and their interaction with the Atlantic world, regardless of their geographical distance from the Atlantic. See David Armitage, "Three Concepts of Atlantic History," in *The British Atlantic World, 1500–1800*, ed. David Armitage and Michael J. Braddick (Basingstoke, 2002), 21–26.

4 See Bernhard Bailyn, *Atlantic History: Concept and Contours* (Cambridge, 2005), 83.

5 In the following, "German-speaking Europe" and "Central Europe" are understood to mean regions of the later German Empire and the Empire of Austria, where the majority of the population was German-speaking. This definition is borrowed from more recent relevant studies on the Atlantic history of non-Western Europe, such as those by Felix Brahm and Eve Rosenhaft, eds., *Slavery Hinterland: Transatlantic Slavery and Continental Europe, 1680–1850* (Woodbridge, 2016), and Jutta Wimmerl and Klaus Weber, eds., *Globalized Peripheries: Central Europe and the Atlantic World, 1680–1860* (Woodbridge, 2020).

6 I am following William Earl Weeks here, who argues that the history of the United States' foreign relations before 1865 should be examined under the concept of an "American Empire." According to this concept, a "complex transnational, transborder reality" existed between the internal and external affairs of the United States, which was influenced by, among other things, individual economic motives, the urge for economic expansion, innovations in transportation and communications, and the discourse on the role and future of slavery. See William Earl Weeks, *The New Cambridge History of American Foreign Relations, Volume 1: Dimensions of the Early American Empire, 1754–1865* (Cambridge, 2013), xvii–xxv.

and people beyond U.S. territory — and what kind of aftermath it provoked.⁷

Against this background, historians, and not only Civil War experts, plead for a more economic approach in the study of the middle decades of the nineteenth century.⁸ In other words, they advocate for a stronger consideration of the interrelationship between state, culture, and market, which was duly shaken by this enormous conflict (inside and outside the United States). These interdependencies are still neglected, especially in traditional diplomatic history.⁹ However, global historical debates on the USA and its relations with the world between the beginning of the nineteenth century and the end of the Civil War should also take into account the central importance of its material foundation and its most important symbol, cotton.¹⁰

From the perspective of this new material turn in the study of history, the effects of the American Civil War in German-speaking Central Europe pose revealing new questions.¹¹ These include questions about the economic effects of the Civil War, the economic and trade interests behind the diplomacy of governments, the socio-cultural entanglements of German merchants with North American slavery, discourses on imperialism and motives against or for the emancipation of discriminated population groups, and the roles of both the mobilized and those staying behind, for example. The role of smaller German states also gains more significance due to the material turn.

Older introductory works on German-American relations often do not discuss entanglements between the two regions until the founding of the German Empire in 1871,¹² while ignoring the small states such as Hamburg or Bremen and their hinterland, which were politically relatively insignificant yet closely connected with the United States economically.

A continuous opening due to the material turn also broadens the view to North American actors in Europe, for example to the “lower ranks of diplomacy,”¹³ i.e. consuls and (non-)state agents, middlemen as well as journalists and “ethnopolitical entrepreneurs” with a (German) American background.¹⁴ There were hundreds of them in Europe at the time of the Civil War who tried to influence public

7 See Steven Hahn, “What Sort of World Did the Civil War Make?,” in *The World the Civil War Made*, ed. Gregory Downs and Kate Masur (Chapel, Hill, 2015), 338–339.

8 See Hahn, What Sort, 340; Rosanne Curranino, “Toward a History of Cultural Economy,” *Journal of the Civil War Era* 4 (2012): 564–585; A. G. Hopkins, *American Empire: A Global History* (Princeton, 2018), 12; Stefan Berger and Thomas Fetzer, eds., *Nationalism and the Economy: Explorations into a Neglected Relationship* (Budapest, 2019).

9 Donna Lee and David Hudson, “The Old and New Significance of Political Economy in Diplomacy,” *Review of International Studies* 30 (2004): 343–360.

10 See Weeks, *The New Cambridge History*, 124.

11 On the material turn, see Kenneth Lipartito, “Reassembling the Economic: New Departures in Historical Materialism,” *The American Historical Review* 121 (2016): 101–139.

12 See Hans W. Gatzke, *Germany and the United States: A Special Relationship?* (Cambridge, 1980); Manfred Jonas, *The United States and Germany: A Diplomatic History* (Ithaca, 1984).

13 Hillard von Thiessen, “Foreign Relations and Diplomacy in the Early Modern Period and in Transition to Modernity: Approaches of Research – Debates – Periodizations,” in *Internationale Geschichte in Theorie und Praxis*, ed. Barbara Haider-Wilson, William D. Godsey and Wolfgang Mueller (Vienna, 2017), 158.

14 Following Pierre Bourdieu, the sociologist Rogers Brubaker defines ethnopolitical entrepreneurs as persons who “can live on or for ethnicity” and who “refer to” or “invoke” ethnic groups in order to “mobilize” and “incite” others. See Rogers Brubaker, *Ethnizität ohne Gruppen* (Hamburg, 2007), 20.

opinion from there by soliciting support from local “door openers” in order to pursue an agenda inclined towards the North or the South. To achieve success, money had to flow. The Civil War in Europe was a “battle for hearts and minds” — but also for “pocketbooks.”¹⁵

This will be analyzed in more detail below. For this purpose, I will first give an overview of the historical interpretations of the involvement of German-speaking Central Europe in the American Civil War. I will draw on publications by contemporaries and discuss selected examples from twentieth-century historiography. Next, I will highlight socio-economic connections between Central Europeans and the so-called Confederate States, and I argue that these connections are fundamental to the creation of a Central European hinterland of transatlantic slavery. The concept of neutrality under international law at the time, as explained in the next section, set the course for the understanding and economic leeway of third parties during the war, whose influence on German consumer markets is illustrated in the fourth part: The cotton crisis triggered by the blockade of the South had far-reaching consequences for numerous regions of Europe and the people who made a living from the distribution and processing of cotton. The shortage of the raw material not only contributed to an economic structural change in the German states, it also encouraged shipowners to become extensively involved in smuggling operations. The war thus also offered the chance of a good profit — which I will demonstrate by the extensive sale of arms from Central Europe to both the Union and the Confederate States. It proves the far-reaching consequences that the niches of European neutrality had for the war-torn United States and for Central Europe.

I. Dubious alliances

Among the first to give assessments of the American Civil War were often people who had experienced the war firsthand, whether as soldiers in the army or as publicists and politicians, including some prolific writers who had been involved in the 1848 revolutions and who pursued an ethno-political agenda, thereby promoting a filiopietistic narrative of German participation in the war.¹⁶ A German-American theologian who lectured on the Civil War in several German cities in 1865 made it clear to his listeners that Germany had every reason to “rejoice in the victory of the Union. In no other country in Europe has the sympathy for the cause of justice and humanity been greater and the confidence in its finite triumph stronger than in Germany.”¹⁷

¹⁵ Brian Schoen, “The Civil War in Europe,” in *The Cambridge History of the American Civil War, Volume 2: Affairs of the State*, ed. Aaron Sheehan-Dean (Cambridge, 2019), 351.

¹⁶ See Mischa Honeck, “An Uphill Battle: The American Civil War in German Historiography,” *Civil War History* 66 (2020): 162.

¹⁷ Philipp Schaff, *Der Bürgerkrieg und das christliche Leben in Nord-Amerika* (Berlin, 1866), 16.

August Bebel, the future co-founder of the SPD, declared a few weeks after the end of the war in an address to the “people and government of the North American Union”: “It is our fine share in the victories [of the Union] that we need not say that we Germans were far from the battlefield; for our sons and brothers who fought, bled, and won in the ranks of the Union army number in the thousands.”¹⁸

18 August Bebel, “Adresse beschlossen in der vom Arbeiter-Bildungs-Verein zu Leipzig einberufenen Volksversammlung,” May 6, 1865, in National Archives: Dispatches from United States Consuls in Leipsic, 1826-1906, Roll 6, Volume 6.

19 The numbers of German-born soldiers and soldiers from German parents in the Union army fluctuate between roughly 180,000 and 240,000. The number of Confederate soldiers of German descent is estimated at 9,000 to 18,000. See Don H. Doyle, *The Cause of all Nations: An International History of the American Civil War* (New York, 2015), 173; Andrea Mehrländer, *The Germans of Charleston, Richmond, and New Orleans During the Civil War Period, 1850-1870: A Study and Research Compendium* (Berlin, 2011), 143.

20 First answers on these topics are given by Kristen Layne Anderson, *Abolitionizing Missouri: German Immigrants and Racial Ideology in Nineteenth-Century America* (Baton Rouge, 2016); Kristen Layne Anderson, “‘Wir auch im Süden halten Wacht’: Ethnic Germans and Civil War Commemoration in Nineteenth-Century Charleston”, in *The South Carolina Historical Magazine* 117 (2016): 294-313; Christian B. Keller, *Chancellorsville and the Germans: Nativism, Ethnicity, and Civil War Memory* (New York, 2007); William Marvel, *Lincoln’s Mercenaries: Economic Motivation among Union Soldiers during the Civil War* (Baton Rouge, 2018).

Assessments such as Bebel’s emphasized the participation of the German-speaking diaspora and those left behind at home on the Union side. And the figures seem to confirm them: Significantly more ethnic German soldiers fought in the army of the Union than in the Confederate army.¹⁹ Of course, the collective memory of the participation of ethnic German soldiers in the Confederacy and the economic motives of German-speaking immigrants to enlist in both armies are comparatively unexplored. Their reappraisal has the potential to adjust the role and self-image of German immigrants during the Civil War and to reconsider the predominance of ideological motives.²⁰

In the twentieth century, German-speaking historians have concentrated mainly on diplomatic relations when studying the effects of the war in Central Europe, evaluated dispatches from German-speaking envoys from the USA, or compiled press reviews in line with a “perception studies”²¹ approach, which sometimes result in a passive examination, a relatively apathetic acknowledgement of one of the bloodiest conflicts between the end of the Napoleonic Wars and the beginning of the First World War.²² In Anglo-American Civil War research, Central Europe receives little attention. There are essentially two reasons for this: on the one hand, the language barrier makes it difficult for non-German-speaking researchers to deal with source material from German archives; on the other hand, the dominant influence of the period’s world powers, Great Britain and France,

21 On the widespread phenomenon of perceptions studies in German-language research on North America see Philipp Gassert, “Writing about the (American) Past, Thinking of the (German) Present: The History of U.S. Foreign Relations in Germany,” *Amerikastudien / American Studies* 54 (2009): 357.

22 See Rudolf Ullner, *Die Idee des Föderalismus im*

Jahrzehnt der deutschen Einigungskriege: dargestellt unter besonderer Berücksichtigung des Modells der amerikanischen Verfassung für das deutsche politische Denken (Lübeck, 1965). Contrary to popular opinion, the American Civil War was not the bloodiest war of the nineteenth century. This sad record is held by the Taiping Civil War in China (1851-1864) with approximately between

two and twenty million casualties. See Michael Geyer and Charles Bright, “Global Violence and Nationalizing Wars in Eurasia and America: The Geopolitics of War in the Mid-Nineteenth Century,” *Comparative Studies in Society and History* 38 (1996): 657; Stephen R. Platt, *Autumn in the Heavenly Kingdom: China, the West, and the Epic Story of the Taiping Civil War* (New York, 2012), xxiii.

eclipsed other regions of Europe and the world. Both countries were the most influential political and economic global players during the Civil War. London and Paris respectively were the first points of contact for the diplomatic representatives of the combatants, and there were numerous supporters of both the Union and the Confederacy in both countries. Among the political decision-makers of the two great powers in particular, many spoke out in favor of an independent Southern Confederacy, because it was expected to weaken the United States in the long term and thereby increase the global influence of their own nation. These ambitions were to play a considerable role in the diplomatic crises caused by the war (the *Trent Affair* of 1861/62), public intervention debates and international legal disputes (Alabama Claims/Treaty of Washington 1871).²³ It is therefore not surprising that these two states receive the most attention in research on the transnational effects of the Civil War while Central Europe and its people have so far mainly been overlooked in American-influenced narratives of the Civil War as well.

Many of the existing works arrive at similar results: During the Civil War, the governments of the German states and the majority of their population had sided with the eventual victors, the Union, and supported their struggle for national unity and freedom. From the perspective of diplomatic history, this may be true — but only at first glance, as will become clear in the course of this article. In their analysis of the Civil War, historians have drawn a relatively clear line between conservatism and liberalism, which they see reflected in support for the Union and the Confederacy respectively: Accordingly, a majority of supporters from the bourgeois-liberal camp had spoken out in favor of the Union, while people with conservative or clerical (more precisely: Catholic) views tended to favor the South.²⁴

The origins of this ideological dichotomy and the supposedly uniform German sympathies for the Union can be traced back to a Prussian Protestant, national-liberal view of history, which — fueled by the so-called “Wars of Unification” — was dominant and rarely questioned in the 1860s and 1870s, i.e. immediately during and after the Civil War.²⁵ From the teleological perspective of commentators at the time, it seemed only logical for the future German Empire to see itself as a perpetual supporter of the victorious central government in Washington, resisting “the temptations” of other “major powers” [i.e., Britain and France] to interfere in “America’s internal disputes and speculate on the disintegration of the great Empire of the United States.”²⁶ The

23 See Amanda Foreman, *A World on Fire: Britain's Crucial Role in the American Civil War* (New York, 2010); Howard Jones, *Blue & Gray Diplomacy: A History of Union and Confederate Foreign Relations* (Chapel Hill, 2010); Steve Sainlaude, *France and the American Civil War: A Diplomatic History* (Chapel Hill, 2019); Nimrod Tal, “Putting Out the ‘Embers of This Resentment’: Anglo-American Relations and the Rewriting of the British Response to the American Civil War, 1914–1925,” *Journal of the Civil War Era* 8 (2018): 87–110.

24 See Wilhelm Kaufmann, *Die Deutschen im amerikanischen Bürgerkrieg* (Munich, 1911), 137–139; Ralph H. Lutz, “Die Beziehungen zwischen Deutschland und den Vereinigten Staaten während des Sezessionskrieges” (Ph.D. diss., Heidelberg University, 1911), 61; Baldur Edmund Pfeiffer, “Deutschland und der Amerikanische Bürgerkrieg 1861–1865” (Ph.D. diss., Mainz University, 1971), 61–67.

25 See Eckart Conze, *Schatten des Kaiserreichs: Die Reichsgründung 1871 und ihr schwieriges Erbe* (Munich, 2020), 95–98; Thomas Nipperdey, *Deutsche Geschichte 1800–1866: Bürgerwelt und starker Staat* (Munich, 1998), 636–640.

26 Otto von Bismarck, March 13, 1884, in *Stenografische Berichte über die Verhandlungen des Reichstages: V. Legislaturperiode, IV. Session*, ed. Norddeutsche Allgemeine Zeitung (Berlin, 1884), 28.

“friendly relations with the United States” were as old as the United States itself, Reich Chancellor Otto von Bismarck proclaimed in a speech in the Reichstag in 1884 (alluding to the Prussian-American Trade and Friendship Treaty of 1785). “The fact that we refused any involvement [in the American Civil War] [...] has not failed to create a permanently favorable impression in America [...].”²⁷ As Bismarck’s remarks indicated, the German Empire’s supposedly clear choice of a side could be used as a nationalist distinguishing feature; as an invented tradition that propagated political and moral progressiveness vis-à-vis European rivals and thus sought to legitimize claims within the new power relations in Europe: “Peoples and individuals document the stage of their political consciousness and enlightenment through the sympathies they devote as spectators of a people’s struggle to one or the other of the contending parties,” a journalist explained in a military magazine in 1866. While most of the other “European rulers” had the “stigma” of having sympathized with “the pitiful chiefs of the slave breeders,” the “German people” had held fast to the Union, the “champion of freedom and humanity,” and had, so to speak, avoided this stigma.²⁸

27 Bismarck, 28.

28 “Der Reichthum, die Hülfssquellen und die Nationalschuld der Vereinigten Staaten von Nord-Amerika,” *Deutsche Wehrzeitung* (Coburg), April 9, 1866.

29 Gordon A. Craig, “Preußen und die Vereinigten Staaten von Amerika,” *Jahrbuch für die Geschichte Mittel- und Ostdeutschlands* 31 (1982): 54, 56.

30 Craig, “Preußen,” 57.

31 See Gassert, “Writing,” 345–382; Jörg Nagler, “National Unity and Liberty: Lincoln’s Image and Reception in Germany, 1871–1989,” in *The Global Lincoln*, ed. Richard Cawardine and Jay Sexton (Oxford, 2011): 242–258; Honeck, “An Uphill Battle,” 162–163; Andrew Zimmerman, “Discussion Forum: The Vanishing Nineteenth Century in European History?,” *Central European History* 51 (2018): 692–693.

American government officials were also eager to help establish an image of close ties between Prussia, the future German Empire, and the United States: John Lothrop Motley and George Bancroft, both highly popular historians and, in the 1860s, U.S. envoys at the courts of Vienna and Berlin respectively, described what they saw as a “special relationship” and “kinship” between the two countries.²⁹ Both Motley and Bancroft were of the opinion that the two (re)united states had suffered “similar crises” in the 1860s, “which would collectively result in an irrevocable expansion of the Empire of Freedom” and that Bismarck, like Lincoln, had served “the cause of democracy.”³⁰

As controversial as this telos of a supposed German-American alliance may be from today’s perspective, it nevertheless persisted into the twentieth century. It was taken up in a modified form by individual West German historians after 1945, for example, who oriented themselves on the American “ideal” of democratic nation-state development and its lessons for the nascent Federal Republic and by interpreting transatlantic ideas on democracy and liberalism as a norm pointing the way forward and interpreting alternative paths as deviations from this Western ideal.³¹

Departing from this tradition of interpretation, which already gained momentum during the Civil War, I would like to take a new, critical

look at the consequences of the American Civil War in Central Europe in this essay and expand research on the cross-border dimensions of war to include economic aspects. I am basing my approach on a series of observations that I will outline below.

Liberal-minded Central Europeans' siding with the Union did not automatically mean support for the legal and social equality of African Americans; on the contrary: freedom — in the United States as in Europe — was first and foremost the freedom of white, adult men with economic capital. Ideals such as "the equality of the races, of everything that bears a human face" were considered "politically irrelevant" and "fantasy images" in times of bourgeois Realpolitik.³² Nor does the supposed "opinion leadership"³³ of the liberal press (whose most important advertising customers and thus financiers included bankers, shipowners, merchants, and manufacturers) in the 1860s imply that this speaking elite was a representative majority in the German states. It is important to keep in mind that the main audience for liberal interpretations of the world represented only a small numerical proportion of the future German Empire's population.³⁴ Bourgeois liberal ideas did not have the dominance they gained in later times (and certainly not among the governments of the Central European states).³⁵

The sympathies for the Union's war aims had many causes and were often based on pragmatic and material interests. For many people, as pointed out by Geoff Ely and David Blackbourn in their influential reappraisal of German history in the nineteenth century, material progress was most likely to be found where one could operate in isolation from sensitive social and moral issues (and slavery was such an issue).³⁶ To put it bluntly: While one part of the German-speaking bourgeoisie spoke out in favor of the Union in newspapers and pamphlets, the other part — perhaps even the greater one — was busy trying to derive the greatest possible profit from the chaos of the war, whether that benefitted the North or the slave-holding South.

In the course of a revisionist mid-nineteenth-century Central European historiography that is only just beginning to take shape, liberal ideas and their supporters are coming under new, critical scrutiny.³⁷ As a result, both have lost much of their former status as moral beacons. It is important not to see nineteenth-century liberalism as a single ideal type, but to "face" its "diversity and contradictions."³⁸ According to this revision, what is commonly referred to as liberal ideas does not appear

³² August Ludwig von Rochau, *Grundsätze der Realpolitik angewendet auf die staatlichen Zustände Deutschlands: Zweiter Teil* (Heidelberg, 1869), VII.

³³ Hans-Ulrich Wehler, *Deutsche Gesellschaftsschicht: Dritter Band* (Munich, 1995), 445.

³⁴ For Prussia, the social historian Jürgen Kocka calculates a maximum of 20 percent, or less than five percent if one considers only the core of this group, the educated and the business middle classes. Jürgen Kocka, "Zur Schichtung der preußischen Bevölkerung während der industriellen Revolution," in *Geschichte als Aufgabe: Festschrift for Otto Büsch on his 60th birthday*, ed. Wilhelm Treue (Berlin, 1988), 385.

³⁵ See Schoen, "The Civil War," 358.

³⁶ See David Blackbourn and Geoff Ely, *The Peculiarities of German History: Bourgeois Society and Politics in Nineteenth-Century Germany* (Oxford, 1984), 219.

³⁷ See Zimmerman, "Discussion Forum," 693–694.

³⁸ Jörn Leonhard, "Politisches Gehäuse und ideologische Sprache des Fortschritts: Verfassung, Verfassungsstaat und Liberalismus im 19. Jahrhundert," in *Durchbruch der Moderne? Neue Perspektiven auf das 19. Jahrhundert*, ed. Birgit Aschmann (Frankfurt, 2019), 237, 239.

³⁹ Friedrich Bülau quoted in Rudolf Vierhaus, "Liberalismus," in *Geschichtliche Grundbegriffe. Band 3*, ed. Otto Brunner and Werner Conze (Stuttgart, 1982), 764.

⁴⁰ See Matthew Fitzpatrick, *Liberal Imperialism in Germany: 1848–1884* (New York, 2008); Jens-Uwe Guettel, *German Expansionism, Imperial Liberalism, and the United States: 1776–1945* (Cambridge, 2012), 27–41; Domenico Losurdo, *Liberalism: A Counter-History* (London, 2011), 340–344; Jan-Werner Müller, *Furcht und Freiheit: Für einen anderen Liberalismus* (Berlin, 2019), 72–73.

⁴¹ See Lars Maischak, *German Merchants in the Nineteenth-Century Atlantic* (Washington, D.C., 2013) 82–83.

⁴² See Jutta Wimmeler and Klaus Weber, "Constructing Atlantic Peripheries: A Critical View of the Historiography," in *Globalized Peripheries: Central Europe and the Atlantic World, 1680–1860*, ed. Jutta Wimmeler and Klaus Weber (Woodbridge, 2020), 1–18.

⁴³ Jürgen Osterhammel and Sebastian Conrad, "Einleitung," in *Das Kaiserreich transnational: Deutschland in der Welt 1871–1914*, ed. Sebastian Conrad and Jürgen Osterhammel (Göttingen, 2006), 7.

⁴⁴ See Jochen Meissner, Ulrich Mücke and Klaus Weber, *Schwarzes Amerika: Eine Geschichte der Sklaverei* (Munich, 2008), 94.

⁴⁵ See David Blackbourn, "Germans Abroad and 'Auslandsdeutsche': Places, Networks and Experiences from the Sixteenth to the Twentieth Century," in *Geschichte und Gesellschaft* 41 (2015): 333.

as a "warming fire"³⁹ for the benefit of broad sections of the population, but rather as flexible ideologies of dominance, competition, imperialist exploitation and war that promoted transnational markets in which exclusion, dehumanization and terror were systemic.⁴⁰

Against this background, the choice of sides by German-speaking Central Europeans in the American Civil War must be reevaluated. In the following, I will examine the role of merchants from the free cities of Bremen and Hamburg (known at the time as liberal strongholds⁴¹), and I will show that some of these supposed followers of peaceful (economic) liberalism were actually cosmopolitan custodians of traditional trade relations with the Confederate States and, through the trade in arms, promoted war and the continued existence of slavery. This also raises questions about the silent majority among the wider population, about the attitudes of uninvolved and non-political people who actually had nothing to do with the Civil War or wanted nothing to do with it, but who were affected by this conflict because of their economic ties to the global empire of cotton.

II. In the hinterland of slavery

Older studies in diplomatic or perception history on this topic sometimes fail to take into account the fact that regions, cities and people in Central Europe were already highly entangled with the Atlantic world in the middle of the nineteenth century, especially in economic terms. This aspect, too, has only recently received increased attention among historians. The significance of centers and peripheries in Atlantic history is currently undergoing a reappraisal.⁴² "Germany cannot be an island," a "circumscribed and self-referential world" isolated from events on the other side of the Atlantic, is what global historians Jürgen Osterhammel and Sebastian Conrad have noted with regard to the transnational interconnections of the German Empire.⁴³ This fact also applies — possibly even to a greater extent — to the time before the founding of the Empire. Before 1871, however, the connections between the two parts of the world were rather punctual and translocal and thus more difficult for today's historians to trace, because these connections and the associated actors often moved away from institutional frameworks such as nation states and, as a result, left fewer traces in archives. Or, as was not uncommon, they operated under the flag of other states,⁴⁴ giving German merchants, shipowners, and other actors before 1871 the appearance of the "invisible" in Atlantic history.⁴⁵

Central European ties with the New World were characterized by informal trade and information networks that had less contact with states than with regions and were thus part of an informal reality that was constantly in motion and should not be casually interpreted as an extension of the history of European nations overseas.⁴⁶ From the seventeenth century onwards, German-speaking Central Europeans migrated back and forth between North and South America and formed multi-layered nodes and trading points with their home regions. These diasporas were extremely heterogeneous groups with different political convictions, denominations and social backgrounds, whose motives did not necessarily coincide with the interests of their home regions. The motives of most German-speaking Central Europeans who emigrated to America in the nineteenth century were largely economic. Better wages, free land and lower taxes were important pull factors. When emigrants wrote letters to their relatives and friends in their old homeland about the freedom that was to be found in America, they mostly meant freedom from material obstacles.⁴⁷ This primacy of the economic among German emigrants to America in the nineteenth century was downplayed for a long time, since both political exiles at the time (like the Forty-Eighters) and many later historians anchored emigration to America in the collective memory primarily as a political moment, as an expression of protest.

Relations between Central Europe and the United States in the mid-nineteenth century were primarily commercial in nature, operated by private individuals, occasionally supported by intergovernmental trade treaties and consulates, which were intended to ensure that governments also made a profit from Atlantic trade.⁴⁸ For German-American relations in particular, it was not contacts with Prussian or Austrian cities with access to the sea (such as Stettin on the Baltic Sea or Trieste on the Mediterranean) that were of particular importance, but the coastal strips and port cities on the North Sea. The free cities of Bremen, Hamburg and their neighboring states formed the most important economic hinges between the Central European interior and the United States at that time. Economic crises such as the Civil War had consequences for the Hanseatic cities as well as for the interior of the country: "Whether Hamburg or Bremen prosper or suffer has an impact on the smallest Swabian or Thuringian factory city," a contemporary article stated.⁴⁹ The first evidence of North American rice, cotton and tobacco imports by North German merchants dates back to the first third of the eighteenth century. Even then, North American ports served as loading stations for transporting slave

⁴⁶ See Bailyn, *Atlantic History*, 60–61.

⁴⁷ See Max Paul Friedman, "Beyond 'Voting with Their Feet': Toward a Conceptual History of 'America' in European Migrant Sending Communities, 1860s to 1914," in *Journal of Social History* 40 (2007): 557–575; Wolfgang Helbich, "Land der unbegrenzten Möglichkeiten?: Das Amerika-Bild der deutschen Auswanderer im 19. Jahrhundert," in *Deutschland und der Westen im 19. und 20. Jahrhundert: Teil 1*, ed. Jürgen Elvert and Michael Salewski (Stuttgart, 1993), 311, 318.

⁴⁸ See Sam A. Mustafa, *Merchants and Migration: Germans and Americans in Connection, 1776–1835* (Aldershot, 2001), 255–260; Weeks, *The New Cambridge History*, xxiii.

⁴⁹ "Der Seehandel und Schifffahrtsverkehr der deutschen Post- und Nordseehäfen in seiner Gegenwart und wahrscheinlichen Zukunft," *Deutsche Vierteljahrsschrift* 1 (1852): 38.

products such as sugar, tobacco and cotton to Germany. Central European shipowners, captains, ship crews, dock workers, factory owners and bankers⁵⁰ thus profited directly or indirectly from an economic system based on racist forced labor.⁵¹ Many regions of Central Europe therefore formed a hinterland of transatlantic slavery.⁵²

The Central European demand for slave products from the American South was enormous and took on ever greater proportions in the last years before the war. The owners of German trading houses sent their sons or other close relatives across the Atlantic to establish branches in the production markets. Between 1850 and 1860, the proportion of the German-speaking population in the territory of the future Confederate States grew by eighty percent.⁵³ Among the most popular emigration destinations were the commercial centers of Galveston, New Orleans, Charleston, Savannah and Baltimore. The majority of the German immigrants there came from northern Germany.⁵⁴ Since it was usually difficult to compete with slave labor in agriculture, commercial occupations were an “economically sensible decision” for German immigrants in the South.⁵⁵ In Wilmington, North Carolina, in 1850, more than 80 percent of the male ethnic Germans were employed as merchants, traders, shopkeepers or in shipping.⁵⁶ Other German Southerners, in turn, made their living as brokers or importers of Bavarian porcelain, Rhenish wine or Thuringian musical instruments.⁵⁷ Since the mid-1840s, about 200 North German company branches in the USA ensured a steady flow of traffic between Central Europe and North America.⁵⁸ This transatlantic network of relationships was further intensified by marriage networks. Close acquaintance with the plantation owners, their sons and daughters, was important for profit and prestige.⁵⁹ The closer one was to the producers or buyers of one’s goods, the more advantageous this was for one’s own business conduct.

50 See Mustafa, *Merchants*, 122.

51 See Heike Raphael-Hernandez and Pia Wiegminck, eds., *German Entanglements in Transatlantic Slavery* (London, 2018); Klaus Weber, “Deutschland, der atlantische Sklavenhandel und die Plantagenwirtschaft der Neuen Welt,” in *Journal of Modern European History* 7 (2009): 37–67.

52 This phrasing is taken from the highly interesting anthology by Felix Brahm and Eve Rosenhaft, eds., *Slavery Hinterland*.

53 See Andrea Mehrländer, *The Germans of Charleston, Richmond and New Orleans during the Civil War Period 1850–1870* (Berlin, 2011), 295.

54 See Mehrländer, *The Germans*, 295.

55 Jens Bodamer, “Von Hannover in die Südstaaten: Deutsche Auswanderer in Wilmington, North Carolina, 1840–1914,” in *Niedersächsisches Jahrbuch für Landesgeschichte* 81 (2009): 334.

56 See Bodamer, “Von Hannover,” 334–335.

57 See Edmund Flagg, *Report on the Commercial Relations of the United States with all Foreign Nations: Volume 1* (Washington, D.C., 1856), 337–339.

58 See Karin Schniedewind, *Begrenzter Aufenthalt im Land der unbegrenzten Möglichkeiten: Bremer Rückwanderer aus Amerika 1850–1914* (Stuttgart, 1994), 114.

The liberal worldview that was often ascribed to the German-speaking overseas merchants within this network proved to be extremely selective and guided by interests.⁶⁰ As a result, they now appear more like conservative cosmopolitans — similar to many merchants and slave owners in the Southern United States — who spoke the same language as their American business friends: that of global capitalism.⁶¹

59 See Horst Rössler, “Bremer Kaufleute und die transatlantische Sklavenökonomie 1790–1865,” *Bremisches Jahrbuch* 95 (2016):

96; Margit Schulte Beerbühl, *Deutsche Kaufleute in London: Welt-handel und Einbürgerung 1660–1818* (Munich, 2007), 201–206.

60 See Maischak, *German Merchants*, 83.

61 See Maischak, *German Merchants*, 82–107.

All of Bremen's interests, it was said, were "subordinate to those of commerce."⁶² This seemed suspect to nationalist critics at home: Those in the country's interior accused the Hanseatic merchants of acting as "Yankee monkeys," a lack of patriotism, an excessive eagerness to enrich themselves and of being stooges for the interests of non-German states, among other things.⁶³ One of the characteristics of merchant trading as practiced by Bremen and Hamburg merchants was and still is that it is often conducted "completely detached from national interests."⁶⁴ For inhabitants of small states with few natural resources of their own, participating in a world market that is as open and extensive as possible was and is essential for survival. When war broke out between the Union and the Southern Confederacy in April 1861, this was to prove true.

III. Neutrality, war business, and international law in the middle of the nineteenth century

The majority of Europeans, as historian Brian Schoen recently noted, were flexible and ambivalent when considering the Civil War. The resulting strategic neutrality that German-speaking and other European actors maintained during the conflict offered them a great deal of latitude.⁶⁵ The (often ignored) rules for this room for maneuver were derived from the contemporary understanding of the behavior of neutral states during a war between third parties. No European government recognized the Confederacy *de jure* as an independent state. Like Britain and France, the member states of the German Confederation had declared their neutrality after the outbreak of war. And they did so by not declaring it: in international law even silence was considered a declaration of neutrality in times of war.⁶⁶ Although the German states avoided official declarations of neutrality — which later historians liked to interpret as proof of sympathies with the Union — this was not formally necessary for the recognition of the Confederacy as a belligerent party. Its status as a belligerent party allowed Confederate negotiators to buy weapons abroad, equip and build ships, and take out loans (for example, in the form of bonds, as in the case of the Franco-German bank Erlanger). Central Europeans were not prevented from trading with either the North or the South. The greatest risk for shipowners and middlemen was the possible confiscation of their cargo by one of the warring parties, who were allowed to stop and search ships sailing under a neutral flag if they suspected that they were transporting munitions for the enemy. As a rule, the neutral state under whose flag the respective ship was

62 "Bremen," in *Das Staats-Lexikon: Dritter Band*, ed. Carl von Rotteck and Karl Theodor Welcker (Leipzig, 1859), 87.

63 See Rolf Engelsing, "England und die USA in der bremischen Sicht des 19. Jahrhunderts," *Jahrbuch der Wittheit zu Bremen* 1 (1957): 33-65.

64 Lea Haller, *Transithandel: Geld- und Warenströme im globalen Kapitalismus* (Berlin, 2019), 18.

65 See Schoen, "The Civil War," 342-343.

66 See Heinrich Marquadsen, *Der Trent-Fall: Zur Lehre der Kriegscontrebande und dem Transportdienst der Neutralen* (Erlangen, 1862), 24.

sailing had no complaints or sanctions to fear, since its government could not be expected to be “held responsible for all the actions of [its] subjects.”⁶⁷ This also applied to the shipment of weapons.

67 Friedrich Heinrich Geffcken, “Die Lieferung von Contrebande seitens Neutraler,” *Zeitschrift für die gesamte Staatswissenschaft* 1 (1881): 100.

68 August Wilhelm Heffter, *Das europäische Völkerrecht der Gegenwart auf den bisherigen Grundlagen* (Berlin, 1861), 299.

69 Ute Frevert, *Die kasernierte Nation: Militärdienst und Zivilgesellschaft in Deutschland* (Munich, 2001), 297.

70 Frankfurter Reform (Frankfurt am Main), March 13, 1863.

71 See Jörg Fisch, *Europa zwischen Wachstum und Gleichheit: 1850–1914* (Stuttgart, 2002), 343.

72 Karl Polanyi, *The Great Transformation: Politische und ökonomische Ursprünge von Gesellschaften und Wirtschaftssystemen* (Berlin, 2013), 336.

73 During the “German War” of 1866 it was a matter of course for the Prussian cast steel foundry Krupp to supply Austria with cannons ordered from the company by the Imperial War Ministry, even though it was already at war with the northern German states at that time. Krupp saw this as a concession to the “facts of modern life and work.” In 1870/71 French and German merchants also continued to conduct financial transactions and invest in companies in the other country while French and German soldiers fought each other on the battlefields. See Lothar Gall, *Krupp: Der Aufstieg eines Industrieimperiums* (Berlin, 2011), 154–155; Polanyi, *The Great Transformation*, 31.

74 Geffcken, “Die Lieferung von Contrebande,” 82.

In the mid-nineteenth century, transnational trade in war materials was widely considered a “peaceful business”⁶⁸ that retained this character in the event of war and provoked less severe criticism in civil society (which at that time was “closely interwoven” with the military “in many ways”)⁶⁹ than in the following century. Nevertheless, there were some individuals who even then expressed their misgivings about these “peaceful deals”: “To deliver the means to fight this war victoriously [to the South] means nothing other than to re-fasten the already loosened chains of the unfortunate Negroes with our own hands. [...] Just as [...] the governments are still far from letting the dictates of public conscience guide their actions, this also applies to the larger commercial enterprises, and the public conscience only very gradually begins to resist this disregard of its precepts,” a Frankfurt journalist warned about German support for the Confederate States in 1863. “Currently it is in fact a recognized doctrine that the money market and wholesale trade has just as little to do with morals as does politics.”⁷⁰

To merchants, brokers, shipowners and manufacturers the war in North America, Europe’s most important overseas supply and export market,⁷¹ was primarily an evil that had to be accepted, but at the same time could be minimized by restricting trade with the Union and the Confederacy while continuing it on an equal base. This urge for economic continuity in times of war, which, according to the economic historian Karl Polanyi, made peace in the nineteenth century a “by-product of the economy,” was symptomatic of this period.⁷² Examples of this process can also be found in other conflicts of those years.⁷³ The cotton and arms trade with the South or the North was in most cases free of ideology for the German-speaking actors involved. The merchants were free to trade with whomever they wanted, especially if they sold their goods to the belligerent parties on their own, that is, neutral, soil. “The neutral actor wants to remain in good relations with both belligerents, and consequently to continue his trade with both.”⁷⁴ In practice, whether German states sided with the North or South was therefore often based on pragmatic reasons rather than primarily ideological motives.

This almost dogmatically pursued principle of neutrality offered little room for political alliances, but all the more room for maneuver for

the population and the economy.⁷⁵ It involved people in global crises to a greater extent than a clear commitment to a belligerent party. The opportunities for interaction were much greater for those affected than in the case of an alliance that would have illegalized and thus marginalized contact with the Union or Confederacy. The formation of political camps or world views had little effect. “Practical and experiential” considerations had priority.⁷⁶

This also made clear how strongly the contemporary understanding of neutrality aimed to stabilize the world economy in times of crisis and enabled third parties to do business despite a war.⁷⁷ If, for example, a Hamburg shipowner independently (not on behalf of his government) transported weapons to a representative of the Union or the Confederacy, then contemporary international law saw in this “the purpose of business profit” but not a form of direct support of the recipient’s war effort.⁷⁸ Things became more precarious when states supplied a warring party with larger quantities of war material in their own name: Herein lay the suspicion of direct, unilateral war assistance (although what exactly was meant by a larger quantity was not defined anywhere). Deliberately supplying one combatant only meant simultaneous damage to the other and thus amounted to a violation of neutrality. Neutral states had the duty to ensure that they did not “assist only one combatant in the war effort from neutral ground.”⁷⁹ Even the vague formulations of the treatises on international law of this period suggest that neutral actors did not adhere particularly strictly to these guidelines. In fact, the American Civil War prompted some prime examples of this nonchalance.

IV. The silence of the looms: Consequences of the Cotton Famine in Central Europe

Due to the naval blockade imposed by the Union Navy in April 1861, the South was logically cut off from the rest of the world and could no longer export the cotton so important to Europe — at least on paper. In reality, the blockade of the 3,500 miles of Southern coastline by approximately 500 ships of the Union Navy (of which on average only 150 were on patrol at the same time)⁸⁰ left plenty of openings. On average, four out of five ships managed to break through the blockade.⁸¹

Despite these loopholes, the blockade of the South did not fail to have the desired effect. Hundreds of thousands of European factory owners and workers, from Lancashire to Alsace and the Ore

⁷⁵ See Martje Abbenhuis, *An Age of Neutrals: Great Power Politics 1815-1914* (Cambridge, 2014), 1-21, 108-119.

⁷⁶ Frank Möller, “Vom revolutionären Idealismus zur Realpolitik: Generation-swechsel nach 1848?”, *Historische Zeitschrift, Beifalte* 36 (2003): 79.

⁷⁷ See Abbenhuis, *An Age of Neutrals*, 19.

⁷⁸ Geffcken, “Lieferung,” 100.

⁷⁹ Johann Caspar Bluntschli, *Das moderne Völkerrecht der civilisierten Staaten als Rechtsbuch dargestellt* (Nördlingen, 1868), 438.

⁸⁰ James M. McPherson, *Für die Freiheit sterben: Die Geschichte des amerikanischen Bürgerkrieges* (Munich, 1995), 358, 368.

⁸¹ M. Brem Bonner and Peter McCord, “Reassessment of the Union Blockade’s Effectiveness,” *The North Carolina Historical Review* 88 (2011): 397.



Figure 1. Cotton factory in Leutersdorf, Kingdom of Saxony, 1859. The Saxon cotton industry was one of the largest German consumers of North American cotton in the nineteenth century. Public domain.

ley, a fervent opponent of slavery and American envoy in Vienna, remarked with consternation in 1862 that the Europeans would understand the Civil War primarily as a “cotton question.”⁸⁵

This is hardly surprising since the cotton crisis seemed to be omnipresent. At the beginning of the 1860s, around 220,000 women, men and children living within the boundaries of the German Zollverein earned their living in the cotton industry.⁸⁶ This does not include the countless cottage industry looms, Austria, whose cotton industry workforce was estimated at 350,000 around 1860,⁸⁷ and the German states and territories that were not members of the Zollverein.⁸⁸ Only partially included are people who worked in related industries and also depended on a constant import of cotton such as dyers, clothiers and hosiery makers, or lacemakers. Taken together, the share of textile products manufactured by these occupational groups accounted for about half of all commercial export goods of the Zollverein.⁸⁹

⁸² Sven Beckert, “Emancipation and Empire: Reconstructing the Worldwide Web of Cotton Production in the Age of the American Civil War,” *The American Historical Review* 109 (2004): 1406.

⁸³ See Georg Hirth, “Statistisches über die Lage der Baumwollindustrie im Zollverein vor, während und nach der Krisis,” *Annalen des Deutschen Reiches* 3 (1870): 534–562.

⁸⁴ Beckert, “Emancipation,” 1410.

⁸⁵ John Lothrop Motley to William Seward, August 25, 1862, in *Papers Relating to the Foreign Relations of the United States*, ed. United States Department of State (Washington, D.C., 1862), 555.

⁸⁶ A. Bienengraeber, *Statistik des Verkehrs und Verbrauchs im Zollverein für die Jahre 1842–1864* (Berlin, 1868), 12, 197–199.

⁸⁷ Verein der österreichischen Industriellen, ed.,

Jahrbuch für Industrie und Handel in Österreich: Jahrgang II (Vienna, 1866), 86.

⁸⁸ These were the Hanseatic cities of Bremen, Lübeck and Hamburg, as well as Liechtenstein, Holstein,

Mountains, could not continue their work without cotton supplies. With the beginning of the second year of the war, the first global raw material crisis in history,⁸² the Cotton Famine, hit the German states with full force.⁸³ Throughout Europe, cotton imports plummeted and by spring 1862 had fallen by 96 percent.⁸⁴ The deficit was so dramatic that John Lothrop Mot-

Mecklenburg-Strelitz and Mecklenburg-Schwerin.

⁸⁹ Wolfram Fischer, *Expansion-Integration-Globalisierung: Studien zur Geschichte der Weltwirtschaft* (Göttingen, 1998), 106.

The American Civil War had deep-seated consequences for such a large industry that depends on world trade. The Civil War had dealt “the entire cotton industry” in Germany “a blow from which it would not recover anytime soon,” complained Prussian traders.⁹⁰ “The entire civilized world faces this war and its consequences like a fate from which no nation [...] is able to escape completely.”⁹¹ Berlin, where every 13th inhabitant worked in the clothing trade,⁹² soon counted 5,000 unemployed workers. Almost all cotton spinning and weaving mills in the Rhineland and Westphalia had either shut down their operations completely or were producing only part-time.⁹³ In the Austrian Empire, the number of people employed in the cotton industry decreased by eighty percent until 1864.⁹⁴ In Vienna, men who had become unemployed as a result of the crisis at least found alternative employment in the construction of the Danube Canal and in street cleaning.⁹⁵ Others, such as North Bohemian clothiers, suffered doubly from the effects of the Civil War, however. Not only did they soon lack yarn for the production of their cloth, but exports to the United States, where they traditionally delivered a large share of their goods, became unprofitable due to the lack of demand and the Union’s increased import duties, and in some cases exports stopped completely.⁹⁶ “The clacking and creaking of the looms usually heard from houses everywhere and at all times” in the villages of North Bohemia had ceased, a journalist wrote about the situation in that region.⁹⁷ Through appeals for donations, the Austrian local governments tried to alleviate the general state of emergency and to prevent famine. Emperor Franz Joseph II even donated funds from his private fortune.⁹⁸

In Saxony, which, like Austria, obtained its cotton mainly via Bremen, some thirty percent of workers in the textile industry lost their jobs.⁹⁹ The cotton crisis there also dragged neighboring industries into the depression. In May 1862, a spinning mill owner from the Ore Mountains turned to the Saxon Ministry of the Interior and asked for an advance of 4,000 thalers, as otherwise he would not be able to pay the mortgage on his factory and thus faced bankruptcy and the dismissal of his employees. Lacemakers, hosiery knitters and miners were also dependent on the continued operation of this

⁹³ See W.O. Henderson, “The Cotton Famine on the Continent 1861–65,” *The Economic History Review* 4 (1933): 200.

⁹⁴ Verein der österreichischen Industriellen, *Jahrbuch*, 86.

⁹⁵ *Das Vaterland*, January 25, 1863.

⁹⁶ See Peez, “Zur Baumwollkrise: Ein Beitrag aus Nordböhmien,” *Österreichische Revue: Erster Band* (Vienna, 1863): 157–163.

⁹⁷ Peez, “Zur Baumwollkrise,” 156.

⁹⁸ See *Wochenblatt für Karlsbad und die Umgegend*, January 24, 1863.

⁹⁹ Sven Beckert, *King Cotton: Eine Geschichte des globalen Kapitalismus* (Munich, 2014), 238.

⁹⁰ Preußisches Handels-Archiv, *Jahresberichte der Handelskammern und kaufmännischen Körperschaften des preußischen*

Staats für 1862 (Berlin, 1863), 82.

⁹¹ Preußisches Handels-Archiv, *Jahresberichte*, 183.

⁹² Wilhelm Treue, *Wirtschafts- und Technikgeschichte Preußens* (Berlin, 1984), 520.

spinning mill, as they processed its products.¹⁰⁰ Another spinning mill operator had to lay off seventy employees by April 1864 and lost several thousand thalers due to a lack of cotton deliveries. Both applications were rejected by the Ministry of the Interior because of allegedly non-existent funds.¹⁰¹ But more and more factory owners turned to the government and asked for financial support during this “quite abnormal business crisis.”¹⁰² The applications became more frequent and the situation became more acute.

After lengthy deliberations and under great public pressure, the Saxon government intervened at the end of 1863 and, by decree, subsidized the worst-affected companies and regions with 122,000 thalers from the state treasury.¹⁰³ Divided by the 50,000 or so registered women, children, and men who worked in Saxony’s textile industry (home weavers were not counted here), this sum corresponded roughly to the weekly wage of a male factory worker.¹⁰⁴ A cynical government commentary stated that it was not least the “frugality” and “ability to make sacrifices” of the Saxon workers that had prevented mass poverty such as that seen at the same time in the English cotton region of Lancashire.¹⁰⁵ The extent of the poverty among the numerous weavers, spinners and workers can only be guessed at due to the lack of ego-documents. From the province of Westphalia, a rare letter from a home weaver has survived, who wrote to his war-weary brother, who fought as a soldier in the Union Army, that he should think very carefully about returning home, because “for earning a living things are much worse [than before] because weaving is completely finished and this is because of the American war because no cotton can be obtained [...] we have no earnings at all.”¹⁰⁶

¹⁰⁰ Mining was doubly affected. On the one hand, the cotton industry had been an important buyer of salt, which was used in the dyeing of fabrics, and on the other hand, chemically treated (gunpowder) cotton served as a blasting agent for mining tunnels. See *Der Berggeist: Zeitung für Berg-, Hüttenwesen und Industrie* (Cologne), May 5, 1863.

¹⁰¹ See Hubert Kiesewetter, *Die Industrialisierung Sachsen: Ein regional-vergleichendes Erklärungsmodell* (Stuttgart, 2007), 537–538.

¹⁰² J.D. Fischer to Royal Saxon Ministry of the Interior, January 31, 1863, in Kiesewetter, *Die Industrialisierung*, 538.

¹⁰³ See Kiesewetter, *Die Industrialisierung*, 537–539; Sächsischer Landtag, ed., *Mitteilungen über die Verhandlungen des ordentlichen Landtags im Königreich Sachsen während der Jahre 1863/64: Zweiter Band* (Dresden, 1864), 1022–1056.

¹⁰⁴ C. R. Isbary, *Statistik und Lage der Industrie und des Handels im Königreich Sachsen bis auf die neueste Zeit: II. Abteilung, Unterabteilung A.* (Leipzig, 1865), 56.

¹⁰⁵ Sächsischer Landtag, *Mitteilungen*, 1024.

Incidents like those in Austria and Saxony revealed the extent to which the cotton crisis necessitated state intervention. But for many, the aid received from their rulers was not enough to survive. In the course of the Civil War, thousands of people gave up the centuries-old tradition of home weaving and began working as day laborers or in another industry and thus inevitably became part of the industrial structural change.¹⁰⁷ The crisis also made the people of Central Europe aware of

¹⁰⁶ J. H. Brandes to Theodor Heinrich Brandes, July 20, 1863, in *Für gans America Gehe ich nicht Wieder Bei die Soldaten: Briefe des Ochtruper*

Auswanderers Theodor Heinrich Brandes aus dem amerikanischen Bürgerkrieg 1862–63, ed. Antonius Holtmann (Bremen, 1999), 104.

¹⁰⁷ See Gustav Schmoller, *Zur Geschichte der deutschen Kleingewerbe im 19. Jahrhundert* (Halle, 1870), 534–614.

how close the transatlantic world had come together — the mental map of hundreds of thousands of Europeans had expanded considerably: never before had “the interdependence of international relations [...] become more tangible than in the current cotton crisis.”¹⁰⁸

V. Blockade smuggling: New markets for cotton

The cotton crisis not only threatened weavers and spinners in the interior of the German states, it also provoked a phase of wildest speculation and feverish search for new supply markets among the North German cotton importers, who purchased most of the goods for further processing in Austria and Saxony. Hanseatic merchants now took the Civil War “into account as a new factor.” In December 1861, Bremen-based brokers observed that “business here [...] had been little dependent on politics, but almost solely on harvest reports. From now on, however, our relationship with the United States alone became decisive. Every letter that sounded belligerent [...] raised prices, and often with astonishing rapidity.”¹⁰⁹ While manufacturers paid an average of about 0.18 Louis d’Or for a pound of cotton from Bremen in 1860, twelve months later it was already 0.21 Louis d’Or. Three years later, the pound price was to reach its peak during the war at 0.55 Louis d’Or — a price increase of over 67 percent compared to the last year of peace.¹¹⁰ With the consolidation of the blockade ring around the Confederate ports, the cotton trade fell “almost entirely into the hands of the speculators.”¹¹¹ Those who somehow managed to get hold of cotton wanted to sell it profitably. But the sources in the South were blocked and new supply markets were needed.

A glance at Bremen’s trade statistics reveals something astonishing: after England, which was also home to many trading houses of German origin,¹¹² the second largest cotton supplier to the Hanseatic city between 1862 and 1865 was the Confederate state of Texas.¹¹³ This was made possible by a form of trade as old as trade itself: smuggling. The first destination of the much sought-after goods from Texas was Matamoros in Mexico, on the border with the Confederate States. “Matamoros is to the rebellion west of the Mississippi what the port of New York is for the United States,” a Union general conceded.¹¹⁴ During the war, some 20,000 European merchants were drawn to the otherwise small trading city.¹¹⁵ The neighboring Texas cotton traders and planters profited from the small number of Union troops stationed there and were therefore able to bring their supplies

¹⁰⁸ *Central-Organ für den deutschen Handelsstand*, May 10, 1862.

¹⁰⁹ *Weser-Zeitung*, December 30, 1861.

¹¹⁰ Figures compiled from Bremer Behörde für die Handelsstatistik, *Tabellarische Übersicht des bremischen Handels im Jahr 1865* (Bremen, 1866)

¹¹¹ *Weser-Zeitung*, December 30, 1861.

¹¹² See Ulrike Kirchberger, “German Overseas Interests in Mid-Nineteenth-Century Britain,” in *Transnational Networks: German Migrants in the British Empire 1670–1914*, ed. John R. Davis, Stefan Manz and Margit Schulte Beerbühl (Leiden, 2012), 59–78.

¹¹³ Figures compiled from Bremer Behörde für die Handelsstatistik, *Tabellarische Uebersicht des Bremischen Handels* (Bremen, 1861–1866)

¹¹⁴ Quoted in Peter Andreas, *Smuggler Nation: How Illicit Trade Made America* (Oxford, 2013), 162.

¹¹⁵ Andreas, *Smuggler Nation*, 162.

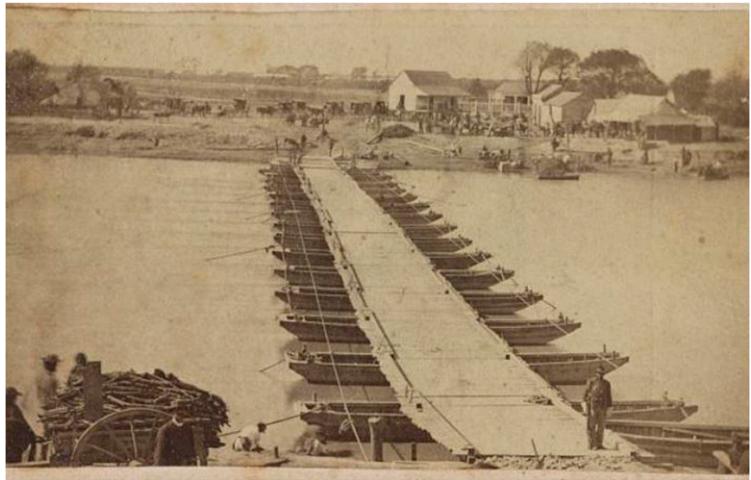


Figure 2. View of Matamoros, Mexico, as seen from pontoon bridges constructed by U.S. Forces across the Rio Grande River from Brownsville, Texas, ca. 1866. © Library of Congress.

States, Great Britain and France, German ships were the fourth most frequently landing foreign ships in Mexico's ports.¹¹⁶ In addition to shipowners and importers from Hamburg and Bremen, businessmen from the neighboring Grand Duchy of Oldenburg discovered the profitability of blockade smuggling. Some revealing figures give an idea of the extent to which the merchants there invested in clandestine trade via Mexico. The insurance sum for the loss of ships or goods contracted by Oldenburg shipowners (due to the risk of confiscation by Union or Confederacy ships) rose from 1.4 million thalers in 1861 to 2.3 million thalers in 1865.¹¹⁷ While 47 ships left Oldenburg for the Gulf of Mexico in the last five years before the Civil War, their number rose to 72 during the war.¹¹⁸ A glance at Bremen's trade statistics also shows that the city received more than 460,000 pounds of cotton from Oldenburg companies during the war. During the last five years of peace, this value amounted to only 8,500 pounds.¹¹⁹

¹¹⁶ See James W. Daddysman, *The Matamoros Trade: Confederate Commerce, Diplomacy and Intrigue* (Newark, 1983), 107–137, 151–155.

¹¹⁷ Felix Becker, *Die Hansestädte und Mexiko: Handelspolitik, Verträge und Handel, 1821–1867* (Wiesbaden, 1984), 67–68; Hendrik Dane, *Die wirtschaftlichen Beziehungen Deutschlands zu Mexiko im 19. Jahrhundert*, (Cologne, 1971), 41–42, 52–53; Ernst von Halle, *Amerika: Seine Bedeutung für die Weltwirtschaft und seine wirtschaftlichen Beziehungen zu Deutschland insbesondere zu Hamburg* (Hamburg, 1905), 414–415.

¹¹⁸ Figures compiled from *Statistische Nachrichten über den Freistaat Oldenburg 10* (1868), 34.

¹¹⁹ Figures compiled from *Statistische Nachrichten über den Freistaat Oldenburg 5* (1862), 94–95 and 10th (1868), 82–83.

¹²⁰ Figures compiled from *Tabellarische Uebersicht des Bremischen Handels* (Bremen, 1857–1866).

unnoticed to Matamoros, the nearest neutral port with access to the open sea.¹¹⁶ Many German traders had already settled on the Mexican Gulf Coast in the 1840s. By the early 1850s, more than 60 German companies were already established in 15 Mexican cities, and after the United

One of the big profiteers in the smuggling business via Mexico was the trading house Droege & Oetling. The Bremen-based company had branches in Havana, Manchester and Hamburg in addition to its branch in Matamoros.¹²¹ Through agreements with Confederate officers, Droege & Oetling exported the majority of Texan cotton to

¹²¹ See Maria Möring, *125 Jahre G.A. Droege & Sohn* (Hamburg, 1972), 17–28.

Europe during the war, where it was sold on behalf of the Confederate government. Droege & Oetling earned millions through this business deal.¹²² The company also became a transfer site for the mail traffic of the South and probably also for weapons.¹²³ German ships, which played a large part in this business, acquired the reputation of being eagerly active in the Confederate trade with Europe. “The port of Matamoros has acquired a great and sudden importance as a point of attraction to the German [...] adventurer,” reported a British observer from Hamburg.¹²⁴ Union authorities prohibited individual German ships from calling at reconquered ports in the South such as New Orleans unless they intended to take a direct route.¹²⁵

The smuggling via Mexico soon had an effect not only in Bremen: Between 1862 and 1863, Hamburg’s cotton imports from eastern Mexico shot from literally zero bales to over 1,400 bales.¹²⁶ The trade was extremely profitable. At the beginning of 1863, the Hamburg Chamber of Commerce justified the establishment of a consulate in Matamoros as “appropriate and desirable” because trade between the two regions had increased so significantly.¹²⁷ Unfortunately, the names of most of the traders who participated in the blockade smuggling were lost over time or were deliberately concealed. Discretion has always been considered a merchant’s virtue, especially when doing business underhand.¹²⁸

One of the few known smugglers operating from Germany was Charles W. Adams. He owned a trading company in Galveston, but moved to Hamburg shortly after the outbreak of the Civil War. Like many overseas merchants who had emigrated, Adams did not break off his transatlantic relations. He continued his business with Galveston, where agents now shipped his cotton to Europe via Matamoros.¹²⁹ He was also suspected of buying weapons in Germany for the Confederate army.¹³⁰ Through the efforts of the Union consuls in Hamburg and in neighboring Altona, Northern officials became aware of Adams’ business. When he appeared at the Mexican border in 1864 to personally supervise his shipments,

¹²² See James L. Fremantle, *Three Months in the Southern States: April-June 1863* (Edinburgh, 1863), 10-11; *Der Kamerad. Oesterreichische Militär-Zeitung*, February 27, 1866.

¹²³ See J.A. Quintero to J. P. Benjamin, September 16, 1863, in *Official Records of the Union and Confederate Navies in the War of the Rebellion (ORN)* II, 3, 901-902; H.P. Bee to A. Supervière,

October 13, 1863, in *Official Records of the Union and Confederate Armies in the War of the Rebellion (ORA)*, I, 26 (Pt. II), 309; S. Hart to George Williamson, December 28, 1863 in: *ORA*, I, 53, 946.

¹²⁴ Foreign Office of the United Kingdom, *Commercial Reports received at the Foreign Office of her Majesty’s Consuls between July 1st, 1862 and June 30th, 1863* (London, 1863), 88.

¹²⁵ James Anderson to William Seward, July 1, 1862, in National Archives, *Despatches from United States Consuls in Hamburg: 1790-1906* (hereinafter: NA Hamburg).

¹²⁶ Figures compiled from Bremer Behörde für die Handelsstatistik, *Tabeliarische Uebersichten* (Bremen, 1859-1866).

¹²⁷ Minutes of the Commerzdeputation Hamburg, February 11, 1863, *Archiv der Handelskammer Hamburg* S/599 1863.

¹²⁸ See Hermann Wätjen, “Blockade, Kaperfahrten und neutrale Handelsschiffahrt im amerikanischen Bürgerkrieg,” *Hansische Geschichtsblätter* 60 (1936): 63.

¹²⁹ United States House of Representatives, *Reports of the Committees: 43rd Congress, 1st Session* (Washington, D.C., 1874), 15.

¹³⁰ See Testimony of Emil Liefmann, May 4, 1864, in James H. Anderson to Frederick W. Seward, May 4, 1864, NA Hamburg.

the consuls had arranged for Adams to be arrested and his goods confiscated by Union troops.¹³¹ After his release and a ten-year trial by both German and American authorities, Adams' claim for compensation was rejected by the Congressional War Claims Committee in Washington. The committee argued that Adams was an "outspoken, bitter rebel" and a "blockade-runner."¹³²

131 See James H. Anderson to William H. Seward, October 10, 1862; William Marsh to William H. Seward, April 9, 1864, May 14, and November 8/9, 1864, in National Archives, *Despatches from United States Consuls in Hamburg and Altona*, various rolls.

132 United States House of Representatives, *Reports*, 34.

133 Caleb Huse, *The Supplies for the Confederate Army: How they were obtained in Europe and how paid for* (Boston, 1904), 26-28.

134 See Christopher Clark, *Preußens Aufstieg und Niedergang* (Munich, 2008), 614-617.

135 See Marcellus Hartley: *A Brief Memoir* (New York, 1903), 133-134.

136 See George L. Schuyler, *Report of George L. Schuyler to the Secretary of War*, April 8, 1862 (New York, 1862), 8.

137 See Glancy Jones to William Seward, April 15 and July 20, 1861, in *Papers Relating to the Foreign Relations of the United States*, ed. United States Department of State (Washington, D.C., 1861), 189.

138 "Protokoll der Ministerratssitzung," May 14, 1861, in *Die Protokolle des österreichischen Ministerialrats 1848-1867: V. Abteilung*, ed. Stefan Malfér (Vienna, 1981), 43-44.

139 See Hartley, *A Brief Memoir*, 130.

140 See Huse, *The Supplies*, 26.

VI. Dealings with death: The arms trade

Charles Adams was only one among many in Central Europe who supplied weapons to one of the two warring parties. Numerous agents of the Union and the Confederacy flocked to Europe after the war broke out in order to buy arms for their governments. The agents knew that the German arsenals were filled with large quantities of discarded rifles and guns and that the governments were willing to sell them.¹³³ By selling its old muzzle-loaders, which had become obsolete anyway with the introduction of the firing pin rifle among the troops since the mid-1850s,¹³⁴ Prussia was able to dispose of old remaining stock at profitable prices and generously offered its assortment to the highest bidders.¹³⁵

The Civil War also offered a welcome occasion for Austria to fill its chronically empty state coffers. In the fall of 1861, a Washington negotiator bought over 70,000 rifles from the Austrian army for about 1.05 million dollars.¹³⁶ Austria's government was flexible in its choice of trading partners. Although the Imperial Foreign Minister assured Austria's solidarity with the Union and affirmed that the Empire would not support separatist movements or de facto governments,¹³⁷ Vienna's foreign policy was overshadowed by the economic interests of the financially stricken Empire. The imperial government seemed to take full advantage of the crisis in the United States. While officially issuing diplomatic declarations of solidarity, the Imperial Ministerial Council was of the opinion that Washington "at this moment [had] good reason" to "treat Austria with respect so that it does not recognize the independence of the slave states."¹³⁸ Consequently, political partisanship played no role in business relations with North America during the Civil War. The Confederates were also welcome trading partners. In Vienna, a Confederate arms buyer managed to commission a large shipment¹³⁹ that included over 100,000 rifles and sixty ready-to-fire cannons including ammunition.¹⁴⁰

Austria did not hide its business relations with the South. But it naturally bothered the Union representatives in Vienna that the

Empire was supplying the Confederacy with weapons.¹⁴¹ “[T]his Government sells anything to get money” wrote the local consul to Washington.¹⁴² The Imperial Foreign Ministry justified the sale with the financial imbalance of the Empire and referred to international law, according to which the Confederate States were a belligerent party and legitimate trading partners. U.S. envoy John Motley was not pleased with this justification, but did not pursue the matter any further so as not to burden the relations between the two states.¹⁴³

The government in Washington was so engrossed by the Civil War that it sought to avoid diplomatic conflicts with other states. This attitude played into the hands of the South, which was aware of its opponent’s limited room for maneuver. The North had nothing more than formal protest to offer to the European arms suppliers of the South. If it did, Washington’s additional expenditure would have swallowed up valuable time and material and would have helped the South even more. Consequently, the weapons commissioned for the South could be transported unhindered from Vienna. A Viennese bank helped with the payment arrangements and the transport of the arms to Hamburg, where they were loaded onto a blockade runner flying the British flag.¹⁴⁴

In the port of Hamburg, dozens of blockade runners were equipped for the South during the Civil War and loaded with war material.¹⁴⁵ With its free port, the city provided the appropriate logistics required for the rapid transfer of arms “duty-free and without further inspection,” as the local authorities proudly advertised.¹⁴⁶ Hamburg was home to more than a dozen gunsmiths who made considerable profits by reprocessing rifles and cannons from Saxony, Austria and Prussia that had been purchased by middlemen there.¹⁴⁷ Other German merchants also participated in the arms business. For example, as forwarding agents or agents who, well aware of the great demand in America, bought tens of thousands of rifles directly from the authorities of the German states and had them transported to the Hanseatic cities.¹⁴⁸ It is documented that at least 18 arms factories, dealers and brokerage firms in Hamburg were involved in the arms trade during the Civil War. Four of these companies sold their goods to both the Union and the Confederacy.¹⁴⁹ For observers, the involvement of Hamburg merchants in the shipment of war material to the rebellious South became even more evident when, in 1864, members of the Hamburg Bürgerschaft, which consisted mainly of merchants engaged in transatlantic trade, spoke

¹⁴¹ See Burton Ira Kaufman, “Austro-American Relations during the Era of the American Civil War,” *Austrian History Yearbook* 4 (1968), 217.

¹⁴² Theodore Canisius to William Seward, November 18, 1862, in National Archives, *Despatches from United States Consuls in Vienna: 1830-1906* (hereinafter: NA Vienna).

¹⁴³ See Kaufman, “Austro-American”, 217-218.

¹⁴⁴ See Theodore Canisius to William Seward, November 18, 1862, NA Vienna; Huse to Gorgas, April 1, 1862, in *ORN*, II, 2, 177.

¹⁴⁵ Figures based on *Despatches from United States Consuls in Hamburg and Altona* and James H. Anderson Papers, Ohio Historical Society.

¹⁴⁶ Minutes of the Commerzdeputation Hamburg, June 6, 1864, in *Archiv der Hamburger Handelskammer*, p/599 1864.

¹⁴⁷ Figures based on *Hamburgisches Adreßbuch für 1862*.

¹⁴⁸ See *Weser-Zeitung*, September 9 and November 14, 1861.

¹⁴⁹ Figures based on *Despatches from United States Consuls in Hamburg and Altona* and James H. Anderson Papers, Ohio Historical Society.



Figure 3. Landing stage for steamships at the port of Hamburg, 1868. During the American Civil War, Hamburg became one of Europe's most important transshipment points for arms and other goods destined for the United States. Photo by J.F. Lau. © Bokelberg Verlag. Used by permission.

trips in the city's harbor, sailing a small boat between blockade runners and noted as best he could their cargo and the names of the companies involved. Anderson was able to identify more companies that supplied the Confederacy than those that supplied the North.¹⁵¹ When the consul complained to the Hamburg authorities that the city was inflicting a "great deal of injury" on the United States by allowing its merchants to supply the rebels with weapons, Hamburg's foreign minister Carl Hermann Merck responded that his government's hands were tied.¹⁵² All suspected ships sailed under a neutral flag and indicated neutral ports such as Nassau or Havana as their destinations — notorious transfer points for onward transport to the Confederate States. Thanks to this clandestine trade, tons of weapons could be shipped from the German states to the Confederacy.

The German merchants involved in clandestine trade actively helped to support a war of secession fought by a new slave-owning empire. Apart from British ships, most of the ships that sailed between the North American and European coasts during 1861 and 1865 are said

out against the obligation to report the destination of their ships, which would have revealed the involvement of many members of parliament in the smuggling business with America.¹⁵⁰

Hamburg and Bremen developed into important supply bases for both North and South. The consul of the Union in Hamburg, James Anderson, undertook several observation

¹⁵⁰ See William Marsh to William Seward, October 4, 1864, in *Despatches from United States Consuls in Altona*, National Archives.

¹⁵¹ Various Despatches of James H. Anderson to William H. Seward 1861-1862, NA Ham-

burg; Letterbook of James H. Anderson, Ohio Historical Society, Box 7, Folder 2, MSS 84.

¹⁵² James H. Anderson to William Seward, July 2, 1862, NA Hamburg.

to have been owned by Bremen and Hamburg shipowners.¹⁵³ The value of the arms for the South can only be estimated due to the clandestine trade. It is assumed that at least over 100,000 rifles, dozens of cannons and several tons of

sabres, clothing and other material were traded.¹⁵⁴ The Union was also supplied in abundance. The customs office in New York alone registered war material worth 1.4 million dollars between 1861 and 1865 that was shipped via Hamburg or Bremen. This made the German states, after Great Britain, the largest foreign supplier of arms to the Union armies.¹⁵⁵

In order to gain a strategic advantage over the enemy, both sides had to transport their war material across the Atlantic as quickly as possible. Steamships were therefore the first choice to meet the needs of the armies. A large part of the transports was carried out by the major steamship companies of Hamburg and Bremen, Hamburg-Amerikanische Packetfahrt-Actien-Gesellschaft (Hapag) and the North German Lloyd. As a result of the collapse of their main source of income, the transport of emigrants, the ships of the two shipping companies had more empty cargo space than they wanted. So the Civil War in America came at just the right time. With the elimination of American merchant ships (most of which were now in the service of the Union Navy), the market was almost completely in the hands of European shipping companies — a particularly favorable opportunity for profit. Hapag's agents in New York were instructed by their executive board to "derive the greatest possible benefit [...] for us from this situation."¹⁵⁶ At the request of the dealers involved, Hapag declared weapons as "merchandise" in order to avoid any inconvenience with

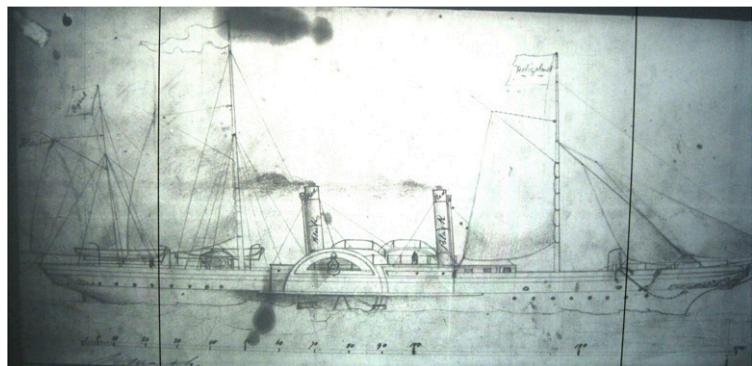


Figure 4. Drawing of a blockade runner loaded with supplies for the Confederate States anchored in the port of Hamburg, made by an agent of the U.S. Consulate, 1863. National Archives: Dispatches from U.S. Consuls in Hamburg, Germany, 1790-1906, Microfilm No. T-211, Roll 16, Vol. 16.

153 Rudolph Schleiden to Abraham Lincoln, December 17, 1862, in State Archives Hamburg, *Hanseatische Gesandtschaft in Washington*, 132 - 5/9.

154 See Hartley, *A Brief Memoir*, 130-149; Caleb Huse to Josiah Gorgas, April 1, 1862, in ORN, II, 2, 177-179.; Huse, *The Supplies*, 26-27.

155 See House of Representatives, Executive Documents No. 324, 42nd Congress, 2nd Session (Washington, D.C., 1872).

156 Minutes of the Hapag executive board meeting, April 23 1861, Staatsarchiv Hamburg/Hapag-Archiv, 621-1/095, 163 vol. 1.

**Value of fire-arms imported into the US from Europe, 1860-1865
as entered in the US custom-house returns**

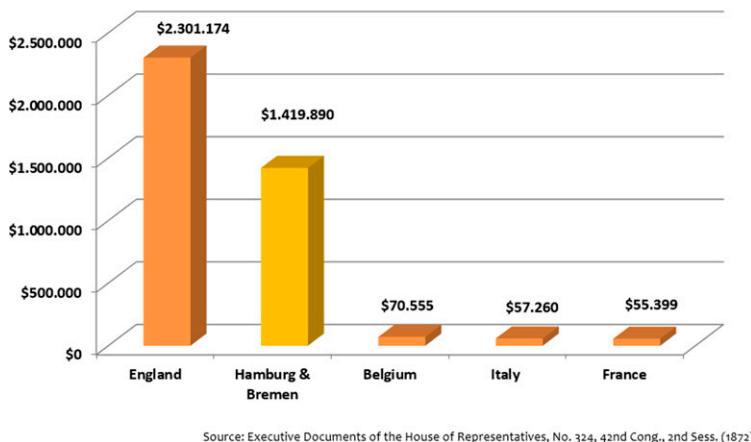


Figure 5. Value of fire arms imported into the United States from Europe, 1860-1865, as entered in the U.S. Custom-House returns. Figures based on: U.S. House, Executive Documents, No. 324, 42nd Cong., 2nd Sess. (1872).

War Department in Washington ordered several thousand tons of the raw material needed for ammunition production from mines in the Harz and Ore Mountains.¹⁵⁷ Bremen authorities also recorded over 14 million pounds of lead, which was shipped to the USA between 1861 and 1865.¹⁵⁸

The flourishing business of German shipowners and merchants was further boosted by the greatest diplomatic crisis of the Civil War, the *Trent* affair. When a war between the Union and Great Britain threatened to break out in the winter of 1861/62, Bremen and Hamburg steamers bypassed the English ports where they usually loaded further mail and cargo for North America and instead set a direct course for America in order to avoid confiscation by British authorities. Northern arms dealers had requested this direct route.¹⁶¹ When both the British and French governments issued an export ban on war material on November 30 and December 4, respectively, the two largest competitors in the arms trade were temporarily out of business. As a result, German arms manufacturers, exporters, and shipowners experienced a veritable rush by negotiators

¹⁵⁷ Minutes of the Hapag executive board meeting, May 21 1861, Staatsarchiv Hamburg/Hapag-Archiv, 621-1/095, 163 vol. 1.

¹⁵⁸ See Protokoll der Vorstandssitzung der Hapag, January 13 1862, Staatsarchiv Hamburg/Hapag-Archiv, 621-1/095, 163, Vol. 1.

¹⁵⁹ See House of Representatives, Executive Documents, 2nd Ses, 42nd Cong. Vol. 16, No. 324 (Washington, D.C., 1872) 950-951.

¹⁶⁰ Figures compiled from Bremer Behörde für die Handelsstatistik, Tabellarische Uebersicht 1861-1865.

¹⁶¹ Minutes of the Hapag executive board meeting, December 27 1861, Staatsarchiv Hamburg/Hapag-Archiv, 621-1/095, 163, Vol. 1.

the authorities and to reduce the risk of seizure by Southern captains.¹⁵⁷ In addition to income from postal services, which had risen by forty percent in 1861 thanks to new treaties,¹⁵⁸ the most lucrative business for Hapag between 1861 and 1862 was the transport of arms to the Union. The lead trade via Hamburg also flourished. The

from North America.¹⁶² While the total value of all weapons imported to Hamburg in 1860 was just 716,000 Marks, in the following two years it was eight and 6.5 million Marks, respectively.¹⁶³ Most deliveries came from Prussia, Hanover, Saxony and Austria. Hapag soon demanded premiums for transport to New York and granted freight discounts if the buyers guaranteed fixed delivery quotas.¹⁶⁴ Soon advertisements appeared in newspapers from Northern Germany to Bavaria and Austria in which the shipping company promoted the shipment of “weapons and war material” to New York.¹⁶⁵ The monopoly position that German shipping companies and factories now held in the arms trade brought considerable profits. The year 1862 became the most successful financial year in Hapag’s history up to that point, with the company making a profit of over one million thalers.¹⁶⁶

The loss of the Northern market would have meant a serious financial loss for the shipping company. Accordingly, Hapag’s trade was concentrated on traffic with New York, which had been the main destination port for its ships for more than ten years. “This company would not of course jeopardize its standing with us by assisting the Rebels,” the American consul in Hamburg assured his government, “to act against us would be to cut its own head off.”¹⁶⁷ In May 1861, an envoy of the Confederate States approached Hapag’s board of directors with a proposal to establish a direct connection between Savannah or another Southern port, but the response to this proposal was “very polite, but negative.”¹⁶⁸ Likewise, the board of directors spoke out against the transportation of men who intended to join the Southern army. Union army volunteers, on the other hand, were welcome passengers.¹⁶⁹ On several occasions Hapag granted German officers reduced travel costs for their passage to New York. The most prominent passenger in this incentive program was the later Union General Carl Schurz, who enjoyed a free first class passage to New York in January 1862.¹⁷⁰ Of course, there was also some calculation behind this concession, since Schurz seemed to have “a lot of influence in America” and might “perhaps be very useful with regard to the postal

¹⁶² Enno Eimers, *Preußen und die USA 1850 to 1867: Transatlantische Wechselwirkungen* (Berlin, 2004), 463–465.

¹⁶³ Figures compiled from Handelsstatistisches Bureau Hamburg, *Tabel-larische Uebersichten des*

Hamburgischen Handels (Hamburg, 1861–1866).

¹⁶⁴ See minutes of the Hapag executive board meeting, December 5, 1861, and January 13, 31 and February 21, 1862, Staatsarchiv Hamburg/Hapag-

Archiv, 621-1/095, 163, Vol. 1.

¹⁶⁵ See *Bayerischer General-Anzeiger*, June 11, 1862; *Hamburger Nachrichten*, July 21, 1862; *Kemptner Zeitung*, April 11, 1862; *Fremden-Blatt*, July 16, 1862.

¹⁶⁶ Minutes of the General Assembly, March 19, 1863, Staatsarchiv Hamburg/Hapag-Archiv, 621-1/095, 178, Vol. 2.

¹⁶⁷ James H. Anderson to Henry Sanford, March 12, 1862, in James H. Anderson Papers.

¹⁶⁸ Minutes of the executive board meeting of Hapag, May 7, 1861, Staatsarchiv Hamburg/Hapag-Archiv, 621-1/095, 163, Vol. 1.

¹⁶⁹ Minutes of the executive board meeting of Hapag, August 9, 1861, Staatsarchiv Hamburg/Hapag-Archiv, 621-1/095, 163, Vol. 1.

¹⁷⁰ See minutes of the Hapag executive committee meeting, September 13 and October 25, 1861, and February 7, 1862, Staatsarchiv Hamburg/Hapag-Archiv, 621-1/095, 163, Vol. 1.

contract [with the United States government] or otherwise," as the management noted.¹⁷¹

To its regret, Hapag's largest competitor, the North German Lloyd in Bremen, was not able to participate to the same extent in the "large-scale shipping of war material" to North America as its executive board members had hoped. Repair work and delivery delays for two ships prevented Lloyd from participating more extensively in the arms trade with America. As a result, Lloyd's five-figure deficit in the trading year 1861 caused by the lack of emigrants who refrained from crossing into war-torn America and reduced exports of goods due to the war-related drop in demand and increased customs duties could not be compensated for.¹⁷² However, profits from previous years, slowly increasing passenger numbers and income from mail traffic with the United States spurred the shipping company to continue investing in the future. In 1863, Hapag and North German Lloyd moved their joint pier from New York Harbor to Hoboken, New Jersey, opposite the port, due to lack of space.¹⁷³

¹⁷¹ Minutes of the Hapag executive board meeting, January 13, 1862, Staatsarchiv Hamburg/Hapag-Archiv, 621-1/095, 163, Vol. 1.

¹⁷² General Assembly of Lloyd, April 28, 1862, Archive of North German Lloyd, Staatsarchiv Bremen, 2-R. 11. mm. 4.

¹⁷³ See Christian Ostersehlte, "Hoboken: Ein Lloydtermin bei New York 1863 bis 1917," *Bremisches Jahrbuch* 90 (2011): 139–144.

¹⁷⁴ Minutes of the Hapag General Assembly, December 2, 1861 and March 19, 1863, Staatsarchiv Hamburg/Hapag-Archiv 621-1/095, 163, Vol. 1; 621-1/095, 178, Vol. 2.

¹⁷⁵ Lloyd General Assembly, December 16, 1861, Archiv des Norddeutschen Lloyd, Staatsarchiv Bremen, 2-R. 11. mm. 4.

¹⁷⁶ Johannes Rösing to Heinrich Smidt, August 8, 1862, Bremer Staatsarchiv, Senat B. 13a, Manuscript Materials relating to American History in the German State Archives, Library of Congress.

¹⁷⁷ Lloyd General Assembly, 16 December 1861, Archiv des Norddeutschen Lloyd, Staatsarchiv Bremen, 2-R. 11. mm. 4.

However, neither Hapag nor the Lloyd were entirely opposed to the establishment of a direct transport route with the South.¹⁷⁴ The two shipping companies did not take part in blockade smuggling with the Confederacy as their ships were too large and not maneuverable enough. But if the Confederate States were to successfully break away from the Union, Lloyd's executive board, for example, planned to establish two routes to North America. One route was to call at the Southern ports, the other at the Northern ports. To this end, the shipping company called an extraordinary general meeting, at which the shareholders approved a bond in the amount of 400,000 thalers, which enabled the Lloyd to build a fourth ship for traffic with North America.¹⁷⁵ Washington's consul in Bremen mocked the fact that the mood in favor of the South on the Weser was so great that it would be more appropriate for the Lloyd to christen its new steamship "Confederacy" rather than "Union" as intended.¹⁷⁶ Cotton also played a role in this decision. Lloyd's board of directors speculated on the boom in cotton transport that was to be expected after peace and the end of the blockade. "It is therefore certainly advantageous and appropriate to be prepared for this eventuality."¹⁷⁷

Conclusion

The arms trade and cotton smuggling between the coasts of the Atlantic and the North Sea shows that Europe's neutrality during the American

Civil War was not necessarily a stabilizer for peace or a guarantee of Europe's non-intervention in the Civil War.¹⁷⁸ "Neutral" German-speaking merchants, arms dealers and cotton importers contributed significantly to the extent and duration of the bloodshed in the United States. The Confederate States imported some 400,000 rifles (of which an estimated one quarter alone came from Austria¹⁷⁹) — sixty percent of all Confederate small arms used in the Civil War — three million pounds of lead and two million pounds of saltpeter (two thirds of all Confederate gunpowder) from Europe, primarily from the German states and Britain.¹⁸⁰ Added to this were countless tons of food, uniforms, shoes, coal and other war essentials. The Union, too, bought abundantly from European dealers and arsenals: their agents there spent 11.7 million dollars on small arms alone — a quarter of the total expenditure between 1861 and 1866 on weapons in this category.¹⁸¹

These enormous figures alone underscore the remarkable niches in which cotton smugglers, shipowners and arms dealers were able to operate in Central Europe during the Civil War. They were extremely flexible, choosing the side that suited their interests, served supply and demand and followed a situational logic based on unpredictability, which is almost always characteristic of dynamic events such as wars.

It was advantageous for Hapag and the Lloyd, for example, that their existing ports of destination were in New York and that the Union needed weapons, while British and French competitors were unable to participate in the sale of weapons to America for a short but decisive period of time. As a result, German shipowners held a temporary monopoly position, which compensated for the lack of income that had been lost due to the collapsed emigration business. The chairmen of the two shipping companies were not blinded by this coincidence, however, and throughout the entire war they kept the possibility of independence for the Southern states in mind.

As stock corporations with numerous shareholders throughout Germany, the Lloyd and Hapag represented "intersections of city, state and nation" whose success or failure had a direct impact on the economic situation of the Hanseatic cities — and beyond.¹⁸² On the one hand, the shipping companies' overseas business prepared potential breeding grounds for private and government ambitions of imperialism,¹⁸³ but at the same time those involved acted transnationally, beyond such ambitions, and driven by the prospect of profit. Like almost all entrepreneurs of the "Age of Capital" (Eric Hobsbawm), German shipowners proved

¹⁷⁸ See Niels Eichhorn, "North Atlantic Trade in the Mid-Nineteenth Century: A Case for Peace during the American Civil War," *Civil War History* 61 (2015): 138-172.

¹⁷⁹ See Jac Weller, "Imported Confederate Shoulder Weapons," *Civil War History* 5 (1959): 170.

¹⁸⁰ See Stephen Wise, *Lifeline of the Confederacy: Blockade Running during the Civil War* (Columbia, 1991), 7, 226.

¹⁸¹ See Mark R. Wilson, *The Business of Civil War: Military Mobilization and the State, 1861-1865* (Baltimore, 2006), 231.

¹⁸² See Andreas Schulz, *Vormundschaft und Protektion: Eliten und Bürger in Bremen 1750-1880* (Munich, 2002), 484.

¹⁸³ See Fitzpatrick, Liberal Imperialism, 75-92; Jay Sexton, "Transport, Sovereignty, and Empire in North America, circa 1850-1885," *Journal of the Civil War Era* 7 (2017): 620-647; Eugene Staley, *War and the Private Investor: A Study in the Relations of International Politics and International Private Investment* (Chicago, 1935), 77-78.

to be extremely flexible actors¹⁸⁴ who were interested in private-sector expansion, unrestricted access to as many markets and resources as possible — even though they encouraged war and supported slavery.

The war had also made it clear to large parts of the population of Central Europe that dependence on one commodity market could prove fatal. The “enormous interdependence” between the Old and the New World had now been brought home to the “seamstress” and the “farmer’s wife” as well as to the merchant and the factory owner by the Civil War.¹⁸⁵ Cotton producers urged their governments to look for new, reliable supply markets. In Germany, this pressure came especially from factory owners in Saxony who had experienced first-hand how closely they were entangled with the Atlantic world during the Civil War. This now set the course in the once “merchant-driven world of cotton.”¹⁸⁶

Until the 1860s, the Atlantic world was characterized by private traders and their networks. This changed after 1865. Many Bremen importers, for example, were never able to completely overcome the consequences of the war — in contrast to their colleagues in Hamburg, who were more specialized in trade with South America and thus had a broader portfolio and customer network. The trade in cotton became more independent of location and generally cheaper due to the calls for alternative supply markets (India and Egypt, for example), technical innovations (such as the transatlantic telegraph cable that went into operation in 1866) and the increasing number of large steam ships. German merchants in Germany increasingly communicated directly with cotton producers thanks to the growing interdependence of both continents. The Hanseatic middlemen, who had long acted as “loyal and reliable advisors” to weavers and spinners in Saxony, Bavaria and elsewhere, were marginalized.¹⁸⁷ “The cotton intermediary trade of our place has sunk at a rapid pace, many houses have disappeared from the address book,” complained one man from Bremen eleven years after the end of the Civil War, “many traders turn directly to American export companies, the first hand here has become considerably weaker.”¹⁸⁸

¹⁸⁴ See Lipartito, “Reassembling,” 121.

¹⁸⁵ *Central-Organ für den deutschen Handelsstand*, February 6, 1864.

¹⁸⁶ Beckert, “Emancipation,” 1432.

¹⁸⁷ *Fragmente über Deutschlands und insbesondere Bayerns Welthandel* (1849), 22.

¹⁸⁸ *Deutsches Handelsblatt*, June 8, 1876.

This reorganization of the global cotton trade through cooperation, technical innovation and large stock corporations such as the Lloyd or Hapag, and no longer through private hands alone, was a phenomenon that spread to Central Europe as well as to England, France, Portugal, Russia and China. The global economic market experienced an accelerated consolidation due to the war. Private traders and

subnational, personal trading networks lost their dominance, and a growing number of capital-rich stock corporations and state trading conglomerates gradually opened up alternative production markets and systematically exploited the inhabitants of these regions led by the “fetish of colonial thinking,”¹⁸⁹ namely promising free labor. Emancipation and imperialism went hand in hand during the Civil War period.¹⁹⁰

Trade with the Confederacy was financially more profitable than trade with the Union, but the risk of loss was far greater. Although transport to the North may have brought less profit on average, it was less risky to send a ship full of cargo to New York than to Mobile or Galveston. This wartime trade was the domain of private individuals who did this business at their own risk and could not expect protection from their state — proof of the ambivalence that characterized Europe’s attitude during the Civil War: for some, the Civil War was the “greatest and most momentous struggle for principles of the nineteenth century,”¹⁹¹ for others it was a fight for market access.

Governments were often caught between these positions. While Vienna and Berlin asserted their sympathies for Washington, freight carriers and shipping companies loaded ships with weapons from Austrian and Prussian army arsenals, which were exchanged in Wilmington, Havana or Matamoros for cotton and tobacco from slave labor. From this point of view, the diplomatic expressions of sympathy to Washington’s representatives seemed like mere lip service, far removed from any politics of opinion: “One is gradually becoming indifferent here to the victory of one or the other,” wrote the mayor of Bremen at the end of 1863. The confidential letters of the Union consuls and envoys to one another, few of which survive,¹⁹² also attest to resignation and doubts about Central European support.¹⁹³ “Europe is watching to see which side is the strongest. When it has made the discovery, it will back it as also the best and the most moral,” wrote John Lothrop Motley to an acquaintance.¹⁹⁴

A back-door policy prioritizing trade as well as deliberate calculation determined the actions of many of the actors involved in the Civil War in German-speaking Central Europe. This behavior can be better understood if one (again) focuses more strongly on material aspects of Atlantic history and takes into account the enormous share slavery had in it. Seen from this perspective, it becomes evident that for numerous actors the pendulum swung in the opposite direction to the supposed liberalist imperative that demonized the rebellion

¹⁸⁹ Andreas Eckert, “Ungleichzeitigkeit, Mobilität und die Transformation von Arbeit: Globalhistorische Perspektiven auf das 19. Jahrhundert,” in *Durchbruch der Moderne? Neue Perspektiven auf das 19. Jahrhundert*, ed. Birgit Aschmann (Frankfurt, 2019), 288.

¹⁹⁰ See Beckert, “Emancipation,” 1428.

¹⁹¹ Fritz Anneke, *Der Zweite Freiheitskampf der Vereinigten Staaten von Nordamerika: Erste Abteilung* (Frankfurt, 1861), 5.

¹⁹² Arnold Duckwitz to Rudolf Schleiden, November 7, 1863, Nachlass Rudolf Schleiden, Staatsarchiv Bremen, 7.116-2-13.

¹⁹³ See Anderson to Sanford, October 1861, James H. Anderson Papers; William W. Murphy to John Bigelow, January 31, 1863, Bigelow Correspondence, Union College, Schenectady.

¹⁹⁴ John Lothrop Motley to Oliver Wendell Holmes, November 14 1861, *The Correspondence of John Lothrop Motley: Vol. 2*, ed. George William Curtis (New York, 1889), 42-43.

of the South and slavery and seemed to be omnipresent in German-speaking Central Europe after the victory of the Union. The Civil War thus appears not only as a crisis. As cynical as it may sound, it also held tempting economic opportunities.

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