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David K. Thomson, *Sacred Heart University*

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David Thomson, assistant professor of history at Sacred Heart University, was at the U.S. Treasury Dept. in Washington, D.C., recently to explain its vital role in the Civil War.
“We Were Whipped in the Treasury Department: Bonds, the U.S. Treasury and Winning the Civil War” focused on Thomson’s research of the United States’ debt from the American Civil War. In his talk, presented through the Treasury Historical Association, Thomson addressed that the war cost the federal government $3.2 billion. The government funded at least $2.23 billion of this sum through bond issues during the war.

All told, the bonds made their way into the hands of perhaps four million Americans and proved pivotal to the Union’s financial success at that critical time. Thomson outlined how the Treasury Department worked in coordination with Philadelphia banker Jay Cooke and 3,000 agents who canvassed the entire country to sell these bonds. Thomson noted that, at a time when the average person’s annual income barely exceeded $300, a $50 bond was a significant financial investment. In undertaking these sales, Thomson argued, the Treasury, its agents and American citizens fundamentally transformed American finance, opening up a new and intriguing chapter in the nation’s financial history and the history of American investment banking as a whole.

In addition to the importance of the U.S. Treasury and these domestic sales, Thomson also touched on the international dimension of U.S. bond sales from this time period. His current book project includes archival research in nine countries and a dozen states, and he said no other researcher has yet done the archival and mathematical legwork to show how U.S. securities became a global commodity during this period. High-volume sales crossed the Atlantic to new buyers in England, France, the German states, Switzerland, Belgium, Russia, Austria, Ireland, the Italian States and the Netherlands. Even Cuban planters invested heavily, despite being slaveholders. By the Reconstruction period that followed the war’s end, a new financial order was emerging.

In October 1868, Thomson related, *Hunt’s Merchant Magazine* proclaimed that $700 million in U.S. securities was foreign-owned. A year later, this number had climbed to $1 billion, and nearly half of U.S. debt was owned abroad. According to Thomson, the spread of such sales abroad revealed the emergence of the German economy centered in Frankfurt.
Thomson, who already has written on this subject for *The Journal of the Civil War Era*, the *New York Times*, *Bloomberg* and the *Washington Post*, said he drew on archives from most of the countries listed above to

gather material for his book. He said it will follow the global history of U.S. debt and trace America's current financial system to the cataclysms of the mid-19th century.

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