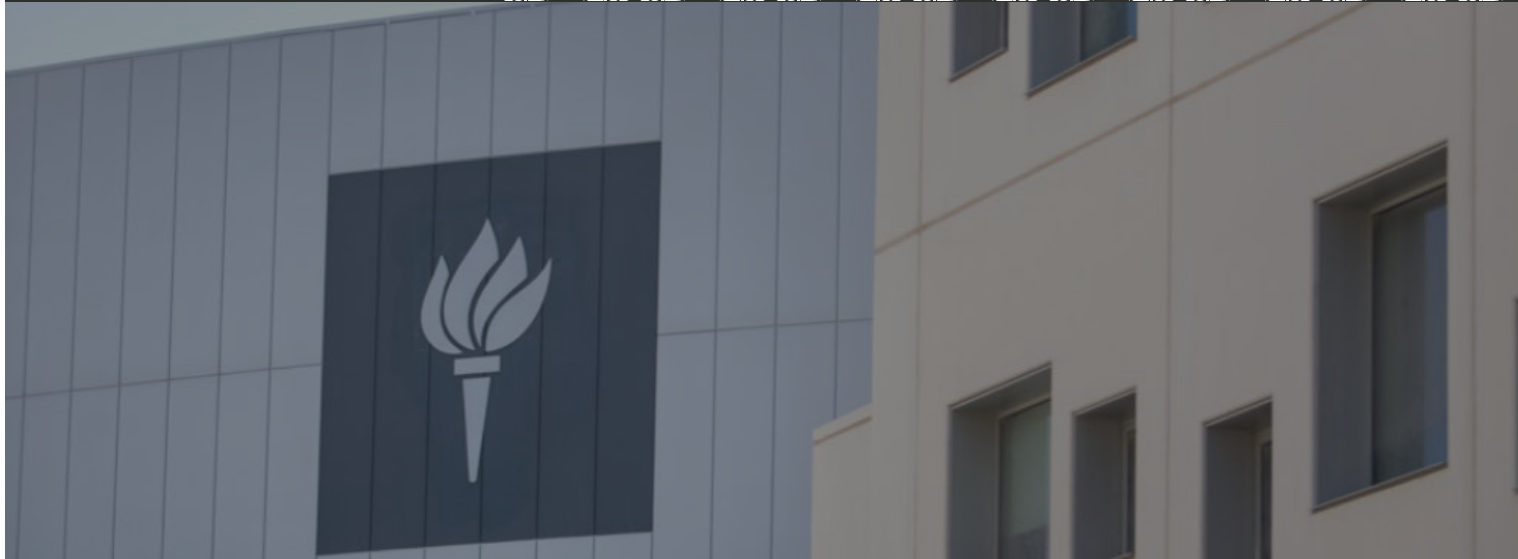


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De Facto Power, Democracy, and Taxation: Evidence from Military Occupation during Reconstruction*

Mario Chacón Jeffrey Jensen

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Abstract

The extension of the franchise to former slaves in the post-Civil War American South provides a unique case to study the fiscal consequences of democratization. Black suffrage was not determined internally but was a consequence of military defeat and externally enforced by the U.S. Army during Reconstruction. We employ a triple-difference model to estimate the joint impact of enfranchisement and federal enforcement on taxation. We find that occupied counties where black voters comprised larger shares of the electorate levied higher taxes compared to similar non-occupied counties. These counties then experienced a comparatively greater decline in fiscal revenues in the decades following the end of Reconstruction. We also demonstrate that in these occupied counties, black politicians were more likely to be elected, and political murders by white supremacist groups were less likely. These findings provide evidence on the key role of federal troops in limiting political capture by Southern elites.

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1 Introduction

The impact of democratic politics on the public sector is at the core of many debates in political economy and comparative politics. For instance, the canonical model in the literature predicts that the extension of the voting franchise should increase the size of the state (Meltzer and Richard 1981).¹ Based on this, many of the most influential theories of democratization argue that economic elites will oppose democracy precisely because it will lead to greater redistribution (Acemoglu and Robinson 2006; Boix 2003).

Despite the logical perspicuity of these models, the empirical evidence examining the fiscal consequences of democratization is inconclusive.² While the absence of a robust relationship between democracy and taxation has led some to question the redistributive nature of democracy (e.g., Scheve and Stasavage 2010), others have emphasized the importance of *de facto* political power during transitions (e.g., Acemoglu and Robinson 2008; Ziblatt 2009). In particular, the political clout of the poor in new democracies may be blunted if elites respond by investing more in *de facto* mechanisms, such as lobbying, violence, and electoral fraud.

The ability to study the prevalence and effectiveness of these tactics has been limited, in part, by the difficulty in measuring different sources of political power within and across countries (Scheve and Stasavage 2017). In addition, the timing of democratization is not randomly determined and often initiated by the ruling elite (e.g., Haggard and Kaufman 2012; Lizzeri and Persico 2004; Ziblatt 2006). If, for instance, the wealthy structure a transition such that the distribution of *de facto* power remains largely unchanged, the extent to which majority preferences regarding redistribution are enacted may be limited (e.g., Albertus and Menaldo 2013). Thus, any empirical study must account for the endogeneity of democratization to the strategies of elites and the degree of political capture.

In this paper, we use the U.S. government’s intervention in the former Confederate states following the Civil War to examine the importance of *de facto* power during democratizations. A number of features of this historical case are key for our empirical design. First,

¹Since an expansion of the franchise usually shifts the pivotal voter down the income distribution—increasing the net beneficiaries of progressive taxation—it should increase the demand for redistribution from the electorate.

²While some studies have found that democratization leads to greater taxation and spending (see e.g., Lindert 2004; Aidt and Jensen 2009), others have found no significant relationship (e.g., Scheve and Stasavage 2010), and even a negative relationship (e.g., Mares and Queralt 2015). See Acemoglu *et al.* (2015), Bonica *et al.* (2013), and Scheve and Stasavage (2017), for recent reviews of this debate.

the democratic reforms introduced were determined neither by Southern elites nor due to revolutionary pressures from the disenfranchised. Instead, the victorious Union imposed the extension of suffrage to the former slaves, and throughout much of the Reconstruction era (1863-1877), used the U.S. Army to directly enforce their political rights. Following the removal of most federal troops in the mid-1870s, due largely to a partisan shift at the national-level, this enforcement ceased. This only affected the de facto distribution of power as black males formally retained their voting rights.³ Hence, there were two temporally distinct and exogenously-determined shocks to Southern democracy—the granting and enforcement of black suffrage and the subsequent removal of troops—each of which provides us with leverage over the endogenous nature of democratization and its enforcement.

In addition, we exploit within-state variation in both the magnitude of the franchise expansion and the influence of federal authorities. In some counties, the electorate more than tripled, while in the heavily white districts it was barely affected. Importantly, the local fraction of new voters was exogenous to Reconstruction, as it was primarily determined by the prewar spatial distribution of slavery.⁴ Second, although these states were initially placed in military districts under the command of Union generals, the federal enforcement of black rights also varied within each state. Critically, this enforcement depended on the local presence of army units and their capacity to repel the armed militias that emerged across these states to repress blacks and resist Reconstruction (see, e.g., Downs 2015).

We use prewar black population shares as proxy for the magnitude of the franchise expansion and interact it with the location of federal troops in a triple-difference model to estimate the conditional impact of enfranchisement.⁵ Former slaves were, in general, the poorest members of Southern society. Hence, this group’s enfranchisement added voters from the bottom end of the income distribution, making the median voter poorer, particularly in high black share counties. This should have increased the demands for redistribution, and accordingly, fiscal revenue and targeted spending. Yet in these counties, Southern elites would also have greater incentives to invest in coercion to offset the political changes brought about by Reconstruction. The presence of federal troops made this capture by violence much

³Only beginning in the 1890s did most of these states enact formal voting restrictions, such as literacy tests and poll taxes, which effectively curtailed the de jure voting rights of blacks.

⁴The incidence of slave labor was in turn largely determined by exogenous factors such as the local geographic suitability to grow cash crops, especially cotton, tobacco, and sugar (e.g., Acharya, Blackwell and Sen 2016).

⁵This strategy is akin to the one employed by Cascio and Washington (2013) to explore the impact of the Voting Rights Act of 1965 on local turnout and state transfers.

more costly. Therefore, we would expect to observe an effect from black enfranchisement that is dependent on both the location of troops and the relative size of black constituencies.

Consistent with these predictions, we find that, during Reconstruction, occupied counties with higher black population shares saw a significant increase in their state and local per capita tax revenues compared to similar non-occupied counties. Moreover, these counties experienced a comparatively greater decline in tax revenues after the withdrawal of federal troops and the end of Reconstruction efforts. Our estimates suggest that a substantial portion of the fiscal expansion and decline observed during the 1870-1890 period is explained by the incidence of black voters in the occupied areas.

Although these findings could be driven by an omitted time-varying factor, correlated with both the occupation and taxation, our estimates are robust to a wide set of specifications and controls. The estimated elasticities of revenues with respect to the relative size of black constituencies are practically unchanged when we allow revenues to differentially depend on the level of income, prewar wealth, inequality, the magnitude of the economic destruction during the war, and other potentially confounding variables. Our estimates are robust to specifications where we account for spillover effects, the propensity to be occupied, and the years of occupation. We also show that prior to the war, per capita state revenues across occupied and non-occupied counties with similar black population shares did not differ significantly.

We then explore a precise mechanism by which the occupation affected the taxes levied in each county. Using a directory of black officeholders, we evaluate whether the occupation influenced the ability of Republicans to successfully control local politics. As historians have widely reported, groups such as the Ku Klux Klan (KKK) not only targeted black voters but also expended great effort intimidating and assassinating Republican candidates (Chalmers 2007). Hence, we expect the presence of federal troops to offset this strategy and bolster local Republican control. Consistent with this mechanism, we find that occupied counties with higher black population shares were more likely to elect black Republican officials responsible for setting local rates, assessing taxable property, and collecting taxes. Furthermore, these local officials predict both the relative increase in per capita tax revenues during Reconstruction and the relative decline in the following decades. Lastly, using an original dataset of violence against African Americans, we provide suggestive evidence that in occupied counties with higher black population shares, politically-motivated murders by groups such as the KKK were less likely compared to similar non-occupied counties.

In addition to contributing to the political economy literature on democratization, our findings complement the largely qualitative historical literature outlining the key role of federal troops in local politics during Reconstruction (e.g., Foner 2011; Downs 2015; Sefton 1980). Our results also provide an important qualification to previous empirical studies on the consequences of large-scale franchise expansions throughout American history (e.g., Cascio and Washington 2013; Lott and Kenny 1999). While these studies have documented substantial fiscal and political effects arising from suffrage extensions, they perhaps failed to consider the role that federal enforcement played or whether these reforms affected the de facto distribution of political power to the detriment of the newly enfranchised.

2 Historical Background

2.1 Black Suffrage

When eleven Southern states seceded following Abraham Lincoln's victory in 1860, roughly 43% of the South's population was enslaved. With victory in the Civil War and the passage of the Thirteenth Amendment abolishing slavery, the Republican Party was divided between moderates who preferred lenient terms for the readmission of rebel states and "radicals" who wanted a complete transformation of Southern political institutions (Foner 2011).

To counteract emancipation, Southern states enacted a series of laws, collectively known as Black Codes, which severely restricted the civil and economic rights of former slaves. On the ground, white southerners formed militias to intimidate and attack blacks, white Republicans, and local officials (Chalmers 2007). Despite the strong opposition from Northern Democrats, Congressional Republicans responded using their majorities to pass key pieces of progressive legislation establishing and protecting the rights of blacks, including the Civil Rights Act of 1866 and the Fourteenth Amendment (proposed in 1866 and ratified in 1868).⁶ The violent resistance helped cement a near consensus among Republicans that the ongoing military occupation was necessary to protect and enforce these newly-granted rights (e.g., Downs 2015; Sefton 1980).⁷ A majority of Republicans also came to agree that black suf-

⁶Congressional Republicans also faced strong opposition from President Andrew Johnson, who vetoed the Civil Rights Act. However Republicans obtained veto-proof majorities in both chambers in the 1866 midterm elections, which were seen as a referendum on the party's plan for "radical" Reconstruction.

⁷As described by Republican Congressman, and future President, James A. Garfield, the Republican plan should "[p]lace civil Governments before these people of the rebel States, and a cordon of bayonets behind them" (as cited by Downs 2015: 167).

frage was crucial to the effort and to build the party in the South (Foner 2011).⁸ As a result, Congress passed the Reconstruction Acts of 1867-68, placing ten of the eleven Confederate states into military districts and endowing commanders with sweeping powers to enforce civil and political rights. In addition to requiring each state to ratify the Fourteenth Amendment, these acts mandated universal adult male suffrage and called on the military to register eligible voters and conduct elections of delegates to new state constitutional conventions.

These reforms backed by the coercive capacity of federal troops upended Southern politics. In the elections following the mandated Reconstruction conventions of 1868, the Republican Party—which was largely nonexistent in the pre-war South and whose voters were primarily African American—won nine gubernatorial seats and majorities in eighteen chambers of state legislatures (Dubin 2007; 2010). By the late 1860s, black males comprised the majority of the registered voters in five states and more than 40% in four more (Walton, Puckett and Deskins 2012: 247). Moreover, thousands of black officials were elected to local, state, and federal office throughout the South (see e.g., Foner 1993).⁹

Yet there were still formidable economic and political obstacles to the implementation of Reconstruction. Namely, federal enforcement was constrained by the inability of Congressional Republicans to deploy enough Army units throughout the vast South to quell the insurgencies.¹⁰ In places where troops were stationed, violence was restrained and white Southerners reluctantly accepted the new political system (Downs 2015). However, in areas beyond the Army’s control white-supremacist groups used violence against black voters regularly.¹¹ As explained by Gen. George H. Thomas, commander of the Department of the Cumberland, in a report to the Commander of the Army, Ulysses S. Grant, “The number of troops in the Department has at no time been so great as was required to preserve the peace.” This lead, Thomas continued, to the “murder, riot and maltreat of colored people in the localities where there are no United States troops stationed. The local authorities

⁸Building a Southern base was crucial for Republicans to deal with one of the ironies of emancipation. Prior to the war, each slave counted as 3/5th of a person towards a state’s representation in Congress (and therefore also in the electoral college). The 14th Amendment stipulated that apportionment of the House would now be based on total population. As a result, equal citizenship would increase the federal representation of Southern states threatening the Republican majorities in Congress.

⁹The peak of black representation was in the early 1870s when approximately 320 black state and federal legislators were elected (Kousser 2000).

¹⁰There was enormous fiscal pressure to reduce deployments since maintaining a large occupation exerted a strain on the federal government’s ability to finance the ballooning national debt (Downs 2015: 94).

¹¹The organizational structure of these groups was based on local autonomy and little state-level coordination. The KKK for instance, operated in nine states but remained a “localist organization, whose membership, discipline, and method varied from state to state and locality to locality” (Chalmers 2007: 15).

often have not the will, and, moreover, often have not the power to suppress or prevent these outrages” (1868 Annual Report of the Secretary of War). The limited control of the Army was similarly emphasized by Gen. Wager Swayne, military governor of Alabama, who testified before Congress that the “shooting, abuse, and violent assaults” against black men were pervasive. He continued, these “wrongs increase just in proportion to their distance from United States authorities” (Report of the Joint Select Committee on the Condition of Affairs in the Late Insurrectionary States (hereafter, RJSC), 41st Congress, 1872: 268).

Although Congress passed the Enforcement Acts of 1870 and 1871, aimed at enhancing the ability to prosecute insurgents, the efforts to protect black rights waned quickly after 1874. Due in part to the economic depression that followed the Panic of 1873, as well as the corruption scandals of President Ulysses Grant’s administration, the Democratic party won a resounding majority in the 1874 House of Representatives elections. Being radically opposed to Reconstruction, they blocked further appropriations for this purpose.¹² What remained of the effort to enforce black rights by “bayonet rule” largely ended with the so-called Compromise of 1877, which allowed the Republican candidate, Rutherford Hayes, to become president in exchange for an end to federal intervention in the South.¹³

These federal-level factors caused the occupation to steadily decline over the period. In the fall of 1865, the U.S. Army had more than 400 posts (with a yearly average of 677 soldiers per location), occupying approximately 43% of the counties in the former Confederacy. In the fall of 1870, the number of posts and companies had declined to approximately 180.¹⁴ By 1877, Army forces occupied only 50 counties with a yearly average of 147 soldiers in each.

With the decline of federal enforcement, the ability of Southern elites to influence local politics using coercive tactics increased significantly. For instance, historians have documented a dramatic spike in political violence across various local, state, and federal elections in the South during 1875 and 1876.¹⁵ This violence weakened the ability of Republican can-

¹²The Supreme Court dealt a further blow by curtailing the ability of the federal government to prosecute violations of 14th Amendment. See, for instance, *U.S. v. Cruikshank* (92 U.S. 542, 1875) and *U.S. v. Reese* (92 U.S. 214, 1876). In particular, the former “rendered national prosecution of crimes against blacks virtually impossible, and gave a green light to acts of terror where local officials either could not or would not enforce the law” Foner (2011: 531).

¹³While there is no consensus among historians regarding the complete terms of the compromise, it is widely agreed that Hayes’ election marks the end of Reconstruction.

¹⁴In terms of manpower, Downs (2015: 258) and Sefton (1967: 261) estimate that in the early fall of 1865 the total number of U.S. soldiers stationed in the former Confederacy was less than 200,000. By October 1870, less than 10,000 soldiers remained in these states (Sefton 1967: 262).

¹⁵In South Carolina alone, it is estimated that more than 150 African Americans were killed in the weeks prior to the 1876 state elections (Foner 2011).

didates to compete electorally, and Democrats rapidly won back control of state legislatures and governorships. Figure 1 plots the sharp decline of Democratic opposition in these states during the period. The left panel shows the share of governorships and both house chambers of the state legislatures held by parties other than the Democratic Party. The right panel shows a similar measure based on the average share of legislative seats and vote shares in gubernatorial races. As shown, while opposition parties obtained more than a third of the legislative seats and half of the governorships during Reconstruction, by 1880 nearly every governorship and state legislature was held by Southern Democrats.

[Figure 1 about here]

Although the removal of federal troops greatly undermined the political influence of African Americans, they retained their *de jure* political rights. They still comprised a significant proportion of voters, and in most states, black politicians continued to be elected to local, state, and federal office—albeit at a frequency far below what was observed during Reconstruction.¹⁶ The electoral dominance of Democrats in this context required violence and electoral fraud, which was very costly and required sustained collective action.¹⁷ In the 1890s, using a series of legal restrictions targeting black voters (e.g., literacy tests) Southern elites were able to consolidate a “One-Party South,” in which nearly all Congressional, gubernatorial, and state-legislative seats were controlled by the Democratic Party.

2.2 Taxation in the South

Despite the enormous costs of the war and, in particular, the uncompensated abolition of slavery, the distribution of Southern (non-slave based) wealth remained relatively unchanged (e.g., Wiener 1976; Dupont and Rosenbloom 2016). This is for the simple reason that in the overwhelmingly-rural South, the former slaveholding elite retained their land. While Republicans were committed to remaking the South’s political institutions, they decided against confiscatory mechanisms that would have altered the region’s distribution of land

¹⁶In addition, black voters continued to pose the threat of joining Republican and Populist “fusion” (biracial) coalitions, which were successful in the 1880s and early 1890s in states such as Virginia and North Carolina (see Dublin 2007; 2010).

¹⁷The existing records indicates that lynchings peaked in the 1880s and early 1890s and that electoral fraud was widespread (Tolnay and Beck 1995).

(Foner 2011).¹⁸ Since state and local revenues were principally derived from ad valorem taxes on property (see e.g., Seligman 1969 and Wallis 2000), any rise in taxes would largely fall on whites, especially large landowners.¹⁹

During Reconstruction, tax rates and revenues increased significantly. In Mississippi, for instance, the state rate in 1860 was less than 1 mill on each dollar of the assessed value of land (i.e., \$1 for every \$1000 of assessed land). By 1870, this had increased to 5 mills and by 1874 to 14 mills. County and municipal-level taxes, which had previously been relatively unimportant, were set at rates exceeding those by the state at the peak of Reconstruction. According to Adams *et al.* (1899: 193), “the average rates of state and county taxation during the six years (1870-1875) were 8.9 and 12.5 mills, respectively, making a combined average of \$21.37 on \$1000 of assessed property,” a rate the authors considered “confiscatory.”

The effect of the increase in rates on revenue was substantial. For example, the assessed valuation of all property in Alabama in 1870 was only 29% of what it was in 1860 (due primarily to the uncompensated abolition of slavery). Yet state and local tax revenues increased from roughly \$850,000 in 1860 to more than \$3 million one decade later (Fleming 1911: 574). In real terms, this represented an increase of more than 140%. Overall, while the (inflation adjusted) value of all non-slave-based property declined by almost 50% between 1860 and 1870, total state and local taxes increased by more than 40%.²⁰ Put differently, in 1860, total state and local taxes comprised slightly more than 0.5% of assessed wealth. By 1870, these comprised approximately 1.7% of assessed wealth.

These increases in taxation did not occur gradually and were not a one-time increase required to repair destroyed public infrastructure.²¹ Instead, these resources were used to fundamentally alter the role of state and local governments in providing basic public services

¹⁸The hopes of large-scale land redistribution were dashed by Johnson’s Amnesty Proclamation of 1865, which pardoned and restored property rights to large landowners. Congress later failed to pass proposed bills on land redistribution (Ransom and Sutch 2001: 82).

¹⁹According to 1870 Census, state taxes represented on average approximately 60% of all the taxes collected in these ten states. While these included license fees and poll taxes, roughly two-thirds or more were from general property taxes (Adams *et al.*, 1899). Similarly, county and municipal taxes came almost entirely from *ad valorem* taxes on property (unlike federal revenues which came almost exclusively from excise taxes and tariffs).

²⁰We compiled and calculated these figures from the fiscal information provided in the aforementioned RJSC (1872).

²¹In both Alabama and Mississippi, the state-level general property tax rate at the time of the Reconstruction Conventions of 1868 was only slightly up from its pre-war rate (Fleming 1911: 572; Adams *et al.* 1899: 192). Furthermore, Fleming (1911: 571) claimed that, “During the three and half years after the war, under the provisional government (1865-1868), most of the burned bridges, court-houses, and other public buildings had been replaced.”

for the first time. As explained by Foner (2011: 364), “Serving an expanded citizenry and embracing a new definition of public responsibility, Republican government affected virtually every facet of Southern life. . . Public schools, hospitals, penitentiaries, and asylums for orphans and the insane were established for the first time or received increased funding.” In Mississippi, for instance, more than a third of state tax revenues was used for public schools and a “greater part of county taxes was for building school houses and for schools” (RSCJ, 1872: 181). Similarly, in Arkansas, the number of public school students increase by over 60% percent and approximately half of the state’s school houses were built between 1869 and 1870 (RSCJ, 1872: 185).

The end of Reconstruction lead to dramatic declines in tax rates. In Mississippi, the violent capture of the state legislature by Democrats in the elections of 1875 (and subsequent forced resignation of the Republican governor) was followed by an immediate reduction in the state property tax rate to 2.5 mills in 1876 (Adams *et al.*, 1899). In addition to reducing their statutory rates, numerous states created new constraints on the ability of legislatures and municipalities to increase taxes. While tax-limiting constitutions were adopted in Alabama (1875), Arkansas (1874), Georgia (1877), and Texas (1875), our data from 1880 and 1890 shows that the decline in taxation was similar in magnitude across states. Subsequently, spending on black schools fell substantially, particularly in counties with high black population shares (see, e.g., Wright 2013).

3 Data

Our analysis requires time-varying fiscal outcomes and local-level measures of the Army’s control during the occupation. We rely on different sources to construct a comprehensive panel on non-national taxation, use the demographic information of the Census to approximate the effect of Reconstruction on local enfranchisement, and employ a newly available dataset on the location and the number of federal troops during the period in the ten Reconstruction states. In this section we describe these measures in detail.

3.1 Data on the Occupation

Our county-level measure of federal control is based on the location of Army posts in the Reconstruction states between 1868 and 1877.²² The number, type, and exact location of posts comes from Downs and Nesbit (2015), which is an expanded version of the information presented in Downs (2015). This dataset is based on thousands of contemporary reports, letters, journals, and secondary sources. We use the coordinates of each unit stationed and combine it with the GIS data from the Atlas of Historical County Boundaries (Newberry Library, Chicago) to create an indicator for whether a county contained a federal garrison at any point during the period. In our Data Appendix we present the full list of counties occupied in each state (Table A1).

An important assumption in our econometric analysis is that in the absence of federal troops, non-occupied counties (our comparison group) would have experienced similar trends in taxation as compared to occupied counties (the “treatment” group). This condition could be invalid if for instance the location of troops was in part driven by an unobserved time-varying characteristic influencing the fiscal capacity of counties. While the literature has focused almost exclusively on the federal-level politics regarding the size and duration of the occupation, the reports from commanders in the field are not suggestive of such a selection process. Instead, these reports reveal that the deployment mainly reflected a tactical balance between the efficiency of concentrating troops in urban centers versus the need to disperse them in order to extend control over rural areas.

At the end of the war, Union troops were heavily concentrated in towns and cities (Downs 2015). This meant that in addition to the inherently lower cost of quartering and provisioning forces in towns, the deployment of troops across these initial “war” locations did not require the construction of new installations.²³ Military commanders also saw concentrating their forces as important for maintaining their effectiveness. According to Sefton (1980: 208) “One crucial reason for not scattering troops about in small semipermanent detachments

²²Namely, these are the states placed under military rule by the First Reconstruction Act (1867): Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas, and Virginia.

²³Transportation and depreciation costs were a top concern in the discussions among commanders around new stations. These concerns were expressed by General H. Halleck, Commander of the Division of the South, in a 1870 report: “greater economy can be introduced by prohibiting the construction of expensive buildings at posts which will be required only for a few years, and by preventing the accumulation of supplies at places where, on the removal of the garrisons, wholly or in part, they must be sold at a sacrifice, or transported elsewhere at great expense” (1870 Annual Report of the Secretary of War to Congress).

throughout the South was the deterioration of morale and discipline (especially desertions) resulting from the fragmentation of commands.”

The protection of freedpeople amidst widespread insurrection, however, required a force that could respond beyond these concentrated posts. In particular, as reported by a military commander in Georgia, the wide spatial distribution of rural black populations meant that “unless small garrisons are kept at many points, most unfortunate results will certainly follow” (RJSC 1872: 269). Major incidents of violence also forced commanders to disperse their troops. For example, after nearly a dozen blacks attending a Republican rally in southwest Georgia were killed on September 19, 1868, General George Meade, governor of the Third Military District, dispersed his troops to prevent further acts of racial violence. As explained by Bradley (215: 53), the massacre led Meade “to modify his troop deployments. Instead of concentrating his forces in the larger towns and cities, he stationed numerous small detachments throughout his department to deter lawlessness and violence.” However with a diminishing occupation force, commanders often had to consolidate their troops. Commanding General of the Army William T. Sherman reported in 1870 that due to reductions in troops and the high fixed costs of maintaining garrisons, “department commanders will be forced to break up many of the smaller posts” (1870 Annual Report of the Secretary of War to Congress).

The necessity of dispersing troops was also influenced by the choice to rely almost exclusively on infantry. Due to the high cost of maintaining cavalry regiments, these were quickly demobilized after 1865 and only a limited number of cavalry units remained during Reconstruction (these were deployed mainly in the Southwestern and Western frontiers, Bradley 2015). This reliance on infantry significantly limited the effective range of troops.²⁴ An officer stationed in South Carolina reported that his troops “show a very credible efficiency but they frequently have to march long distances to quell disturbances...A small force of cavalry would be of infinite service” (as cited by Bradley 215: 15). Hence, the choice of where to locate garrisons responded to the limitations in military capabilities and to the violence on the ground. In Figure 2 we illustrate the geographic distribution of occupied counties by mapping the intensity of the occupation (in terms of total number of post registered during Reconstruction years).

[Figure 2 about here]

²⁴Downs and Nesbit (2015) estimate that infantry troops could march up to eighteen miles per day while the cavalry would ride for thirty (at an average speed of 5 mph).

3.2 Fiscal Revenues

We construct a 10-year panel of state and local taxation from circa 1860 to 1890. For the prewar period, we collected and digitalized the available state treasurer, comptroller, or auditor reports on state taxes closest to 1860. We use these records in the analysis mainly to check whether occupied and non-occupied counties exhibited similar pre-Reconstruction trends. While there are no similar records on county or town taxes,²⁵ we explore the post-Reconstruction trends on county and total (non-national) taxation using data from the *Wealth, Debt, and Taxation* report produced by the Census Department, U.S. Department of the Interior (1895). We combine these sources with the fiscal variables reported in the 1870 and 1880 Census to create a balanced panel covering a 30-year period (see Table A2, Data Appendix, for the list of sources).

In Table 1 we present the descriptive statistics of our sample disaggregating counties by their occupation status.²⁶ Panel A presents average state and county tax revenues per capita (all in real 1890 dollars) for the different decades. Occupied counties had a mean per capita state revenue of \$1.05 in the prewar period compared to \$0.76 for the non-occupied counties (the difference is statistically significant).²⁷ These unconditional means also indicate that during the 1870-1890 period, both types of taxes were on average significantly higher in the occupied counties (the mean difference is approximately \$0.32 dollars per capita for state revenues and \$0.4 for county revenues). The last rows approximate the real growth rate in revenues over 30-year and 20-year periods. As shown, there was a substantial fiscal expansion in both levels of taxation and this expansion was higher in the occupied counties relative to the non-occupied counties (28 percentage points versus 21 for state taxes and 96 versus 55 for county taxes).

[Table 1 about here]

²⁵Unlike state taxation, we were unable to locate primary or secondary sources reporting this information.

²⁶Our main panel includes all the counties in the ten Reconstruction states that existed by 1860, the first prewar and pre-Reconstruction year with data available. We exclude counties formed after 1860 to prevent the potential biases arising from the creation or merging of counties during the occupation.

²⁷The combined mean is \$0.838 dollars per capita. For comparison, Wallis (2000: 65) estimates that the national mean of state revenues in 1860 was \$1.72 (current dollars). This is consistent with historical evidence suggesting that the prewar public sector of the Southern states was considerably smaller than the one of Northern states (see e.g., Einhorn 2006).

3.3 County Characteristics

We use a number of demographic and economic controls that could influence the fiscal capacity of counties. Ideally, we would use controls from years immediately preceding Reconstruction and interact these with time and occupation indicators. Yet there is no systematic socioeconomic data for the intercensal years. Furthermore, measures from the years immediately preceding Reconstruction could be potentially misrepresentative because they would capture the massive economic costs of the Civil War. To avoid these confounding effects we use a set of baseline controls from the 1860 Census, the closest available pre-War and pre-Reconstruction comprehensive source.

Panel B, Table 1, reports the summary statistics of our baseline controls, all calculated from the 1860 Census. Our main explanatory variable, the share of the population that was black, is calculated adding the number of slaves and free blacks in 1860. As shown, occupied counties had on average a higher black population share compared to non-occupied counties (42% versus 36%, the difference is statistically significant). Occupied counties also tended to be more urban,²⁸ and were considerably wealthier in terms of both per capita personal property and real estate wealth. In addition to the level of wealth, inequality is also a potential economic and political factor conditioning local taxation (see e.g., Acemoglu *et al.* 2015). We control for this by calculating a Gini coefficient based on the farm acreage categories of the Census. The last row of Panel B shows how treatment and comparison counties had almost identical levels of land inequality (Gini of 0.487 and 0.489 respectively).

The 1860 census information on economic activity is incomplete; we therefore use the data on agricultural output and manufacturing of the 1870 Census as additional controls. We find that occupied counties were slightly less agricultural and had more manufacturing (Panel C). Finally, we explore a set of predetermined characteristics (e.g., terrain roughness and distance to the state capital), all calculated taking the pre-war county borders, the relative representation of counties in the state legislature, and the population change over the sample period. The summary statistics indicate no significant treatment-comparison difference in any of these characteristics.

The fact that occupied counties differed significantly from the counties in the comparison group, particularly in their levels of wealth, suggests that their fiscal trends could be explained by differences in their economic structure and not by the political reforms or the

²⁸This is in line with the deployment strategy described above which favored urban centers and more densely populated counties.

federal occupation. To address this concern, we flexibly control for total income and farm wealth in all models, allowing for differential treatment-comparison trends across these and other observable dimensions. In addition, we check the robustness of our results using restricted samples taking only counties having common support in both their propensity to be occupied and black population share.

4 Empirical Evidence

Our empirical approach focuses on changes in taxation as a result of the interaction between black enfranchisement and the military occupation. In counties with a higher preexisting black population share, the marginal increase of the franchise was greater, and hence we should have an (unconditional) larger impact on taxes. Yet it is precisely these counties in which the landed elite had greater incentive to invest in coercion. The presence of federal troops was therefore crucial in minimizing their capture. Hence, we expect enfranchisement to have a fiscal effect that is not only proportional to the size of black constituencies but also dependent on the location of federal troops.

We start investigating this effect using a regression model of the form

$$\begin{aligned} \ln(y_{ist}) = & \sum_{j \neq 1860} \delta_j [b_i \times d_j(t)] + \sum_{j \neq 1860} \eta_j [\phi_i \times d_j(t)] \\ & + \sum_{j \neq 1860} \gamma_j [b_i \times \phi_i \times d_j(t)] + c_i + \lambda_s(t) + \mathbf{X}'_{is} \beta + \varepsilon_{ist}, \end{aligned} \quad (1)$$

where y_{ist} is the real per capita revenue of county i in state s at time t . b_i represents our main proxy for the enfranchise expansion, namely the share of the county's population who were black in 1860. ϕ_i is a dummy indicator for whether the county was occupied by the Army during Reconstruction, and $d_j(t)$ is a time indicator equal to 1 when $t = j$, and zero otherwise (for $j \in \{1860, 1870, 1880, 1890\}$). c_i is a county fixed effect and $\lambda_s(t)$ is a state-specific period indicator which accounts for non-linear trends across states. The vector of controls \mathbf{X}_{is} includes the level of wealth, urbanization, per capita agricultural and manufacturing output, all interacted with the time indicators and with both time and the occupation indicator ϕ_i .

In the estimations for state taxes we normalize the interactions for 1860 to zero, the only pre-Reconstruction year for which we have fiscal data available, to identify the model. The coefficients of interest are then $\{\gamma_j\}_{j \neq 1860}$, which are indicative of the difference in the

black share slopes between occupied and non-occupied counties, compared to the difference observed in 1860. Our hypothesis that the occupation caused higher levels of taxation by facilitating the participation and representation of black voters implies that $\gamma_{1870} > 0$.

To check the robustness and summarize the magnitude of the effects we then estimate a series of long-difference models of the form

$$\Delta \ln(y_{is}) = \delta b_i + \eta \phi_i + \gamma [b_i \times \phi_i] + \lambda_s + \mathbf{X}'_{is} \beta + \epsilon_{is}, \quad (2)$$

where $\Delta \ln(y_{is})$ approximates the growth rate in real per capita revenues over a period of ten or twenty years. λ_s is a state fixed effect and \mathbf{X}_{is} contains the control variables mentioned above, included both directly and interacted with our occupation indicator. This specification is useful because it allow us to separately explore pre and post-Reconstruction trends while keeping a close resemblance to model (1). The sum of δ and γ captures the change in the black share gradient for occupied counties and δ the same change for the non-occupied counties. The coefficient of interest is again γ , the difference between the two groups, which we expect to be positive for the period of transition (1860-1870) and negative for the period of reversal (1870-1890).

4.1 Main Results

Table 2 presents the event-study estimates of the joint impact of black share and occupation on different levels of taxation. All standard errors reported are robust to arbitrary heteroskedasticity and serial correlation at the county level. The first result of this specification is the positive difference in the black share slope coefficients between occupied and non-occupied counties during Reconstruction, compared to the level observed in 1860. In column 1, the point estimate of 0.464 on the triple interaction for 1870 is highly statistically significant and qualitatively large. This indicates that during the initial period of Reconstruction per capita state taxes increased relatively faster in occupied counties with higher black population shares compared to similar non-occupied counties. The difference in the black share gradients declines monotonically in the post-Reconstruction years ($\hat{\gamma}_{1880} = 0.157$ and $\hat{\gamma}_{1890} = -0.04$), although these estimates are not significantly different from the 1860 level.²⁹

²⁹The p -value of a Wald test for the joint significance of these post-1870 terms is 0.299.

[Table 2 about here]

In addition to our baseline controls, in column 2 we include a set of income variables, namely the real per capita value of agricultural and manufacturing output, both from 1870, interacted with time dummies and with both time and the occupation dummy to allow for differential treatment-comparison effects. The inclusion of these controls has little effect on the magnitude of the estimates; the triple interaction term for 1870 increases to 0.519 (*s.e.* = 0.196) and the difference in the post-Reconstruction gradients is again declining over time ($\hat{\gamma}_{1880} = 0.123$ and $\hat{\gamma}_{1890} = -0.044$). These results suggest that black enfranchisement had a sizable and immediate effect on state taxation in the occupied counties, albeit this effect was quickly reversed once the federal intervention ended in the mid 1870s.

In columns 3-6 we report the same set of specifications using county and total non-national revenues which we have available starting in 1870. In these models, we omit interactions with the 1870 indicator for identification. The estimates are negative and consistent with the estimated declining difference in the black population share gradients for the state revenue models. Interestingly, these models also suggest that local taxes are stickier in the sense that only in 1890 is the difference in the black share gradients between occupied and non-occupied counties significantly smaller than the one observed during Reconstruction. We obtain similar results when adding all the non-national fiscal revenue of each county (columns 5-6). Therefore, even though we cannot test for pre-Reconstruction trends and the town-level tax data is measured with more error (see e.g., U.S. Census, *Wealth. Debt and Taxation*, 1895), these estimates are consistent with our mechanism and mitigates concerns about a potential substitution effect in taxation between different levels of government.

Table 3 presents our long-difference results taking transitional periods separately and including the same set of covariates as in Table 2. For the initial decade, which included the Civil War and the beginning of Reconstruction, we find a positive and highly significant interaction effect between the 1860 black share and the occupation which is in line with the previous event-study models (columns 1-2). The estimates imply an elasticity of revenue with respect to county black share in the occupied counties of more than half and highly significant.³⁰ The quantitative effect is large; the significant estimate of 0.516 (*s.e.* = 0.188)

³⁰For comparison, Cascio and Washington (2013) find an elasticity of state transfers with respect to enfranchisement of approximately 1 during the 1960-80 period. Cross-country estimates of the impact of democratization on taxation (notably Acemoglu et al. 2015) are not comparable as they are based on categorical indices such as the Polity-IV score and not on the size of the electorate.

in column 1 implies a relative growth in per capita revenues of approximately 22% over the decade for the average occupied county. This effect is robust and even increases when we include our 1870 income controls (column 2).

[Table 3 about here]

Columns 3-8, Table 3, report the estimates for the 1870-1890 period marking the decline and end of Reconstruction, the withdrawal of all troops, and the resurgence of the Democratic Party.³¹ The estimates for γ are now *negative*, indicating that in previously occupied high-black-share counties per capita tax revenues grew at a slower rate compared to similar non-occupied counties.³² The estimates for the state-level revenue models (columns 3-4) are nearly identical in magnitude to the positive interaction effect we find for the previous decade. The estimate of $\hat{\gamma} = -0.546$ (*s.e.* = 0.254) in column 4 implies that the departure of troops decreased per capita state revenues by more than 0.5% for each percentage point increase in black population share. This implies that a one-standard-deviation increase in the black population share of previously occupied areas the withdrawal of troops lead to a relative decline in per capita state revenues of approximately 12%. For the average occupied county, this represents a 26% relative decline over the 20-year period with respect to the average non-occupied county. The decline in taxation implied by the local county tax models is bigger in magnitude (columns 5-6). For instance, the estimate in column 5 implies that the end of the occupation decreased per capita county revenues by more than 0.85% for each percentage point increase in black population share. This represents a relative decline in county revenues of more than 40% for the average occupied county.

In sum, our estimates for the different periods provide robust evidence on the hypothesized positive association between the extension of the franchise to relatively poor voters and taxation. This evidence is also consistent with our argument regarding the crucial role of federal troops in enforcing black political rights during Reconstruction. We find that per capita state revenues in the occupied counties with higher black population shares grew comparatively faster during the federal occupation. Moreover, tax revenues of all local levels

³¹We obtain similar estimates if we recode the occupation dummy dropping counties which were occupied after 1870 (these represent around 11% of all the occupied counties). To make the comparison with the pre-Reconstruction models more easily interpretable we use the 1868-1877 occupation indicator in all long-difference estimations.

³²These estimates also imply that the secular increase in revenue in the occupied counties during the post-Reconstruction period (see Panel A, Table 1) is mostly explained by the fiscal expansion of low black population share counties.

exhibit the exact opposite pattern in the years following the departure of troops and the end of Reconstruction.

4.2 Robustness

In our Online Appendix we present a number of specification tests investigating the robustness of our results. First, an important concern is that the occupation of a county could have spillover effects into neighboring areas.³³ This would suggest a downward bias in our estimates, as some comparison counties could receive a level of enforcement similar to that received by neighboring occupied counties. To account for this possibility, we perform a spatial sensitivity analysis excluding from the sample all non-occupied counties that are contiguous to occupied ones. As expected, the estimated joint effects of county black population share and troops are bigger and more precisely estimated when we exclude these counties from the comparison group (Table OA1).

Another concern is that non-occupied counties are not a valid comparison group as these are systematically different from occupied counties. In particular, non-occupied counties have on average lower black population shares. We address this concern first by dropping non-occupied counties with very low black population shares and occupied counties with very high black population shares, thus creating a sample with common support in this key dimension (see Table OA2). The results are very similar to our previous estimates and demonstrate that our findings are not driven by counties with very low or very high black population shares. To lessen additional differences between occupied and non-occupied counties, we then estimate the likelihood to be occupied using our baseline controls and restrict the sample by taking observations with common support in this propensity score. Finally, we use this subsample to estimate a weighted model using the (inverse) propensity score to make the groups even more comparable. Overall, we obtain results that are very similar to our previous estimates using these subsamples and weights.

In Table OA3, we augment the set of controls to account for additional mechanisms which could explain the associations found between occupation and taxation. For instance, the size of the deployments could have had a direct impact on the local economy, leading to systematic differences in the tax base and the revenues of counties. We test this mechanism by controlling for the average troop size of each post, the total number of Army units registered,

³³This is particularly a concern for detachments with cavalry units.

and the number of years occupied. In addition, we include other political-economy factors which are potentially confounding (e.g., proxies of the economic destruction during the Civil War, land inequality, and the relative representation of counties in each state legislature). Each of these controls is included directly and interacted with the occupation indicator to allow for differential treatment-comparison effects. The results are broadly consistent with our previous estimates. Lastly, we use the total county population in 1860 as weights to give more importance to the changes in the revenue of larger counties (Table OA4). These specifications are similar to the unweighted estimates presented in Section 3.

5 Mechanisms

We now explore some of the mechanisms through which the military’s enforcement of black enfranchisement may have influenced the taxes levied in each county. We begin by examining the importance of federal troops for the political power of Republicans. Focusing on local governments, we demonstrate that occupied counties with high black population shares were significantly more likely to elect black Republicans to key fiscal local-level offices. We then explore the effects on voter participation and show that in these counties turnout and support for Republican candidates in state-wide elections was significantly higher. Lastly, using a novel dataset of politically-motivated murders by the KKK, we show that the incidence of political violence against African Americans was significantly lower in occupied counties. These findings are supportive of our interpretation that the presence of federal troops was crucial for the capacity of African Americans to participate, compete, and obtain local political power.

5.1 Black Representation and Local Politics

Historians have emphasized that Republican leaders, especially black representatives, sought to increase revenues to fund an expansion of public services, by increasing both statutory ad valorem rates and the assessed value of property subject to taxation (e.g., Current 1988; Fitzgerald 2007). Local politics played a crucial role in this agenda because both the assessments and the collection were done by local officials at the state, county, and municipal levels.³⁴ Similarly, county and municipal rates were determined by local-level councils and

³⁴The assessment process was particularly important given that any increase in rates could be offset by the systematic under-assessment by local officials. This strategy was ubiquitous across the U.S. but in

politicians. Foner (2011: 355) described the importance of these positions to the planter elite: “In the (pre-War) South, these positions had been monopolized by local elites, and the prospect of Republicans, whether former slaves or whites of modest wealth, occupying them alarmed the old establishment even more than their loss of statewide control.”

We begin by exploring whether Republican control over local politics was a channel by which the occupation affected taxation. Namely, we test whether the presence of federal troops in counties with majority black populations influenced the selection of Republicans as local tax officials and members of boards with authority to levy local taxes. While a comprehensive list of local officials by party is unavailable, we use Foner’s (1993) directory of African American officeholders during Reconstruction to identify black Republicans in these positions.³⁵ We focus on officials responsible for assessing the value of taxable property and tax collection, and on members of local-level councils and other such fiscal bodies.³⁶ Following an approach similar to that used in the previous section, we estimate a series of linear probability models of the form:

$$d_{is} = \delta b_i + \eta \phi_i + \gamma [b_i \times \phi_i] + \lambda_s + \mathbf{X}'_{is} \beta + v_{is}, \quad (3)$$

where d_{is} is a dummy indicator for whether county i in state s elected at least one black politician to these positions during the entire period of Reconstruction.³⁷ The parameter of interest γ captures the differential impact of county black share on the likelihood of black officials in occupied counties. In \mathbf{X}_{is} we include the same set of controls, entered both directly and interacted with the occupation indicator ϕ_i . All other variables are defined as before.

[Table 4 about here]

The results in Table 4 show that the relative size of black constituencies in the occupied counties is highly correlated with the presence of black tax officials (columns 1-6). The point estimate of 0.570 (*s.e.* = 0.152) in column 1 implies that in an occupied county an increase of

the Southern states was more prevalent (see e.g., Seligman 1938; RJSC 1872: 230). Black Republicans also believed that assessing the value of property closer to its commercial value was an indirect method of redistribution from planters to the former slaves (Foner 2011).

³⁵Foner’s data only includes African Americans who held office before Redemption, the timing of which varied by state. The dataset includes approximately 1600 unique officeholders.

³⁶These positions varied by state and include: Assessor, Tax Assessor, Internal Revenue Assessor/Collector, Collector of Taxes, Sheriff, Auditor/Treasurer, Board of Assessors, County/City Commissioner, County Supervisor, Board of Supervisors, City/Town Council, and Alderman/Board of Aldermen.

³⁷Since there were no black representatives or Republicans officeholders before Reconstruction, this specification is analogous to the long-difference models estimated in Section 4.

one standard deviation in county black share is predicted to increase the likelihood of black tax assessors by around 13 percent.³⁸ When compared with the likelihood of the average non-occupied county, this effect represents a 25 percent increase. The estimate is robust to the inclusion of our income controls (column 2). In columns 3-4 we present the same model but taking officials in councils, boards, and other such bodies responsible for determining local taxes (labeled “supervisors”). In columns 5-6 we combine all positions into one indicator. The relevant interaction term is again positive and highly statistically significant. The joint effect of black share and occupation in these specifications is substantial; the estimate of 0.654 (*s.e.* = 0.177) in column 6 implies that the presence of troops increased the likelihood of black tax officials by more than 0.6% for each percentage point increase in black population share. Compared to the average non-occupied county, the likelihood of these officials in the average occupied county (having a black share of 42%) is approximately 30 percentage points higher.

In the bottom panel of Table 4, we examine the direct relationship between black officials and fiscal revenues at the different levels and periods. We normalize the impact of black officials by the likelihood of occupation and the relative size of black constituencies in a two-stage least squares (2SLS) model taking the relationship in columns 5-6 as a first stage. Namely, we instrument the black tax officials indicator d_{i_s} with the interaction term $b_i \times \phi_i$.³⁹ This exercise is useful because it enables us to explore a simple relationship between black representatives and taxes and at the same time address the measurement error in our black officials indicator.⁴⁰ In columns 7-8, we estimate the 1860-1870 long-difference model for state revenues. The impact of black officials is positive, substantial, and statistically significant. For example, the estimate of 0.784 (*s.e.* = 0.332) in column 7 implies an annual real growth rate in state revenues of almost 8% over the decade arising from the presence of black officials during the period of Reconstruction.

Columns 9-12 present the post-1870 models, taking the different levels of taxation separately. The effect of black tax officials is now negative and consistent with our previous

³⁸The direct effect of black share in this specification is also positive and statistically significant, although the estimate is significantly smaller ($\hat{\delta} = 0.161$, *s.e.* = 0.054).

³⁹The exclusion restriction in this approach implies that conditional on the controls, the occupation impacted local taxation only through the increase in the likelihood of local Republican officials (which is also proportional to the relative size of black constituencies).

⁴⁰Our number of black officials is certainly an undercount of local Republican officials as it does not include white northerners and white southerners affiliated with the party (known as “carpetbaggers” and “scalawags”) and supportive of Reconstruction.

reduced-form evidence. The coefficient for the state-level revenue model is very similar in absolute value to the one obtained for the 1860-1870 period (although the implied annual decrease over the 20-year period is significantly smaller). The decline in local revenue implied by these specifications is greater in magnitude. The estimated interaction term -1.353 ($s.e. = 0.676$) of column 11, for instance, implies an annual decrease of approximately 7% in real county per capita revenue over the period. These post-1870 estimates are less precise and have to be interpreted cautiously given that the lists of black officeholders for the post-Reconstruction years are unavailable. Yet we know that following Redemption the number of black politicians fell precipitously throughout the South (Foner 1993). Hence, we interpret these negative effects as the impact of the near complete disappearance of black representatives and the resurgence of Democrats in local-level government.

5.2 Electoral Participation

The rise of Republicans to key local positions was closely associated with the effective mobilization of black voters (Foner 1993). This is particularly important since most models on the fiscal impact of democratization are based on changes in the composition of the electorate (e.g., Acemoglu and Robinson 2006). In these models, the rising demand for redistribution only occurs if the newly enfranchised are able to exercise the right to vote.⁴¹ Thus, the control of federal forces of counties where black voters composed larger shares of the electorate should be associated with significant positive changes in electoral participation.

In Table 5 we explore this mechanism using two separate measures. First, we use the county-level turnout in presidential elections, as reported in Clubb, Flanigan and Zingale (2006), as a proxy for the potential change in voter turnout brought by black enfranchisement.⁴² This data is a substitute for voter registration records (which are not available for most states) and is largely consistent across states. This allows us to estimate the joint impact of black population share and occupation status on turnout in the different periods, using a triple-difference model similar to one used previously.

[Table 5 about here]

⁴¹Furthermore, studies on the impact of enfranchisement in other periods (e.g., Cascio and Washington 2013; Lott and Kenny 1999) have found significant positive effects on voter participation.

⁴²These authors calculate the turnout rate taking the total votes as a share of the estimated size of the electorate. This means that adult male slaves are excluded in the pre-war period.

First, we explore the change in turnout between 1860 and 1868.⁴³ As seen in columns 1-2, the differential increase in turnout during these years was significantly greater in the occupied high black population share counties.⁴⁴ The magnitude of this effect is substantial; the point estimate of -0.661 ($s.e. = 0.216$) of column 2 implies that the occupation increased presidential turnout by more than 0.6% for each percentage point increase in 1860 black population share. For the average occupied county this represents a 29% relative difference in comparison to the average non-occupied county. In contrast, columns 3-6 show that as the occupation waned, turnout in occupied high black share counties grew at a significantly lower rate. Columns 3-4 report the change in turnout between 1868 and 1876, the presidential election which historians denote as the end of Reconstruction. The -0.76 ($s.e. = 0.235$) of column 4 indicates that in an occupied county, a one standard deviation increase in black share implies a decrease in turnout of approximately 17%. We obtain similar results taking the 1880 election, the first post-Reconstruction presidential election (columns 5-6). These negative effects are consistent with studies suggesting that the decline in turnout during the post-Reconstruction decades precedes the introduction of de jure voting restrictions starting in the 1890s (e.g., Key 1984; Bertocchi and Dimico 2017).

Our second test of the occupation's effect on black voter participation is based on the popular support for Republican candidates. Although there is no systematic archive of local or even state-legislative elections by vote totals or party, we use Dubin (2010) to calculate the average vote share for the Republican Party in the gubernatorial elections taking place under occupation.⁴⁵ Since Republican voters in the region were primarily African American, this measure is a proxy for black electoral mobilization. Columns 7-8 report estimates using as outcome this measure. The estimated interaction effect of black share and occupation is positive and highly statistically significant. The estimate of 0.171 ($s.e. = 0.063$) in column 8 implies a difference in electoral support between the average occupied county and the average non-occupied county of approximately 10%.⁴⁶ This supports our argument that federal troops facilitated the political participation of black voters in the areas where they

⁴³We complement the missing 1868 records with the 1872 election. To take into account the timing of these elections we also recode the occupation indicator and exclude counties occupied after 1870.

⁴⁴On average, turnout declined more than 18% over this period in these states (14% in the occupied counties). This would indicate that the overall participation of black voters was lower compared to the pre-war participation levels.

⁴⁵The number of elections included in the calculation varies by state, the minimum is 2 (Arkansas and Virginia) and the maximum is 5 (South Carolina).

⁴⁶The direct impact of black share in this model is substantial and highly significant (point estimate of 0.505 , $s.e. = 0.038$).

represented larger shares of the electorate.

5.3 Political Violence

Lastly, we explore another key assumption of our argument linking the local presence of troops and black political power: Proximity to federal authorities limited the ability of Southern elites to capture the political process using coercion and violence. While a comprehensive dataset of politically-motivated violence during Reconstruction is likely impossible to construct,⁴⁷ we use the testimonies from the aforementioned RJSC (1872) to identify political murders by organized groups, primarily the KKK, during the early Reconstruction period. In addition to a majority report from the committee on the rise of the KKK, the report included twelve volumes of extensive testimonies from six states detailing acts of violence against blacks and white Republicans. The indices in the reports for five of these states discloses each person identified in the testimonies as being murdered by their race and location.⁴⁸ For each victim, we then checked the complete testimony to confirm that it was indeed a politically-motivated case and verified the county and exact year in which the murder occurred.⁴⁹ In total, we are able to identify 263 black men killed between 1868 and 1871.

[Table 6 about here]

In Table 6, we follow an approach similar to model (3) and estimate the likelihood of political murders as a function of occupation and black population share. First, we estimate a linear probability model using a dummy variable indicating whether a murder occurred in the county (columns 1-2). The estimated joint effect of troops and county black share on violence is negative and highly significant. The magnitude of these effects is large. For instance, the -0.986 ($s.e. = 0.321$) of column 2 suggests that compared to the average non-occupied county, the likelihood of at least one assassination in the average occupied county is approximately 24% lower. Columns 3-4 report the estimated marginal effects of a logit

⁴⁷The well-known datasets on racial violence in the South begin in the post-Reconstruction period (e.g., Cook 2012). To our knowledge, no study has investigated quantitatively the determinants of political violence during the period.

⁴⁸These states are: Alabama (Volumes VIII, IX, X), Florida (Volume XIII), Georgia (Volumes VI, VII), Mississippi (Volumes XI, XII), and South Carolina (Volumes III, IV, V).

⁴⁹Unlike the standard measures used in the Southern lynching literature, we attempt to exclude all cases of non-political violence (e.g., murders for personal reasons).

model which may provide a better description of the conditional density of interest. The ML estimates of this non-linear model are nearly identical to the previous OLS estimates.

In columns 5-8 we explore the same specification but taking the total number of murders as the dependent variable. The estimated joint effect of troops and county black share is again negative, large, and statistically significant. The point estimate of the linear model in column 6 (-3.68 , $s.e. = 1,229$) implies that occupied counties had on average 1.6 fewer murders relative to similar non-occupied counties. Lastly, columns 7-8 present the marginal effects of a negative binomial model which accounts for the overdispersion in our killings count. These estimates are slightly smaller but largely consistent and more precisely estimated than the linear model estimates.

Overall, these results provide suggestive evidence of the effective deterrence of federal troops in counties where black voters represented larger constituencies. These findings are also consistent with the historical accounts emphasizing the role of troops in fighting the de facto methods used by the Southern elite to disenfranchise and coerce black voters. Since it is certainly the case that the testimonies we use are not exhaustive of the political violence perpetrated against blacks in these states during the period,⁵⁰ this evidence should be interpreted with caution. The underreporting, however, is likely to cause an attenuation bias in our estimates as killings are presumably less likely to be reported in the comparison counties (i.e., those unoccupied by federal troops).

6 Conclusion

The military occupation of the South following the Civil War was fundamental to Congressional Republicans' plan to transform Southern political institutions. Facing a hostile white population, Army officers were in charge of protecting black voters as well as enforcing their civil rights. This process was not uniform, as both the spatial distribution of black voters and the presence of troops varied substantially within each state. In this paper we use this variation as a quasi-natural experiment to estimate the joint impact of enfranchisement and enforcement on fiscal outcomes. We find that occupied counties where black voters comprised larger shares of the electorate levied significantly higher per capita state and local taxes as compared to similar non-occupied counties. These counties then saw comparatively

⁵⁰For instance, while we find 61 political murders in Mississippi, Thompson (2007, 6) estimated that there were more than 100 in this period.

greater declines in tax revenues in the decades following the end of Reconstruction.

We explore a set of plausible mechanisms explaining these differential fiscal trends. First, we demonstrate that turnout and electoral support for Republicans increased relatively more in occupied counties with higher black population shares during the federal occupation. Also in these counties, political violence was significantly lower, and Republicans were more likely to hold local fiscal office. In sum, these findings are supportive with our interpretation that the presence of federal troops was crucial for the capacity of African Americans to exercise the necessary political power to promote their interests.

Our findings have a number of important implications. For one, this demonstrates that an important missing factor in most studies on the consequences of democratization is the extent to which reforms are effectively enforced. While the violent response to black enfranchisement from Southern whites may represent an extreme case, large deviations to the redistributive preferences of the median voter are clearly possible in many other contexts. In particular, when the distribution of economic resources is highly unequal and persistent across political regimes, the enforcement of democratic reforms is likely critical to the incidence of redistribution and inequality.

Our research also contributes to the recent literature exploring the efficacy and consequences of military occupations (e.g., Edelstein 2004). We provide evidence that occupations can promote local-level democracy, but their success ultimately depends on permanent coercive capacity. While outside the scope of our study, our findings do not suggest that this effect persists after troops depart. Given the demonstrably harmful consequences of Reconstruction's ending on black human capital and wealth accumulation, an interesting question is what would have occurred if the Republican Congress had allocated more resources and time to establish a monopoly of violence in the South and completely suppress white insurgencies. Given the long-running occupations of Afghanistan and Iraq, these are questions with which policy makers will continue to grapple.

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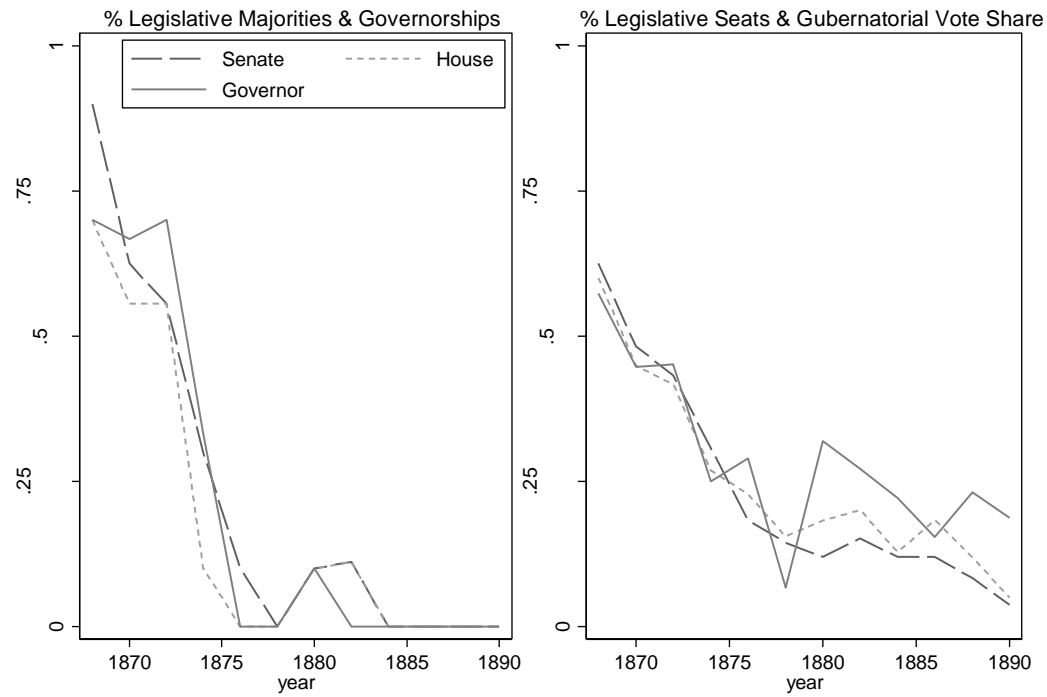
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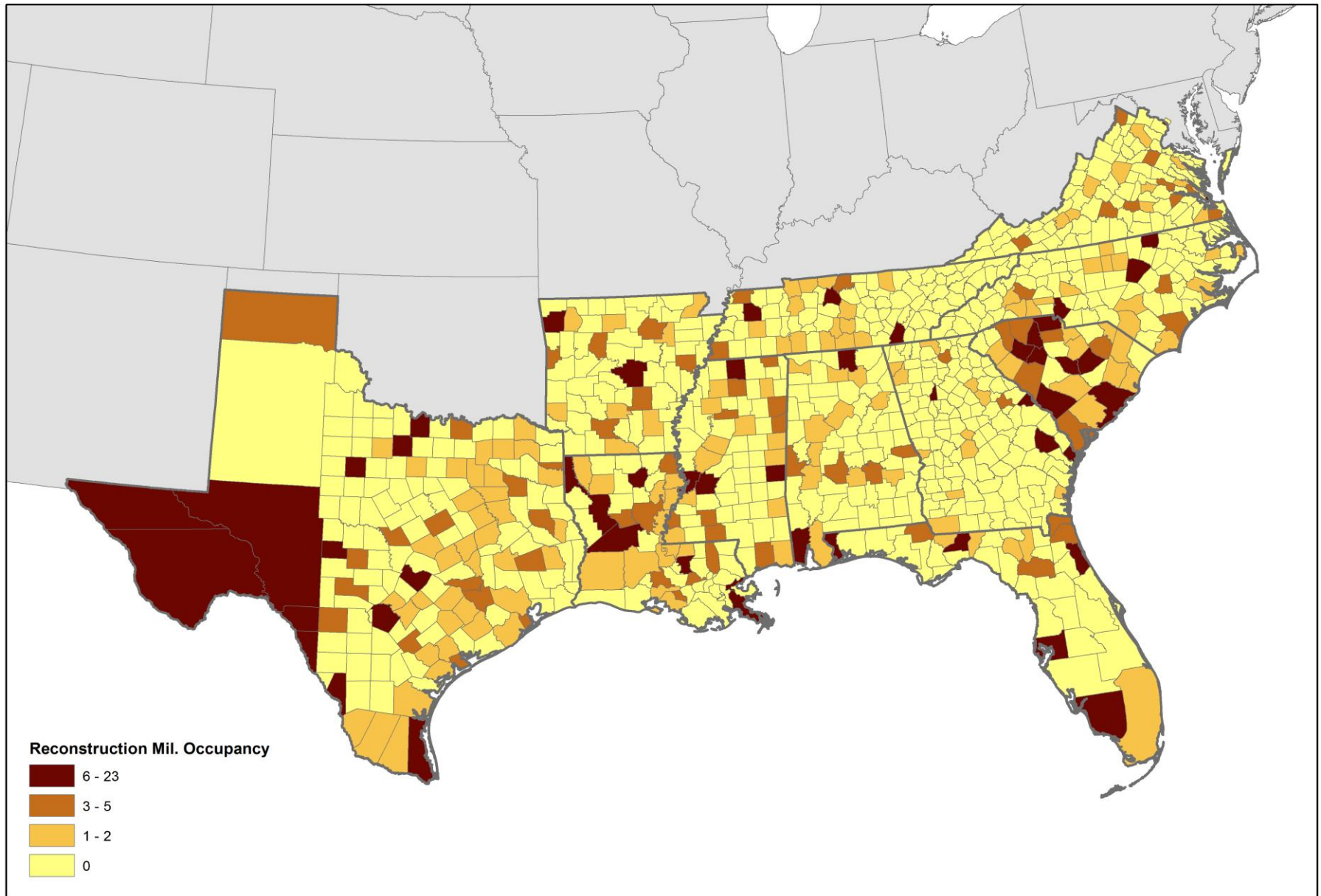
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Figure 1. Party Competition in the Reconstruction States



Notes: Left figure plots the share of state legislative chambers and governorships in the 10 Reconstruction states in which majority of members (or the governor) were not from the Democratic Party. The right figure presents similar measures based on the seats in each chamber and the vote share of gubernatorial races. Source: Dubin 2007, 2010.

Figure 2. Federal Occupation in the Reconstruction States, 1868-1877



Notes: Shades correspond to quartiles in the distribution of Army posts registered in each county during the 1868-1877 period. Authors' calculations based on Downs and Nesbit 2015.

Table 1. Descriptive Statistics

	Occupied		Non-Occupied	
	Mean (1)	St. Dev. (2)	Mean (3)	St. Dev. (4)
<i>Panel A. Taxation (real 1890 dollars)</i>				
Per capita State Revenue ₁₈₆₀	1.053	0.829	0.760	0.921
Per capita State Revenue ₁₈₇₀₋₁₈₉₀	1.136	1.027	0.817	0.602
$\Delta \ln$ (Per capita State Rev.) ₁₈₉₀₋₁₈₆₀	0.282	0.892	0.210	0.904
Per capita County Revenue ₁₈₇₀₋₁₈₉₀	1.402	1.903	0.998	1.169
$\Delta \ln$ (Per capita County Rev.) ₁₈₉₀₋₁₈₇₀	0.968	1.131	0.558	0.993
<i>Panel B. Pre-Reconstruction Characteristics</i>				
<i>Demographics</i>				
Black share	0.422	0.227	0.357	0.215
\ln Total Population	9.112	1.112	8.822	0.924
Urbanization	0.076	0.195	0.003	0.036
<i>Wealth</i>				
Per capita Farm Values	202.2	143.2	180.9	123.1
Per capita Wealth (p. property + real estate)	816.4	338.8	610.4	263.5
Land inequality (Land Gini)	0.487	0.108	0.489	0.078
<i>Panel C. Other County Characteristics</i>				
<i>Income (1870)</i>				
Per capita agricultural output	42.67	25.046	47.11	29.995
Per capita value manufacturing	17.43	22.690	10.81	13.266
Relative Representation Index ₁₈₇₀	1.000	0.252	1.168	0.556
\ln Distance to state capital	11.86	0.928	11.91	0.636
Mean elevation	4.510	1.193	4.802	1.139
$\Delta \ln$ (Total Population) ₁₈₉₀₋₁₈₇₀	0.544	0.511	0.569	0.541
Counties	212		579	

Notes: The sample includes all counties that existed by 1860 in the ten Reconstruction states. Occupied counties denote those in which a U.S. military garrison was stationed between 1868 and 1877, as reported by Downs and Nesbit (2015). See main text and Data Appendix for sources.

Table 2. Event-Study Estimates

	ln (Per capita state tax revenues) 1860-1890		ln (Per capita county tax revenues) 1870-1890		ln (Per capita total non-national tax revenues) 1870-1890	
	(1)	(2)	(3)	(4)	(5)	(6)
Black share ₁₈₆₀ × Occupation indicator × Year indicator for						
j=1870	0.464 (0.191)	0.519 (0.196)				
j=1880	0.157 (0.152)	0.123 (0.150)	-0.155 (0.358)	-0.111 (0.364)	-0.246 (0.212)	-0.262 (0.210)
j=1890	-0.040 (0.242)	-0.044 (0.247)	-0.771 (0.365)	-0.759 (0.370)	-0.612 (0.295)	-0.625 (0.311)
<i>Baseline Controls</i>	yes	yes	yes	yes	yes	yes
<i>1870 Income Controls</i>	no	yes	no	yes	no	yes
Observations	2,807	2,560	2,116	1,927	2,121	1,931
<i>R</i> -squared	0.722	0.724	0.622	0.626	0.655	0.657
Number of clusters	713	646	713	646	713	646

Notes: Robust standard errors clustered at the county-level reported in parenthesis. Baseline controls include (log) total population, urban rate, and the (log) real value per capita of farms, all from 1860. 1870 income controls include the (log) real value per capita of agricultural output and the (log) real value per capita of manufacturing. All controls are interacted with both time dummies and with time dummies and the occupation indicator. All models include county fixed effects and state-specific time effects.

Table 3. Long-Difference Estimates

	$\Delta \ln$ (Per capita state tax revenues) 1860-1870		$\Delta \ln$ (Per capita state tax revenues) 1870-1890		$\Delta \ln$ (Per capita county tax revenues) 1870-1890		$\Delta \ln$ (Per capita total non-national tax revenues) 1870-1890	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Black share ₁₈₆₀	0.516	0.557	-0.526	-0.546	-0.865	-0.776	-0.667	-0.623
× Occupation indicator	(0.188)	(0.194)	(0.246)	(0.254)	(0.376)	(0.375)	(0.302)	(0.314)
<i>Baseline Controls</i>	yes	yes	yes	yes	yes	yes	yes	yes
<i>1870 Income Controls</i>	no	yes	no	yes	no	yes	no	yes
Observations	678	627	692	637	691	636	695	639
<i>R</i> -squared	0.635	0.643	0.620	0.618	0.593	0.603	0.633	0.634

Notes: Robust standard errors reported in parenthesis. Baseline controls include log total population, urban rate, and the (log) real value per capita of farms, all from 1860. 1870 income controls include the (log) real value per capita of agricultural output and the (log) real value per capita of manufacturing. All controls are entered directly and interacted with the occupation indicator. All models include state fixed effects.

Table 4. Black Officeholders and Tax Revenues

	Black Tax Assesor 1868-1877		Black Supervisor 1868-1877		Any Black Official 1868-1877	
<i>OLS</i>	(1)	(2)	(3)	(4)	(5)	(6)
Black share ₁₈₆₀	0.570	0.597	0.404	0.357	0.596	0.654
× Occupation indicator	(0.152)	(0.167)	(0.151)	(0.169)	(0.161)	(0.177)
Observations	713	646	713	646	713	646
<i>R</i> -squared	0.320	0.326	0.357	0.354	0.420	0.430
	$\Delta \ln$ (Per capita state tax revenues) 1860-1870		$\Delta \ln$ (Per capita state tax revenues) 1870-1890		$\Delta \ln$ (Per capita county tax revenues) 1870-1890	
<i>2SLS</i> (<i>Instrument</i> : Black share ₁₈₆₀ × Occupation indicator)	(7)	(8)	(9)	(10)	(11)	(12)
Any Black Official ₁₈₆₈₋₁₈₇₇	0.784	0.822	-0.845	-0.802	-1.353	-1.134
	(0.332)	(0.349)	(0.460)	(0.432)	(0.676)	(0.619)
<i>F</i> -stat instrument	13.060	13.538	13.252	14.629	13.969	14.806
Observations	678	627	692	637	691	636
<i>R</i> -squared	0.531	0.517	0.506	0.506	0.466	0.496
<i>Baseline Controls</i>	yes	yes	yes	yes	yes	yes
<i>1870 Income Controls</i>	no	yes	no	yes	no	yes

Notes: Robust standard errors reported in parenthesis. Baseline controls include log total population, urban rate, and the (log) real value per capita of farms, all from 1860. 1870 income controls include the (log) real value per capita of agricultural output and the (log) real value per capita of manufacturing. All controls are entered directly and interacted with the occupation indicator. All models include state fixed effects.

Table 5. Political Participation and Republican Support

	$\Delta \ln$ (Presidential turnout), 1860-1868		$\Delta \ln$ (Presidential turnout), 1868-1876		$\Delta \ln$ (Presidential turnout), 1868-1880		Republican Vote Share 1868-1877	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Black share ₁₈₆₀	0.401	0.661	-0.835	-0.760	-0.768	-0.715	0.134	0.171
× Occupation indicator	(0.249)	(0.216)	(0.229)	(0.235)	(0.240)	(0.243)	(0.063)	(0.063)
<i>Baseline Controls</i>	yes	yes	yes	yes	yes	yes	yes	yes
<i>1870 Income Controls</i>	no	yes	no	yes	no	yes	no	yes
Observations	665	606	703	641	702	639	712	646
<i>R</i> -squared	0.454	0.534	0.401	0.454	0.490	0.538	0.558	0.564

Notes: Robust standard errors reported in parenthesis. Baseline controls include log total population, urban rate, and the (log) real value per capita of farms, all from 1860. 1870 income controls include the (log) real value per capita of agricultural output and the (log) real value per capita of manufacturing. All controls are entered directly and interacted with the occupation indicator. All models include state fixed effects.

Table 6. Political Violence, Black Share, and Occupation

	OLS	OLS	Logit	Logit	OLS	OLS	Negative Binomial	Negative Binomial
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Black share ₁₈₆₀	-0.967	-0.986	-0.959	-1.113	-2.147	-3.680	-1.398	-2.719
× Occupation indicator	(0.328)	(0.321)	(0.300)	(0.318)	(1.956)	(1.229)	(0.758)	(0.942)
<i>Baseline Controls</i>	yes	yes	yes	yes	yes	yes	yes	yes
<i>1870 Income Controls</i>	no	yes	no	yes	no	yes	no	yes
Observations	298	276	298	276	298	276	298	276
<i>R</i> -squared	0.114	0.134			0.121	0.133		

Notes: Robust standard errors reported in parenthesis. Marginal effects reported in models 3-4 and 7-8. Baseline controls include log total population, urban rate, and the (log) real value per capita of farms, all from 1860. 1870 income controls include the (log) real value per capita of agricultural output and the (log) real value per capita of manufacturing. All controls are entered directly and interacted with the occupation indicator. All models include state fixed effects.

DATA APPENDIX
Table A1. Occupied Counties, 1868-1877

Alabama (16)

Bullock, Calhoun, Colbert, Dallas, Hale, Jefferson, Lee, Lowndes, Madison, Marengo, Marshall, Mobile, Montgomery, Morgan, Sumter, Tuscaloosa

Arkansas (8)

Independence, Jefferson, Ouachita, Pope, Pulaski, St. Francis, Sebastian, Washington

Florida (11)

Alachua, Columbia, Dade, Duval, Escambia, Hillsborough, Jackson, Leon, Monroe, Nassau, St. Johns

Georgia (15)

Bibb, Bulloch, Chatham, Chattooga, Decatur, Dougherty, Floyd, Fulton, Glynn, Greene, Houston, Lumpkin, Muscogee, Richmond, Warren

Louisiana (22)

Ascension, Bossier, Caddo, Calcasieu, Catahoula, East Baton Rouge, East Feliciana, Franklin, Grant, Iberia, Madison, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, St. Landry, St. Martin, St. Mary, Tangipahoa, Tensas

Mississippi (22)

Adams, Alcorn, Claiborne, Grenada, Harrison, Hinds, Holmes, Jackson, Kemper, Lafayette, Lauderdale, Lee, Lincoln, Lowndes, Marshall, Monroe, Noxubee, Panola, Pike, Tallahatchie, Warren, Wayne

North Carolina (16)

Alamance, Burke, Caswell, Cleveland, Craven, Dare, Lincoln, McDowell, Mecklenburg, New Hanover, Orange, Robeson, Rutherford, Wake, Warren, Wayne

South Carolina (21)

Abbeville, Barnwell, Beaufort, Charleston, Chester, Colleton, Darlington, Edgefield, Georgetown, Greenville, Kershaw, Lancaster, Laurens, Marion, Marlboro, Newberry, Richland, Spartanburg, Sumter, Union, York

Texas (59)

Anderson, Austin, Bell, Bexar, Brazoria, Brazos, Calhoun, Cameron, Colorado, Comal, Dallas, El Paso, Freestone, Galveston, Goliad, Grayson, Guadalupe, Harris, Harrison, Henderson, Hidalgo, Hopkins, Hunt, Jack, Karnes, Kaufman, Kerr, Kinney, Lampasas, Leon, McLennan, Marion, Mason, Maverick, Menard, Milam, Montague, Nacogdoches, Navarro, Nueces, Parker, Polk, Presidio, Red River, Refugio, Robertson, San Augustine, Shackelford, Smith, Titus, Travis, Tyler, Uvalde, Van Zandt, Walker, Washington, Webb, Wharton, Zapata

Virginia (22)

Albemarle, Alexandria, Campbell, Elizabeth City, Essex, Fauquier, Frederick, Henrico, James City, Montgomery, Nansemond, New Kent, Norfolk, Nottoway, Powhatan, Prince Edward, Prince George, Roanoke, Rockbridge, Smyth, Spotsylvania, York

Notes: Lists correspond to counties registering at least one Army post stationed during the period. Source: Downs and Nesbit (2015).

Table A2. Sources, Prewar Fiscal Data

Alabama: *Report of the Treasurer of the State of Alabama*, 1856.

Arkansas: *Biennial Report of the Auditor of Public Accounts of the State of Arkansas*, 1858

Florida: *Report of the Comptroller of Public Accounts*, 1860 (found in the *Journal of the Proceedings of the House of Representatives of the General Assembly of the State of Florida, at Its Tenth Session, Begun and Held at the Capitol, in the City of Tallahassee, on Monday, November 26, 1860*)

Georgia: *Annual Report of the Comptroller General of the State of Georgia made to the Governor*, October 20, 1861

Louisiana: *Annual Report of the Auditor of Public Accounts, to the Legislature of the State of Louisiana*, January, 1861.

Mississippi: *Report of Auditor of Public Accounts to the Legislature of the State of Mississippi*, Nov. 7, 1859 [Document H (p. 294-296)].
(found in the *Journal of the House of Representatives of the State of Mississippi*, 1859)

North Carolina: *Comptroller's Statement of Public Revenue and Expenditure, 1861* (found in *Public Laws of the State of North-Carolina*, Passed by the General Assembly, at its Session of 1860-1861 (p. 212-213))

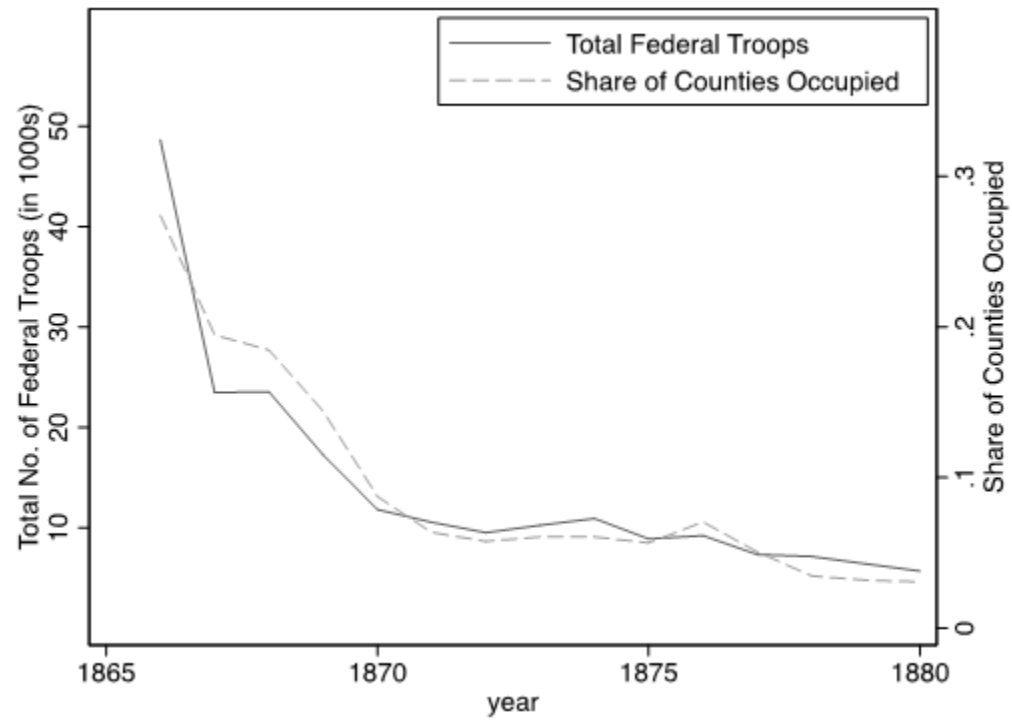
South Carolina: *Report of the Comptroller General to the Legislature of the South Carolina*, November, 1861 (found in *Reports and Resolutions of The General Assembly of the State of South Carolina*, passed at the Annual Session of 1861)

Texas: *Treasurer's Report for the Year 1859* (found in *Texas Almanac and State Industrial Guide for 1860*. Statistics of the Counties (Texas) for the Year 1859).

Virginia: *Biennial Report of the Auditor of Public Accounts of the State of Virginia*, 1860 & 1861. [DOC. No. V.]

ONLINE APPENDIX
(Not for publication)

Figure OA1. Troops and Counties Occupied, Reconstruction States



Notes: Authors' calculations based on Downs and Nesbit (2015).

Table OA1. Robustness Tests. Non-Occupied Neighbors Samples

	$\Delta \ln$ (Per capita state tax revenues) 1860-1870		$\Delta \ln$ (Per capita state tax revenues) 1870-1890		$\Delta \ln$ (Per capita county tax revenues) 1870-1890		$\Delta \ln$ (Per capita total non-national tax revenues) 1870-1890	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Black share ₁₈₆₀	0.895	0.938	-0.971	-0.994	-1.329	-1.290	-1.244	-1.236
× Occupation indicator	(0.235)	(0.236)	(0.286)	(0.303)	(0.461)	(0.457)	(0.353)	(0.367)
<i>Baseline Controls</i>	yes	yes	yes	yes	yes	yes	yes	yes
<i>1870 Income Controls</i>	no	yes	no	yes	no	yes	no	yes
Observations	318	296	326	301	326	301	326	301
<i>R</i> -squared	0.632	0.631	0.553	0.552	0.544	0.556	0.619	0.628

Notes: Sample in all models exclude counties having at least one adjacent occupied neighbor. Robust standard errors reported in parenthesis. Baseline controls and 1870 income controls are defined as before. All controls are entered directly and interacted with the occupation indicator. All models include state fixed effects.

Table OA2. Robustness Test. Common Support Samples

	$\Delta \ln$ (Per capita state tax revenues) 1860-1870			$\Delta \ln$ (Per capita state tax revenues) 1870-1890			$\Delta \ln$ (Per capita county tax revenues) 1870-1890			$\Delta \ln$ (Per capita total non-national tax revenues) 1870-1890		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Black share ₁₈₆₀ × Occupation indicator	0.489 (0.219)	0.574 (0.196)	0.647 (0.208)	-0.643 (0.294)	-0.568 (0.261)	-0.593 (0.256)	-1.005 (0.413)	-0.972 (0.355)	-0.768 (0.401)	-0.856 (0.358)	-0.658 (0.318)	-0.655 (0.340)
<i>Common Support Sample:</i>	Black Share 1860	P-Score Occupation	P-Score Occupation & Inverse p-score weighting	Black Share 1860	P-Score Occupation	P-Score Occupation & Inverse p-score weighting	Black Share 1860	P-Score Occupation	P-Score Occupation & Inverse p-score weighting	Black Share 1860	P-Score Occupation	P-Score Occupation & Inverse p-score weighting
Observations	552	626	626	559	636	636	558	635	635	561	638	638
R-squared	0.587	0.644	0.693	0.627	0.618	0.652	0.616	0.617	0.657	0.652	0.635	0.668

Notes: Samples in 1, 4, 7, and 10 exclude comparison counties having a black share lower than the 10th percentile (6.6%) and occupied counties having a black share of more than the 90th percentile (72%). Samples in all other models exclude comparison counties having a propensity score of occupation lower than the 10th percentile (3.5%) and occupied counties having a score of more than the 90th percentile (88%). Robust standard errors reported in parenthesis. All models include baseline controls and 1870 income controls, defined as before, and state fixed effects. All controls are entered directly and interacted with the occupation indicator.

Table OA3. Robustness Tests. Additional Controls

		$\Delta \ln$ (Per capita state tax revenues), 1860-1870							
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Black share ₁₈₆₀		0.557	0.548	0.549	0.571	0.701	0.555	0.503	0.591
× Occupation indicator		(0.194)	(0.193)	(0.193)	(0.201)	(0.266)	(0.198)	(0.192)	(0.218)
Observations		627	627	627	627	625	627	627	625
<i>R</i> -squared		0.643	0.644	0.644	0.645	0.651	0.651	0.646	0.646
		$\Delta \ln$ (Per capita state tax revenues), 1870-1890							
		(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Black share ₁₈₆₀		-0.546	-0.527	-0.523	-0.558	-0.722	-0.593	-0.528	-0.469
× Occupation indicator		(0.254)	(0.255)	(0.255)	(0.259)	(0.314)	(0.251)	(0.258)	(0.263)
Observations		637	637	637	637	636	637	637	636
<i>R</i> -squared		0.618	0.620	0.622	0.622	0.626	0.620	0.618	0.623
		$\Delta \ln$ (Per capita county tax revenues), 1870-1890							
		(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Black share ₁₈₆₀		-0.776	-0.752	-0.750	-0.790	-1.023	-0.876	-0.925	-0.668
× Occupation indicator		(0.375)	(0.376)	(0.375)	(0.378)	(0.432)	(0.365)	(0.360)	(0.394)
Observations		636	636	636	636	635	636	636	635
<i>R</i> -squared		0.603	0.605	0.605	0.606	0.608	0.608	0.606	0.606
<i>Additional Controls</i>		Income Controls 1870	ln Mean # Troops	ln Mean # Military Units	# Years Occupied	Distance State Capital	War Agricultural Destruction	Land Gini 1860	Relative Re- presentation c. 1870

Notes: Robust standard errors reported in parenthesis. All models include baseline controls and 1870 income controls, defined as before, and state fixed effects. All controls are entered directly and interacted with the occupation indicator.

Table OA4. Robustness Tests. Population Weighted Specifications

	$\Delta \ln$ (Per capita state tax revenues) 1860-1870		$\Delta \ln$ (Per capita state tax revenues) 1870-1890		$\Delta \ln$ (Per capita county tax revenues) 1870-1890		$\Delta \ln$ (Per capita total non-national tax revenues) 1870-1890	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Black share ₁₈₆₀	0.472	0.510	-0.517	-0.531	-0.844	-0.732	-0.662	-0.607
× Occupation indicator	(0.186)	(0.192)	(0.242)	(0.250)	(0.377)	(0.378)	(0.296)	(0.308)
<i>Baseline Controls</i>	yes	yes	yes	yes	yes	yes	yes	yes
<i>1870 Income Controls</i>	no	yes	no	yes	no	yes	no	yes
Observations	678	627	692	637	691	636	695	639
<i>R</i> -squared	0.633	0.641	0.616	0.614	0.583	0.593	0.630	0.631

Notes: Robust standard errors reported in parenthesis. Baseline controls and 1870 income controls are defined as before. All controls are entered directly and interacted with the occupation indicator. All models include state fixed effects.