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DO BLACK POLITICIANS MATTER?

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ABSTRACT

This paper exploits the history of Reconstruction after the American Civil War to estimate the causal effect of politician race on public finance. I overcome the endogeneity between electoral preferences and black representation using the number of free blacks in the antebellum era (1860) as an instrument for black political leaders during Reconstruction. IV estimates show that an additional black official increased per capita county tax revenue by \$0.20, more than an hour's wage at the time. The effect was not persistent, however, disappearing entirely at Reconstruction's end. Consistent with the stated policy objectives of black officials, I find positive effects of black politicians on land tenancy and show that exposure to black politicians decreased the black-white literacy gap by more than 7%. These results suggest that politician race has large effects on public finance and individual outcomes over and above electoral preferences for redistribution.

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"You never saw a people more excited on the subject of politics than are the negroes of the South. They are perfectly wild."

- John H. Parrish to Henry Watson, Jr., *August 6, 1867*

"I do not hesitate to assert that the Southern Reconstruction Governments were the best governments those States ever had."

- John R. Lynch, *The Facts of Reconstruction, (1913)*

1 Introduction

What is the effect of politician race on government policy? In standard political models, specific candidate demographics have no effect—policymakers reflect the preferences of the electorate (Downs, 1957). At the same time, politician race may affect the electorate by increasing or depressing turnout, leaving the median voter endogenous to the demographics of the candidates for office (Washington, 2006; Vogl, 2014; Ferreira and Gyourko, 2009). In citizen-candidate models, which allow for politicians to differ from the median voter's preferred policy, there would be a race effect only to the degree that politicians of the same race have the same policy preferences (Alesina et al., 1999). Despite the limited empirical literature on the topic, public policy has adopted mechanisms designed to racially diversify the demographics of elected officials. For example, the Voting Rights Act of 1965 led to the creation of super-majority black congressional districts to ensure racial minority representation in Congress. The focus of previous literature has been the effect of majority-minority districts, the electorate, or the racial composition of officeholders as opposed to the demographics of politicians themselves (Washington, 2012; Cascio and Washington, 2014; Shotts, 2003; Friedman and Holden, 2008; Beach and Jones, 2017).

But does the race of the *policymaker* have an effect on policy outside of racial composition and preferences of the electorate? Racial segregation, the geographic concentration of blacks in cities in regions outside of the South, endogenous incorporation and municipal boundaries, and political districting and redistricting make it difficult to disentangle contemporary candidate demographics from the communities they represent (Grofman and Handley, 1989; Ananat and Washington, 2009; Eisenger, 1982; Grose, 2005; Taylor, 1998; Grofman and Handley, 1989; Vogl, 2014). At the same time, political debates in the United States are often racialized so that candidate demographics act as

policy signals. The existing literature has found that the racial composition of officials matters more than individual demographics (Beach and Jones, 2017; Ferreira and Gyourko, 2009, 2014).

This paper exploits the unique history of Reconstruction after the American Civil War to estimate the causal effect of black political officeholders on local government finance. Reconstruction offers a unique opportunity to analyze politician race on public finance due to the unanticipated enfranchisement of roughly one million African Americans and the immediate influx of black political leaders that followed. Black officeholders faced competition for office, created and exploited local black political organizations and voter education efforts, and articulated a policy platform that was at odds with antebellum Southern institutions. From essentially no black political participation in the United States before the Civil War, the dramatic entry of blacks into American political life led to more than 1,300 blacks holding offices ranging from local school boards to Governor from 1866 to 1880 in the South.

While the conditional correlation between black officeholders and local public finance is inherently interesting, the confounders of political competition, local preferences for redistribution, white resistance, and black political mobilization could lead to biased or spurious estimates of the effect of politician race on local tax revenue. To overcome these endogeneity concerns I use the within-state distribution of free blacks in 1860 as an instrument for black policymakers during Reconstruction. Intuitively, areas with more free blacks antebellum had a larger supply of potential officeholders during Reconstruction for reasons unrelated to local political preferences for redistribution. While well-motivated by the historical literature, I check that this instrument satisfies the exclusion restriction via a number of supplementary empirical tests. I show that the within-state distribution of free blacks is not related to (1) the date of entry of black politicians, (2) the date of exit, (3) the average length of term in office, (4) Reconstruction-era voting outcomes, (5) Reconstruction-era vote shares, or (6) voter registration.

The conditional correlation between county taxes per capita and the number of black politicians is positive and significant, with each additional black politician correlated with a \$0.09 increase in per capita county tax revenue. IV estimates are twice as large as OLS estimates, with each additional black politician increasing per capita county revenue by more than \$0.20, which is more than a

laborer's hourly wage at the time. The IV estimates imply that a one standard deviation increase in the number of black officials increased per capita county tax revenue by 0.62 standard deviations, a remarkably large effect.

Results also show that the effect is not simply a product of black politicians representing majority black electorates and is concentrated in legislative officials who had jurisdiction over tax policy. As an additional check to ensure that the result works through black officeholders and not community-level preferences for redistribution, I measure how local public finance changed after Reconstruction ended. Beginning in the mid 1870s, Southern whites began to restrict the political participation and influence of blacks, known as Redemption. By 1877, a super majority of black officeholders had stopped serving and were replaced by whites. If the tax revenue effect in 1870 is driven by local electoral preferences for redistribution, then the result should be persistent even after black policymakers are out of office. I find, however, that the effect of black politicians entirely reverses—the same increase (which, after Reconstruction, is a decrease) in black politicians decreases tax revenue (1880-1870) by 0.86 standard deviations. Put another way, the tax effects of black policymakers left no lasting effects on local public finance.

Moving beyond the aggregate tax effects, I use the narrative record to show that black politicians had policy agreement on the use of taxes for two specific redistributive purposes— public education and land redistribution. To examine whether these tax revenue effects were related to outcomes, I analyze the effects of black politicians on land reform and education. I find that black politicians were related to increased tenant farming and decreased sharecropping, consistent with tax policy altering incentives for land use resulting in better labor contracts. I also find large education effects for both blacks and whites exposed to black politicians. A back-of-the-envelope calculation shows that a one standard deviation increase in black politicians increased black male literacy by two percentage points. Difference-in-difference and DDD estimates (for black literacy and black-white literacy differences, respectively) show that exposure to black politicians increased black male literacy by 6% and closed the black-white literacy gap by 7%.

This paper makes several contributions to the literature. First, the results here add to the growing literature on policymaker demographics and political outcomes (Beach and Jones, 2017; Ferreira

and Gyourko, 2009, 2014; Pande, 2003; Chattopadhyay and Duflo, 2004). This analysis shows that politician race affects outcomes over and above electoral preferences. Moreover, this work is consistent with the literature which finds large public finance effects for black enfranchisement (Cascio and Washington, 2014), suggesting that political representation can strengthen the electoral effects of enfranchisement. Second, this work leverages the historical record to determine, *ex ante*, the specific areas of policy agreement among black officeholders and allows me to analyze whether specific policy goals were achieved, consistent with models of citizen candidates (Alesina, 1998; Osborne and Slivinski, 1996; Besley and Coate, 1997). Third, this paper speaks to the literature on American politics, labor, schooling, and institutional development. The majority of existing Reconstruction studies focus on specific states or biographies of specific leaders, not the broad policies advocated by black political leaders. Similarly, little analysis in economics has focused on the political economy of Reconstruction, when postbellum labor relations and the public school system in the South were established. The political gains during Reconstruction by blacks had real effects in a region of the country with traditionally low investment in public goods and human capital. The results here show that black political leadership is an important and omitted factor in black socioeconomic outcomes.

2 Black Policymakers and Reconstruction Politics

The enfranchisement of black males in the South began in 1867 when Congress ordered Southern states to form new governments under suffrage laws that were racially neutral. More than one million black men were enfranchised and a significant number of blacks held office during Congressional Reconstruction.¹ Though black officeholding was extensive, in proportion to the population it still marked underrepresentation for blacks. Nevertheless, the widespread election of southern blacks was a striking revolution in both American and global political history.

One key issue facing any policymaker during Reconstruction was public finance. The antebellum tax base in some Southern states was predicated on slavery. In Louisiana, for example, slaves accounted for between one-third and one-half of the tax base. The decline of the cotton system, falling agricultural prices, and decline in black labor supply were only part of the problem. Given that the

¹See the Appendix for a brief history of Reconstruction.

majority of Civil War battles were fought in the South, there was infrastructure repair that placed additional demands on public finance. Even more, the humanitarian needs of the newly emancipated slaves were not fully addressed at the federal level and required local public support.

Bond (1938) argues that tax rate increases were driven by two factors between 1860 and 1870— a decrease in the value of assessed property and increased spending during Reconstruction. Thornton (2016) shows that tax increases were significant during Reconstruction, and argues that tax increases were a key reason for Reconstruction’s failure. The self assessment of property values came to an end with Reconstruction, where administrative offices were established to assess property values and where tax rates increased to finance an increasing range of public goods including infrastructure, education, and public assistance.² Another issue was slavery itself— farm value was positively related to the extent of slaveholding within the South (Wright, 2006). Lynch (2012) details several officials whose duties included assessing taxes or collecting taxes at the local level. There was variation in the duties and the degree to which local officers could influence tax revenue under regulatory authority, but for the first time blacks held these positions and/or otherwise held positions which would influence tax levels. Such titles included levee commissioner, collector of taxes, internal revenue assessor, auditor of the treasury, and tax assessor in addition to offices which had legislative authority to tax.³

There has been remarkably little economic analysis of the effects of this dramatic increase in black political participation on public finance, public schooling, land reform, and a host of additional factors which could have been influenced by black political participation. While Alston and Ferrie (1999); Naidu (2012); Kousser (1974); Wright (2006, 1986); Margo (1990); Ransom and Sutch (2001); Pritchett (1985, 1989) and others have detailed the links between political disenfranchisement and public goods after Reconstruction, few have considered the role of black politicians during Reconstruction. For example, Margo (1990) and Pritchett (1989) concentrate on schooling after Southern whites seized control of school boards and consolidated school financing at the state level in the South. Naidu (2012) and Kousser (1974) concentrate on voting restrictions which were enacted after widespread voter intimidation limited black political participation. Alston and Ferrie (1999) and Ransom and

²The lower levels of taxes in the South continued and are evident when the first income taxes were filed in 1913 (Woodward, 1971).

³Foner (2014) gives additional positions at the local level with assessment or collection duties. He finds that blacks were increasing in their positions in the roles until the Depression of 1873.

Sutch (2001) focus on labor contracts in periods where blacks lacked access to organizations such as the Freedmen’s Bureau to negotiate contracts. Ager (2013), Larsen (2015) and Acharya et al. (2016) consider the persistence of the political power, but the role of black political success during Reconstruction is not directly addressed in the existing scholarship.⁴

Part of this neglect may reflect the shifting historiography of Reconstruction, most recently described by Foner (2014). The earliest histories of Reconstruction were heavily influenced by the Dunning School, which held that Reconstruction was a failure, that black political participation led to incompetent leadership, and that federal influence in the former Confederacy was unwarranted and ultimately unsuccessful (Dunning, 1907). While this narrative was first challenged by Du Bois (1935) and followed by several scholars in African American history (Bennett, 1962, 1967; Franklin, 1961), the narrative on Reconstruction and black policymakers has only recently been added to the mainstream historical narrative (Hahn, 2005; Rabinowitz, 1982; Lynch, 2012; Foner, 1996, 2014; Woodward, 1971). The current consensus is that the Reconstruction governments were not as incompetent as previously believed. The efficacy of these governments, however, has not been documented quantitatively.

2.1 The Political Ideology of Black Policymakers

Investigating potential effects of black officeholding is an empirical task as the relationship between politician race and policy is theoretically ambiguous. In models of citizen-candidates, politicians are concerned about specific outcomes and they cannot credibly commit to moderate policies, and in these cases there will be policy divergence depending on which candidates are elected (Alesina, 1998; Osborne and Slivinski, 1996; Besley and Coate, 1997). While contemporary surveys show that blacks have greater preferences for distribution than whites (Beckman and Zheng, 2003), the ideological consensus of black policymakers during Reconstruction must be established. Before turning to empirical estimates of the effect of black politicians it is important to detail their political preferences and to highlight areas where they held broad agreement.

⁴Larsen (2015) uses Confederate deaths to estimate the effects on labor ratios and voting behavior. Ager (2013) does analyze violence against black officeholders after Southern Redemption and finds it more likely in counties with more skewed antebellum wealth distributions. One complication is that the violence begins after Redemption starts, and another is the question of how such persistent political power coincided with black officeholding, which should be less common in areas with a persistent ruling elite. Cook et al. (2016) find no effects of black political leadership on lynchings in the Jim Crow era.

Drawing on an extensive review of the historical record of Reconstruction, I used a narrative approach to establish areas of policy agreement among black policymakers. I adopted a criteria to identify the policies. Specifically: (1) there had to be direct narrative evidence about a specific policy, (2) the policy and its reasoning had to be explicitly stated by policymakers at the time, (3) numerous examples of policy discussion had to be found over several states during Reconstruction, (4) no evidence of broad disagreement in the policy goals and objectives among black policymakers could be found, and (5) the policy had to be one whose efficacy could be empirically validated ex post. There were two key issues that black political leaders thought most important— land redistribution and public education (Du Bois, 1935; Foner, 2014; Hahn, 2005; Rabinowitz, 1982; Williamson, 1965).⁵

2.1.1 Black Policymakers and Land Reform

Southerners of both races noted that the low taxes in the antebellum era encouraged the acquisition of unimproved land by wealthy landowners (Foner, 2014). While land productivity was high in the antebellum South, more than two thirds of Southern farmland was unimproved in 1860 (Fogel and Engerman, 1974). During Reconstruction, black policymakers sought to use tax policy to induce the sale of unimproved land (Foner, 2014). The basic idea was not to use taxes on land to seize property for non-payment of taxes, but rather to alter the opportunity costs of large landholding. Most states designed policy where land seized for taxes was to be sold in small lots, similar to land lotteries in the antebellum era for land acquired through treaties with Native American tribes. As noted by Foner (2014), Abraham Galloway, an influential black politician in North Carolina, stated that "I want to see the man who owns one or two thousand acres of land, taxed a dollar on the acre, and if they can't pay the taxes, sell their property to the highest bidder...and then we negroes shall become land holders" (p. 376).

The narrative record establishes that this policy was not restricted to a few black leaders in selected states. For example, Williamson (1965) describes the case in South Carolina as "a heavy tax on unused land. This tax was expected to force owners of such lands either to bear the burden of the

⁵There were areas of disagreement among black politicians as well. Foner (2014); Williamson (1965) describe the debates surrounding railroad finance, where black politicians disagreed. Testing these policies is difficult, however, as railroad finance was a state issue and whites disagreed on the policy as well. As such, there is not a clear distinction along racial lines in the policy space.

tax from their other resources, to put the land under cultivation and thus employ laborers or renters, or to allow the land to be sold..." (p. 148). He further notes that a black delegate to the South Carolina convention stated that the high tax rates "would force owners of large tracts of waste lands to sell and give us a chance" (p. 149). Similarly, Foner (1996) describes "several officials, including Matthew Gaines of Texas...urged heavy taxation of unoccupied land, to force it onto the market" (p. xxvii). The system of taxation became the preferred means of land redistribution, as the emerging Southern leaders feared that confiscation would meet with negative reaction in the North.

It is important to distinguish this policy from land seizures for non-payment of property taxes. While seizures were relatively common during Reconstruction, they rarely resulted in significant land redistribution. Even at the time, policymakers of all political stripes noted the limited ability of public property sales for tax liens to redistribute land due to the potential of collusion in the land markets (Foner, 2014).⁶ Overall rates of black landowning were relatively low and while tax policy has been seen as an ineffective method of land redistribution, there have been few empirical tests for any effects (McPherson, 1875).

2.1.2 Black Policymakers and Public Education

The key issue for education was creating and financing a public education system that would serve both black and white students. Although Federal Freedmen's Bureau schools have received more attention, they educated relatively few black students—the public school system was far more important (Margo, 1990). As noted by Du Bois (1935) and others, the South did not invest heavily in human capital before the Civil War. Public education necessitated a drastic change in public financing in the South. Estimates from historians suggest that one-fifth of local taxes were used to fund public education (Du Bois, 1935). Attempts to use federal funds to finance public education were futile, although Senator Charles Sumner repeatedly attempted to have federal assistance for public schools.⁷ While some advocated the sale of federal lands or unclaimed Civil War bounties to finance education, the use

⁶One reason why property holding among blacks may have been related to high assessment rates could be the fact that they would be more likely to acquire property in areas with higher assessments, which could be related to higher taxes in general (Margo, 1984; Higgs, 1984).

⁷James Rapier, a Congressman from Alabama, sought to provide more aid to schools in states with the highest illiteracy rates (Rabinowitz, 1982), but was also unsuccessful.

of poll taxes and property taxes proved more amenable to finance local public schools (Rabinowitz, 1982; Lynch, 2012; Marszalek, 2008; Foner, 2014; Williamson, 1965). Since these were administered at the county level, the county became the canonical boundary for Southern school districts.⁸

The specific policy mechanisms advanced by black politicians for public education varied— in Alabama a property tax was proposed, in Texas the sale of public lands, in Maryland changes to the state tax code to allow local taxation, in South Carolina Murray suggested that unclaimed Civil War bounties could be used, and North Carolina debated a specific consumer tax for education. Harrison Reed’s plan in Florida was to increase land assessments to fund public goods, and this model was followed in other Southern states by black political leaders (Current, 1988). Fitzgerald (2007) notes that property tax increases were the key drivers of tax revenue in Mississippi and Louisiana, while Valelly (2004) also shows that poll taxes played a critical role. It was common during Congressional Reconstruction that state taxes were supplemented with local tax revenue. As Williamson (1965) notes, ”each county taxed its property owners for the administration of regular county affairs and for special purposes such as new buildings and roads. Furthermore, the school tax was often quoted separately” (pp. 150-151). Gillette (1982) has argued that the prospects of federal land sales to finance education was an impetus for the Civil Rights Acts passed during Reconstruction. In general, the contemporary historical record has documented the primacy of public education in black policymaker decisions.

2.2 Southern Redemption

Beginning in the early 1870s, Southern whites began a wide-spread campaign to undo the Congressional Reconstruction process. Southern Redemption was concentrated on reducing the level of black political involvement and reestablishing antebellum social relations (Rable, 2007; Lemann, 2007; Woodward, 1971). The eventual establishment of Jim Crow and de facto disenfranchisement after Reconstruction were not automatic but required southern states to overturn Congressional Recon-

⁸Lynch (2012) sketches the geography where school districts and counties were mapped one-to-one for efficient collection and distribution of taxes. Fischel (2009) notes the distinctive nature of the geography of Southern school districts. Constitutional conventions in some states, such as Louisiana, advocated one public school per parish. It is not clear whether this was for population density concerns or simply reflecting the reality that most public goods were provided at the county level, which is also the level at which taxes were assessed.

struction policies. As such, Southern Redemption was predicated on the political events of Reconstruction.⁹ One aspect of the racial nature of the Redemption is that white Southern populists were vocal in their opposition to any black political power or enfranchisement. Fitzgerald (2007), Rable (2007), and Lemann (2007) claim that political arguments over "excessive" taxation were related to increasing Klu Klux Klan activity and overt acts of racial intimidation, many of which were aimed at black voters and officeholders.¹⁰ Some resistance to taxes was due to the belief that high tax rates were keeping capital investment out of the South, even though tax rates in the South were relatively low (Hesseltine, 1935). Woodward (1971), Ayers (1992), and Williamson (1965) note that Redemption came with state policies which limited the ability of local bodies (such as school boards and boards of equalization) to levy taxes and even created systems where board members were selected by the governor as opposed to the local electorate. Despite the appeals to states' rights, Redemption featured strong federalism in public finance when it limited black political prerogatives.¹¹

Local and grassroots white resistance to Reconstruction-era public finance was common during Redemption. The Charleston Chamber of Commerce passed a resolution in 1871 to encourage local businesses to simply stop paying all taxes, and withholding of taxes became a means to overthrow local black political leaders (Current, 1988; Bellesiles, 2010). Duncan (1986) outlines the general restrictions on local public finance during Redemption, and Rabinowitz (1982) shows how whites systematically removed black politicians from offices which controlled public finance during Redemption.

⁹Ager (2013) argues that Redemption was a return to antebellum political institutions, and finds that the post-Redemption constitutional conventions, which undid the Reconstruction-era policies, featured an inordinate number of representatives from the Presidential Reconstruction constitutional conventions. Acharya et al. (2016) find even longer persistence of slaveholding on political preferences.

¹⁰One extreme example can be found in the Colfax Massacre of 1873, which eventually provided legal cover to white voter intimidation. The contested 1872 elections in Grant Parish, Louisiana, resulted in blacks being seated in the offices of judge and sheriff. Blacks seized control of the courthouse and were attacked by whites on Easter Sunday, April 13, 1873. Even after the blacks in the courthouse raised a white flag of surrender, whites continued cannon and rifle fire. After the courthouse was seized by whites, it was burned with blacks still inside and many remaining survivors were led off two by two to be shot dead. The death toll is believed to be somewhere above 100 slain in the massacre. Attempts to prosecute the perpetrators under the Enforcement act led to the *United States v. Cruikshank* decision of 1876 which disallowed federal prosecution of conspiracy charges under the Enforcement Acts. This left gangs of armed whites essentially immune from prosecution, and the decision emboldened whites in Southern states to re-double their efforts to intimidate black voters (Rable, 2007; Foner, 2014). Even before the Supreme Court decision the die had been cast in Louisiana— whites seized control of counties and forced black officials to resign from their elected offices (Rable, 2007).

¹¹This is consistent with the political ideology which led to secession, which Dew (2002) argues which was less related to political concerns as opposed to hostility to blacks. Similarly, Jones et al. (2012) show that informal forms of voter suppression were effective deterrents to black political participation after Reconstruction's end.

For example, Foner (2014) documents the abolition of several state boards of education during Redemption. In 1875 there was a tax limit for public schools placed into the Alabama state constitution by landowners (Bond, 1938). In Vicksburg, criticism of taxes was used as a justification for racial violence (Gillette, 1982).¹² In Texas, Governor Roberts vetoed appropriations for public schools as a matter of fiscal conservatism (Woodward, 1971).

Fitzgerald (2007) notes that while some white officials sought to drastically reduce all education expenditures after Redemption, the popularity of public schooling among whites led to fewer reductions in educational expenditures for whites. When white Democrats petitioned Congress over the issue of increased tax rates, South Carolina's Governor instructed State Treasurer Francis Cardozo to issue an itemized response which listed state and normal school expenses as two of the four largest categories of expenditure accounting for the growth in government outlays, which made dramatic cuts more politically difficult (Williamson, 1965; Sterling, 1994). Nevertheless, Woodward (1971) and Valelly (2004) describe how the length of the school term declined by 20% and expenditures per pupil declined by 60% from 1871 to 1880. In Virginia, the governor promised planters that the property tax which funded public schools would not be enforced (McPherson, 1992).¹³ Williamson (1965), consistent with other histories, describes how black/white school funding ratios diverged considerably after Redemption. Du Bois (1935) notes the decrease in school enrollment from 1874-1876 when Democrats seized control of the Arkansas legislature. Political disenfranchisement was linked to education—white legislators justified the disenfranchisement of black citizens by arguing that it was not "incumbent" upon them to educate blacks and that, as uneducated citizens, they should not vote.

The narrative history of events after Reconstruction give some important clues as to effects of the end of black political leadership. While narrative histories stress voting and racial intimidation, public finance played a significant role as well. The tax policies adopted during Redemption are further

¹²Conservatives also hoped that the Supreme Court would invalidate the provisions of the Civil Rights Bills that provided for equal access to public education (Gillette, 1982).

¹³Also see Butchart (2010), pp. 153-178. There is evidence that black policymakers acted consistently to defend public education, in contrast to other public expenditures such as infrastructure. In Mississippi, black officials in the state legislature united to defeat a measure advanced by white Democrats which would have reduced the tax base for public schools. As another example, in Louisiana blacks petitioned to have local taxes as a source to continue funding public schools after the tax that funded local education expenditures was suspended by state government (Du Bois, 1935). W.F. Brown, State Superintendent of Education in Louisiana, further investigated the wholesale disappearance of funds intended for public schools after white Democrats returned to power.

suggestive evidence of the stark policy preference differences between black and white officeholders in the South after the Civil War.

3 Data and Empirical Strategy

3.1 Data

3.1.1 Black Policymakers During Reconstruction

Information on black policymakers comes from Foner (1996), which is the most comprehensive source of black officeholders during Reconstruction. While not a complete catalog of every black officeholder during Reconstruction, which would be impossible, Foner (1996) contains the entries of all major officials and the supermajority of black officials (“all the major black officials at the national and state levels and a majority of local officeholders”) during Reconstruction.¹⁴ As noted by Foner (1996), they had “control over such matters as public expenditures, poor relief, the administration of justice, and taxation policy, local officials had a real impact on the day-to-day lives of all Southerners” (p. xxvi).

One concern is selection in the officials appearing in Foner (1996) which would be correlated with their political success. The historiography of Reconstruction, however, strongly suggests that this would not be the case. The existing scholarship about the known black politicians was often incorrect and narratives about the illiteracy and poverty of the black politicians continued to be repeated in the historical narrative until the archival work in Foner (1996) and other histories were compiled. Indeed, the histories of Reconstruction that noted black officials did so derisively— Coluter (1968), for example, described black officials in Georgia as swindlers who could not read, although the majority were literate. Black officials were not included as examples of political effectiveness but most often as prime examples of incompetence and unfitness for office. The consensus of the ineffectiveness of black officeholders before the revisionism suggests that the black officials in the historical record would not be listed due to their perceived effectiveness.

¹⁴As one sign of its comprehensive nature, there have been few subsequent additions to the list compiled in Foner (1996) since its revised publication, which added 48 officials from the first edition, deleted three white politicians, and corrected the biographies of several entries. See Hahn (2005) for information on political leadership more broadly, which includes Union League officials, Republican Party officials, journalists, and prominent community organizers.

The data compiled by Foner includes not only the name and position held, but also the place of officeholding. I exclude those whose only elected office was a delegate to a state constitutional convention. (Given their small number their inclusion does not alter the results.) All officeholders are matched to the county from which they served. The information was compiled and classified by officeholder and type of office. Figure 1 shows the map of black officeholders by county. As the figure shows, there is a great deal of variation within states of the number of black officeholders.¹⁵

Additional information on officeholders includes term in office and additional information for officeholders that could be determined in Census records and contemporaneous sources such as their occupation, literacy, and slave status at birth. Table 1 shows summary statistics for the black politicians.¹⁶ More than 25% of the leaders could be confirmed to have been born slaves. Consistent with the narrative record, a disproportionate number of the officeholders were born as free blacks, more than 40% whose slave status at birth could be determined were born free. Of all of the officeholders, more than 20% were born free. When considering the extent of manumission, this is a conservative estimate of the over-representation of free blacks among officeholders, but establishes that free status was disproportionate among black officeholders. As a comparison, of the total US black population of 1860, 10.7% of were free.

Another dimension of their status would be literacy. Of the officeholders in the data, more than 60% were literate. Of those whose literacy status could be determined by matching to census enumeration, more than 80% were literate. This level of literacy is far above estimates of literacy for the black population as a whole. Margo (1990) estimates that less 30% of the black population in 1880 was literate. Nearly a quarter of officeholders owned property valued at more than \$100 at the time of census enumeration, at least an order of magnitude above the rate of property ownership for blacks in the late nineteenth century (Margo, 1984; Higgs, 1984).

Occupations are another dimension of their elite status. Less than 25% of the officeholders were farmers or laborers, the most common occupations for southern blacks at the time. Nearly 13%

¹⁵Of special note, Tennessee was not required to call a new state constitutional convention under the Reconstruction Act of 1867 as it had ratified the Fourteenth Amendment prior to the passage of the Reconstruction Acts. As such, Tennessee has far fewer black officials as they were not subject to Reconstruction Acts. Figure A2 shows the distribution of officeholders by date of service. The majority of black officeholders began their service before 1870.

¹⁶These summary statistics are from the sample defined above. See Foner (1996) for summary measures of the complete data.

were ministers and more than 7% were merchants. In terms of branch of government in which they served, more than half (56.7%) served in legislative capacity, and roughly one third (33.5%) served in executive positions. The remaining 9% served in judicial offices.¹⁷

3.1.2 County Level Data

County level information comes from the 1870 and 1880 census as well as electoral return data at the county level (Haines and ICPSR, 2005; Clubb et al., 2006; ICPSR, 1999; Atack, 2016).¹⁸ The focus on county taxes is due to the fact that very few municipalities collected any taxes in either 1870 nor 1880. For historical public finance, county tax revenue is the key metric for within-state variation (Sylla, 1986).¹⁹ For example, in Alabama fewer than 20% of the counties reported any local or municipal taxes. Out of all municipal taxes collected in Alabama, more than 80% came from two urban counties, Mobile and Montgomery. Other southern states followed a similar pattern of very little municipal taxation.

Table 2 shows the summary statistics of county-level information. It also shows means by whether the county had a black officeholder. Nearly one third of all Southern counties had a black officeholder during Reconstruction. For the counties that were represented by black officeholders, they averaged more than four officeholders during Reconstruction. There are some differences between the counties represented by black officeholders. For example, officeholders were more likely to serve in urban

¹⁷The first position held is used unless that position was as a delegate to a state constitutional convention. Those elected as delegates to state constitutional conventions could not have had an impact on local politics since their task was a state level constitutional framework, and not the operation thereafter. This excludes a small number of politicians—only 74 officials served as constitutional convention delegates and did not enter another office subsequently. For determining the type of office held, a qualitative assessment of the office was necessary. A value of Legislative was given if the politician himself or the governmental entity with which he was associated with was tasked with drafting laws. This would include such titles as a state house representative or a clerk for the state house. A value of Executive was given if the politician himself or the governmental entity with which he was associated was primarily focused on carrying out or enforcing laws or making decisions on what to adopt into law. This includes such titles as alderman, county commissioner, postman, or a clerk for an entity primarily tasked with these duties. A value of Judicial was given if the politician himself or the governmental entity with which he was associated was tasked with the interpretation of the law or establishing penalties for criminals in courts of law. This includes titles such as magistrate, justice of the peace or a clerk for any court of law.

¹⁸While the 1880 tax records are more detailed, for consistency I construct the 1880 tax data as the 1870 tax data. In 1880 a separate line item for state and county taxes collected for schooling was created, and to be consistent these were summed for 1880 as they could not be further divided. Even when adding and subtracting these amounts the results remain as the overall tax revenue declined significantly in the between 1870 and 1880.

¹⁹Outside of the census data, there are few sources which are comprehensive over all Southern counties for the Reconstruction era.

counties, but slightly less likely to serve in counties with large Republican vote shares. Per capita taxes, farm values, manufacturing wages, and manufacturing output are all larger in counties that had black officeholders.

3.2 Empirical Strategy

As noted above, there were a variety of mechanisms available at the local level to increase revenue. While the specific channels varied by state, I test for the effect on county tax revenue. One intuitive strategy would be to control for economic and political differences between counties in the same state and estimate the effect of black politicians on per capita tax revenue net of those controls. County tax revenues are a function of local economic activity, the value of property in an area, and political preferences of voters. Using this straightforward idea as a guide, the model would be:

$$\tau_{i,s} = \alpha + \beta \text{BlackPoliticians}_{i,s} + \Gamma X_{i,s} + \theta_s + \epsilon_{i,s} \quad (1)$$

Where τ is county taxes per capita in county i in state s . X includes a host of controls that should, in the absence of any racial effect of politicians, determine per capita county taxes. In this analysis the measures include not only the value of farms and real estate and wealth (the basis for property tax assessment), but also percent black in the county (a proxy for black voting and the need of any policymaker to account for the preferences of the black electorate), total population (a proxy for the provision of poll taxes), average manufacturing wages, the value of manufacturing output (both of which proxy for industrial interests), illiteracy (a proxy for voter education), Republican vote share in the 1868 Presidential election (a proxy for baseline political preferences of the electorate), the Logan-Parman measure of racial residential segregation (Logan and Parman (2017), a measure of physical racial separation), and indicators for rail access, water access, and whether the county is urban (each of these being shifters of land values).²⁰ For example, if the claims of Alesina et al. (1999) hold and

²⁰The urban indicator also controls for potential substitution between municipal and county taxes in urban counties. Total population and population shares eligible to vote are highly correlated, and model fit was not improved by using the fraction of the county of voting age as a proxy for property tax payments. Total population may also reflect the presence of more children, which could be related to preferences for redistribution. Additional specifications with several additional controls, such as farm output, the value of machinery in agriculture, etc. showed that they did not have any influence on the results here. Specific agricultural output measures did not improve fit, consistent with farm

ethnic diversity leads to lower levels of public good expenditure, the effect should be captured in measures of segregation and black population shares and not via officeholders themselves.

The key variable is *BlackPoliticians*, the number of black political leaders in the county. The baseline specification shown in Table 3 shows that the effect of black politicians on within-state per capita county tax revenue is positive. These are the first results in the literature to estimate the effect of black politicians on Reconstruction-era public finance. In regressions with fewer and more controls the effect of politicians is quite robust and around \$0.10 per officeholder. With the number of political and economic controls in Table 3, the results appear to be inconsistent with median voter predictions to the extent that the number of black politicians is well correlated with per capita tax revenue. The results are consistent with the narrative record about the activities of black officeholders during Reconstruction.²¹ At a minimum, the robust correlation between black politicians and local public finance supports the narrative about the general efficacy of black political leaders during Reconstruction.

3.3 Endogeneity

The potential endogeneity of the number of black officeholders and county per capita tax revenues in Table 3 is a serious concern. During Reconstruction, black officeholding was a function of several factors which reflected contemporaneous local political and economic realities. The first would be the political power of blacks themselves but also the degree to which whites would be able to mount a successful challenge to black political goals, which featured starkly different attitudes towards redistribution, particularly across racial lines. Southern Redemption was particularly focused on taxes. The high likelihood of violence that black officeholders faced during Redemption is suggestive that areas of black political success were also areas with significant white resistance.²² If white resistance

output being capitalized in land values. Similarly, religious diversity, as used by Rhode and Strumpf (2003), did not have an effect on county per capita taxes. While there was significant diversity between states, the within-state religious diversity was not correlated with county tax revenue. Following Abadie et al. (2017), I do not cluster the standard errors as state fixed effects are included.

²¹Du Bois (1935) shows extensive evidence that black officeholders sought to use public finance to create and sustain the public education system in the South. Foner (2014) documents how black politicians used public finance to fund public goods such as hospitals and other welfare services. Egerton (2014) details how Southern newspapers predicted that black officials would enact aggressive tax regimes to support public services.

²²See Rable (2007) for more on how whites viewed themselves as under foreign attack, rationalizing the racial violence that was endemic during and after Reconstruction.

and preferences for low levels of redistribution were an increasing function of black political success, the relationship between politicians and tax revenues could be understated. At the same time, black political leadership could have been more likely in areas which had more progressive attitudes towards racial relations and/or redistribution, which would overstate the relationship. This would include postbellum activities of the Freedmen's Bureau and Union League, who were explicitly tasked with political education efforts which could have altered the terms of political competition and policy choices. For example, areas with large numbers of voters educated by Union League organizers could have been more politically active and more desirous of redistribution policies. While the estimates in Table 3 show that there is a robust positive correlation between black officeholders and tax revenues, there are several facts of the historical record that would make a causal interpretation difficult. Given the opposing forces it is difficult to say whether the correlation in Table 3 is overstated, understated, or whether the two effects offset each other.²³

To overcome this endogeneity concern I use an instrumental variable for black policymakers during Reconstruction: the number of free blacks in 1860. As noted by the historical record (Lynch, 2012; Du Bois, 1935; Foner, 2014; Hahn, 2005; Rabinowitz, 1982; Franklin, 1961; Williamson, 1965), a highly disproportionate number of black politicians were free blacks. The summary evidence in Table 1 shows that free blacks were disproportionately represented among officeholders. As such, we would expect the within-state distribution of free blacks in 1860 to be well correlated with the within-state distribution of black politicians during Reconstruction.²⁴

There are theoretical justifications for this instrument as well, following from standard citizen-candidate models. If the utility of a free black's ideal policy (relative to the chosen policy) is greater than that of Freedmen (those former slaves emancipated during or after the Civil War) due to the restrictions imposed upon free blacks in the antebellum era, better knowledge of the benefits of particular policies, or larger gains from proposed policies, they would be more likely to be candidates. For example, free blacks may have been particularly aware of the positive externalities of public education given their antebellum experience in the labor market, or could derive more business opportunities

²³It is relatively straightforward to show that blacks would have preferences for land taxation, but this does not necessarily apply to policymakers. A simple model of preferences for land taxation is presented in the Appendix.

²⁴While difference-in-differences approaches would appear appropriate, the distribution of black voters before enfranchisement was directly related to economic activity, leaving justification of the parallel trends assumption difficult.

if more blacks were landowners and patronized their businesses. Citizen-candidate models also suppose that the cost of seeking office is uniform (Besley and Coate, 1997; Osborne and Slivinski, 1996; Alesina, 1998), but it is easy to show that if the cost of being a candidate is different for certain types they would be more likely to seek office. If free blacks faced lower costs of running for office their distribution would reflect exogenous differences in the cost of blacks seeking office as a function of the number of free blacks.²⁵ It is important to note that these are intuitive appeals to theory, however. The narrative record does not provide clear evidence that free blacks derived greater utility from policies nor faced lower costs of seeking office.²⁶ Below, I show the use of free blacks in 1860 as a measure that is well correlated with the number of black officeholders but free from the errors in the estimating equation is justified on several grounds.²⁷

3.3.1 Narrative Justification of the Free Black Instrument

For the instrument of free blacks to be valid, the exclusion restriction requires that free blacks are correlated with the number of officeholders, but not also some other channel that would be related to per capita tax revenues, such as electoral preferences. There are several historical facts which assure us that free blacks satisfy the exclusion restriction.²⁸ First, free blacks comprised only 2% of the Southern population.²⁹ Furthermore, more than two thirds of free blacks lived in the countryside, not in urban areas. As such, it is not the case that free blacks reflect urban/rural differences in political preferences.³⁰ Second, the distribution of free blacks in 1860 is not related to later migration flows

²⁵See Chattopadhyay and Duflo (2004) for a policy experiment which lowered the cost of being a candidate for women in India.

²⁶Foner (1996) gives several examples of black politicians losing customers, being forced to move, or meeting violent attacks after serving in office

²⁷Using the population of free blacks as the instrument also implies that it is less likely to be subject to the concerns of inframarginal effects which would violate the exclusion restriction, as detailed by Jones (2015). Such an argument would hold if greater numbers of free blacks led to more redistributive policies among the locations that would have always had more black policymakers, or claims of more effective leaders if there were more free blacks. The history of Reconstruction, and the changes in tax policy after Redemption described below, are inconsistent with such an argument.

²⁸For a history of free blacks see Berlin (1975) and Chapter 11 of Franklin (1980). For a history of legislation concerning free blacks see Johnson (1919).

²⁹The average number of free blacks over all counties was 247.4 (s.d. 1094.5). For counties with black politicians the mean was 288.48 (s.d. 799.2), and for counties without black politicians the mean was 229.47 (s.d. 1199.5).

³⁰This leaves aside the debate that there were qualitative differences in slavery in rural and urban areas. See Goldin (1976); Wade (1967) for salient examples.

of blacks within the South after the Civil War.³¹ Third, the distribution of free blacks is not related to carpetbagging— the movement of Northern whites South for political and economic gain. The largest political gains came from areas where there were more black voters in general, and free blacks would not be related to such effects given their small number. Fourth, the within-state distribution is driven by idiosyncratic differences in manumission, the length of settlement, and restrictions on between-state or between county movement for free blacks.³²

The most pressing issue is that free blacks in 1860 could not be thought of to have any more than negligible amounts of political influence. Even in large urban areas where they were more numerous, free blacks did not enjoy political representation in local politics (Foner, 2014; Wade, 1967; Johnson, 1919).³³ Free blacks were completely disenfranchised in the antebellum era— the only Southern state to allow free blacks to vote upon their admission to the Union was Tennessee, where they were disenfranchised in 1834. The right of free blacks to assemble had been abolished by 1835 in every Southern state (Franklin, 1961; Johnson, 1919). States frequently restricted their movement or banned free black immigration, and autonomous social and civic organizations among free blacks were illegal under state law.³⁴ Religious groups of free blacks were required to be supervised by white ministers. The citizenship status of free blacks was settled in *Dred Scott v. Sandford*, when the Supreme Court ruled in 1857 that all blacks were not citizens, had no standing to sue in federal court, and further had "been regarded as beings of an inferior order and altogether unfit to associate with the white race, *either in social or political relations*; and so far inferior that they had no rights which the white

³¹While Logan (2009) finds that human capital was related to migration, the movement of blacks after the Civil War has never been suggested to be motivated by a desire to link with a free black community.

³²Given the relatively lower number of free blacks in the New South, (Franklin, 1980; Berlin, 1975), it is important to control for such differences. For example, states with longer histories of free blacks and larger free black populations, such as Virginia and Maryland, had registries. See Figure A1 and Johnson (1919) for more on state policies.

³³In fact, Hesseltine (1935) shows that conservative Democrats won their first victories at the start of Congressional Reconstruction, in 1868, and in areas with large numbers of free blacks. Such events would be unlikely if free blacks drove local political decisions. In general, there was little political participation by blacks on either side of the Mason-Dixon line in 1860. Delaware, a state with a large share of free blacks, required holding property to vote, disqualifying blacks from the franchise (Gillette, 1982). Only five northern states allowed free blacks to vote before the Civil War, and these states contained less than 5% of the *Northern* black population. In 1865, attempts to ban racial restrictions on voting failed in Connecticut, Minnesota, and Wisconsin. Even in 1868, only two states (Iowa and Minnesota) banned racial restrictions on voting (Foner, 2014). In fact, the discussions surrounding the Fifteenth Amendment revealed Northern states' concerns about their continued use of poll taxes, property requirements, and other restrictions on voting which remained legal until the Voting Rights Act.

³⁴North Carolina, for example, prohibited free blacks from venturing beyond the adjoining county they resided in. Other states forbade free blacks from leaving for any extended length of time and returning.

man was bound to respect” (60 U.S. 393, emphasis added). There is little in the narrative record to suggest that free blacks had any influence on preferences for redistribution.

Even within this restrictive legal framework, free blacks had to manage their own affairs and seek employment from local firms and households (Wade, 1967). They were inherently more likely than enslaved blacks to have autonomous relationships in the community and were the natural source of leadership given the relative lack of human and social capital among recently emancipated blacks.³⁵ Free blacks were also property owners, with real property in 1860 valued at over \$500,000 in North Carolina, Virginia, Louisiana, Tennessee, and South Carolina, respectively. Given that free blacks had generally high levels of social interactions with whites, they had some route of semi-formal access and more intimate knowledge of the political process, even if only as observers. Indeed, after the Civil War, some free blacks sought political access at the expense of Freedmen, and only sought racial solidarity after Southern whites showed resistance to any form of black enfranchisement (Foner, 2014).³⁶

The areas with the greatest amounts of political activity were those with extensive Union League activity, which organized local communities and provided political and voter education, and the Freedmen’s Bureau, which assisted former slaves in negotiating disputes, accessing government services, and provided economic assistance. These organizations, however, were designed and used primarily by former slaves, not free blacks. The distribution of slaves would certainly be related to black political activity, voter education, and political preferences, but free blacks are weakly correlated with the slave population ($r=0.159$).³⁷ The institutions and organizations which encouraged black political involvement were squarely aimed at the majority of the black population— Freedmen. Indeed, fewer than 5% of black politicians were known to have worked for the Freedmen’s Bureau or were involved in Union League activities. As such, free blacks are related to the supply of black officeholders but not to the factors which would determine preferences for public finance at the local level.

³⁵As an example, (Bodenhorn, 2011) shows that manumitted slaves in Virginia were more likely to be skilled as they had a stronger labor market whereby they could purchase their freedom.

³⁶Russ (1934a,b); Foner (2014) note that Lincoln did not advocate for universal black suffrage, but rather only for literate blacks who held property valued at more than \$250, a proposition supported by many free blacks in Louisiana. Once whites countered against any black political participation, free blacks sought the franchise for all blacks, which was secured in the first Reconstruction Act.

³⁷See the Appendix for results which control directly for the slave population.

3.3.2 Empirical Justification of the Free Black Instrument

The key threat to the validity of free blacks as an IV for black politicians is that free blacks could be related to political outcomes or preferences before and during Reconstruction. Since local economic conditions and demographics are explicitly controlled for in the specification, this is the most likely threat to the validity of the instrument. It would be inconsistent with the narrative record to argue that free blacks would be related to preferences for redistribution given their exclusion from politics (Foner, 2014), and this borne out empirically by the lack of a correlation between free blacks and local public finance in 1860.³⁸ Free blacks are also poorly correlated with factors that could indirectly affect public finance in 1870.³⁹

One concern is that free blacks would be correlated with vote shares for Republican or Democrat candidates for office during Reconstruction, which would reflect voter preferences, the extent of political competition, and voting coalitions which could factor into policy. A related concern would be that places with free blacks would have not only more black officeholders, but officeholders who were longer tenured and would arguably have more influence on local issues than those with shorter tenures. Still another concern would be that free blacks came from areas with higher levels of political participation during Reconstruction precisely *because* free blacks were more likely to seek office. Below, I use available data to investigate each of these concerns.

In Table 4 I show the relationship between the number of free blacks in a county in 1860 and political outcomes over the entire Reconstruction era. Congressional elections feature greater within-state variation in candidates and more frequent elections, the types of electoral outcomes which would be most likely to detect a relationship. If there is any endogeneity between candidates for office and free blacks it would be more likely to be detected in elections which feature within-state variation in candidates. Indeed, these congressional elections sent 16 black representatives to Congress. Panel A

³⁸In a regression analogous to Table 3, where the dependent variable is 1860 per capita county taxes, the coefficient on Free Blacks is 0.0001717 (0.0001082 standard error, $t = 1.59$) and with additional controls the coefficient becomes 0.00003 (0.00103 standard error, $t = 0.29$).

³⁹Free blacks have a weak correlation with every covariate in the regression equation for per capita county taxes, even without state controls. There is no correlation above 0.6 with any variable included in the the regression specifications. For example, the correlation with farm values (0.335), percent black (0.069), and illiteracy (0.373) are all indicative of a weak relationship. Only for the total population (0.5325) and manufacturing output (0.5643) is the correlation with free blacks above 0.5. For every other variable the correlation is moderate at best.

shows that free blacks are unrelated to vote outcomes in any Congressional election between 1868 and 1876. In addition, they have no correlation with the total number of votes casts in those elections.⁴⁰ This is consistent with free blacks being a relatively small fraction of the population and not related in a significant way to the overall political climate.

In Panel B of Table 4 I analyze the officeholders themselves and find that free blacks are unrelated to the average starting year in office, length in office, nor year of exit from office for black officeholders. This is consistent with the narrative history of Reconstruction, where there was a large increase in the number of black officeholders which began roughly in 1868 and ended in the middle of the 1870s as Southern Democrats regained office. Overall, Table 4 shows that the number of free blacks were not related to political outcomes nor the extensive margin of black officeholding during Reconstruction. While more officeholders were free blacks, it is not the case that coming from communities with more free blacks led to earlier entry into office nor longer tenure in office. This, too, is consistent with the narrative record that Reconstruction saw a dramatic influx of black officeholders who were placed into office at the start of Congressional Reconstruction and were displaced in the mid 1870s (Foner, 2014).⁴¹

In Panel C of Table 4 I investigate the relationship between voter registration by race and free blacks. Registered voter counts are an important measure of political participation, and an important guide to the distribution of preferences in the electorate. Scholars have noted that black voting rates were particularly high during Reconstruction (Foner, 2014). Voter registration for state constitutional conventions, mandated by Congressional Reconstruction, was recorded by race, allowing me to estimate the relationship between political participation by race at the very beginning of black enfranchisement. I use the detailed voter registration recorded by Hume and Gough (2008) to estimate the relationship between voter registration and the distribution of free blacks in 1860.⁴² The results in Panel C show that the distribution of free blacks was unrelated to black, white, and total voter registration. Moreover, free blacks are also unrelated with the black share of total voter registration. Overall, there is little empirical support for the argument that free blacks were correlated with any

⁴⁰Results are similar in Presidential election outcomes.

⁴¹It is also the case that the sudden departure of black politicians at the beginning of Redemption tempers any concerns that black politicians were more prone to corruption than others.

⁴²I thank John Clegg for sharing his coding of the tables in Hume and Gough (2008).

measure of political preferences during Reconstruction nor at the beginning of black enfranchisement.

4 The Effect of Black Political Leaders

4.1 Instrumental Variable Estimates

The effect of black officeholders on public finance is estimated in a standard two-stage least squares framework where free blacks are used as an instrument for black officeholders:

$$BlackPoliticians_{i,s} = \phi + \eta FreeBlacks_{i,s} + \Lambda X_{i,s} + \rho_s + \epsilon_{i,s} \quad (2)$$

$$\tau_{i,s} = \alpha + \beta_{IV} \hat{BlackPoliticians}_{i,s} + \Gamma X_{i,s} + \theta_s + \epsilon_{i,s} \quad (3)$$

To motivate the interpretation of the IV estimates it is useful to think of the experimental analog. Locations with few free blacks serve as a control group and those with more free blacks serve as a treatment group. The "treatment effect" is identified via the relationship between per capita tax revenue and the size of the free black population. If black politicians influence public finance, we would expect to see larger per capita revenues in counties with larger free black populations.⁴³ If the exclusion restriction holds this identifies the causal effect of politicians since free blacks, conditional on the controls, have no direct effect on 1870 per capita county tax revenue.

Table 5 shows the results from the first and second stage specifications, as well as the OLS relationship for comparison. The estimates from the first stage suggest that for every 1,000 free blacks in a county, there was an additional black officeholder. Essentially, a one standard deviation increase in the number of free blacks in a county results in an additional black official. The instrument is quite strong— the F-statistic on the excluded instrument is well above 20 in all specifications, all of which include state fixed effects.⁴⁴ Even with the set of controls in X , which include factors such as

⁴³This is seen in the reduced-form specification where free blacks are included as an independent variable. This is shown in Table A4.

⁴⁴While *BlackPoliticians* is a count variable, in the two-stage least squares setting the first stage relationship should be linear unless one would have strong priors about non-linearities in the first stage. See Angrist and Kruger (2001); Kelejian (1971).

urban county, population size, and economic factors, the effect of free blacks on black officeholders is quite strong.

The key is how β_{OLS} differs from β_{IV} . The IV estimates in Table 5 show that the OLS results understate the effect of black officeholders on per capita county tax revenues. While the OLS estimates were close to \$0.10 per black elected official, the IV estimates are more than double the OLS estimates, \$0.20.⁴⁵ From estimates of hourly wages in 1870, this is more than one hour's wage for an unskilled worker at the time.⁴⁶ More specifically, a one standard deviation increase in black officeholders increases per capita county taxes by 0.62 standard deviations, a sizable effect.

Another way to scale the size of the results is historical— in 1874 Southern whites in South Carolina organized a Taxpayer's Convention to protest high local taxes in Congressional Reconstruction. The commissioned report noted that taxes were increased by \$0.38 per capita despite providing for an extensive amount of public goods that were not available in the antebellum era (Du Bois, 1935). The IV results here suggest that each additional black politician could explain roughly half of the increase in per capita taxes from the antebellum era to Reconstruction that was the focus of contemporaneous political protests. All of these results reach the same conclusion— black elected officials had a large and significant causal effect on local public finance.

4.2 Placebo Tests and Heterogeneous Effects

In thinking through the experimental analog to the IV approach, it should be the case that different treatments would yield different effects. It should also be the case that controlling for majority black electorates would not alter the results if they were driven by politicians. Third, conditional on estimating the effect via all free blacks, different types of officials should be differentially related to tax revenue.

First, free blacks who would be most likely to serve as officials should be more strongly related to tax revenues. Black officeholders during Reconstruction were almost universally males of prime age. Those who were children during the antebellum era would not be old enough during Reconstruction to

⁴⁵In 2016 dollars, this would be roughly \$4.

⁴⁶Long (1960) reports the Aldrich Report estimate of the hourly wage of an unskilled worker in 1870 as \$0.156 (Table 43, p. 99).

serve in office, and therefore would not be an appropriate instrument for black officeholders, but can act as a placebo test. Additionally, if local political preferences favorable to free blacks were related to higher levels of free black fertility, a strong relationship between free black *children* and black officials would be suggestive evidence that the exclusion restriction does not hold. Table 6 replicates the regression in Column IV of Table 5 by age cohorts of free black men in 1860. Free black men aged 20-59 in 1860 are well correlated with black officeholders, and the IV estimate for this group is slightly larger than the results in Table 5, which used the total free black population. The opposite is true for males aged 0-14 in 1860, the oldest of whom who would not have been 30 years old at the very end of Reconstruction. Table 6 shows that they are less well correlated with black officeholders and the IV estimate is indistinguishable from zero.⁴⁷ The result shows that the effect is driven by men who would have been the most likely to serve as officeholders given their age during Reconstruction.

Second, the effect for black politicians may be due to black voting as opposed to politicians.⁴⁸ It could also be the case that white politicians would be more supportive of black political goals in areas where blacks were the electoral majority. While the specifications in Table 5 controlled for percent black, they did not include an indicator for a majority black electorate. If the effect of politicians is due to majority black electorates, the inclusion of a measure of black electoral majorities could diminish the result. On the other hand, if politician race has an effect it will not be due to black electoral majorities alone. In Table 6 I test this possibility in three ways. First, Panel C shows the results where percent black is replaced with an indicator for black electoral majority. Second, Panel D includes the indicator and percent black. Third, Panel E includes the indicator, percent black, and the indicator interacted with percent black. In all three instances, the control for black majority counties, even allowing black population effects to differ in majority black counties, does not alter the effect of black politicians on county taxes.

Third, even allowing for the different mechanisms that can be used to increase county tax revenue, it should still hold that the basics of tax policy be consistent with the separation of powers. Judicial

⁴⁷Results for women of similar ages are the same, due to the high correlation between male and female free blacks by age in 1860.

⁴⁸In probit specifications the marginal effect of a majority black electorate, an indicator is equal to one when at least 50% of the adult males in the county are black, on the likelihood of having a black official was $\beta_p = 0.5883$ ($t=12.87$). In negative binomial specifications, the effect was $\beta_{nb} = 2.056$ ($t=16.06$).

officials, for example, should be unrelated to tax receipts— during Reconstruction there is little evidence that judicial decisions were related to tax policy nor public goods expenditures (Foner, 2014; Franklin, 1961; Du Bois, 1935). Similarly, executive offices were not related to tax revenue during Congressional Reconstruction. Tax policy was related to local officials with *legislative* authority, which included tax policy and collection. At the time, poll taxes and property taxes were two of the most important sources of local tax revenue, and the tax rates were set by those in legislative positions (Foner, 1996; Sylla, 1986).⁴⁹

As a check to ensure that the effect works through a channel related administratively to public finance, I decompose the officials into branch of government and replicate Column IV of Table 5 for each branch of government. The results are shown in Table 7 and reveal two facts. First, the instrument of free blacks is weak for both judicial and executive officials. In both instances the F-statistic from the first stage relationship fails all conventional levels of significance. For legislative officials, however, the instrument is particularly strong. Second, the effect by branch show that executive and judicial officials have no effect on per capita county taxes. This is evidence that the effect of black politicians on public finance is not driven by a spurious relationship to officeholders who would have a tenuous impact on tax revenues. In both instances the IV estimates are not statistically different from zero. For legislative officials, however, the effect is more than 35% larger than the IV estimates in Table 5. These results confirm that the effects of black politicians are concentrated in those with taxing authority, which is consistent with the effect of politicians working through the legislative process.⁵⁰

5 Was the Effect of Black Politicians Persistent?

Given the size of the results in Table 5 it is important to investigate whether these results were long-lived. If the results for 1870 taxes are driven by local time-invariant electoral preferences for redistribution, then the effect of black politicians would not be due to their presence. It could also

⁴⁹See the Appendix for a description of the branch of government rubric.

⁵⁰The specification where the effect is estimated over legislative officials and free black adult men are used as the IV yields $\beta_{OLS} = 0.139$ (0.0232 standard error, $t=5.99$) versus $\beta_{IV} = 0.3069$ (0.112 standard error, $t=2.74$). The first stage relationship is $\beta_{First} = 0.00425$ (standard error 0.000694, $t=6.13$, F-statistic 37.58).

be the case that local public finance was a substitute for federal finance via agencies such as the Freedmen's Bureau.⁵¹ Even more, to the extent that blacks began to experience voting restrictions in the waning years of Reconstruction, arguments about the persistence of electoral preferences are implicitly about the preferences of *white* voters as free blacks were not enfranchised before Congressional Reconstruction and black voting restrictions were in place after.⁵² Since these black political leaders were not in office by the mid 1870s and the Freedmen's Bureau ended in 1872, the effects on 1880 taxes acts as a check to see if local preferences for greater public goods provision were persistent.

The results in Table 8 show that there was no persistent effect of black political leaders. In looking at the effect on 1880 taxes I find that black politicians had a slightly negative effect, implying that the counties where more black politicians serving during Reconstruction had slightly lower per capita taxes than others in 1880. This is evidence that 1870 expenditures were not substitutes for federal outlays, as counties with black officials spent less in 1880 than other counties. The second panel of Table 8 looks at the changes in per capita county taxes from 1870 to 1880. There, we see that the removal of black politicians had a large and negative effect on tax changes from 1870 to 1880. Indeed, a one standard deviation change in the number of black politicians (which, in this instance would mean more black politicians being removed from office) results in a 0.85 standard deviation change in per capita county tax differences between 1870 and 1880. This essentially implies that the removal of black politicians at the end of Reconstruction more than reversed the differences in taxes seen earlier. Tax revenue per capita for counties without a black politician went from \$0.96 in 1870 to \$0.98 in 1880, while for counties with black politicians revenue went from \$1.56 in 1870 to \$0.89 in 1880. There is little evidence that the areas which had black politicians had long-standing preferences for redistribution that outlived the tenure of black officeholders.

⁵¹Since Freedmen's Bureau activity would be related to Freedmen's distribution, this also supposes that slaves should be included in the relationship. See Table A2 to see the effects are the same when slaves are included.

⁵²There is some historical disagreement on the degree to black voting restrictions before 1890. Kousser (1974) argues that blacks held political strength until 1890 while Foner (2014), Franklin (1961), Du Bois (1935) and others argue that there was considerable resistance beginning in 1876. In either case, to argue that there were persistent preferences for redistribution before and after the war is to claim that these preferences were due to the white electorate.

6 The (Lasting?) Impact of Black Politicians

Given that black politicians appear to have an impact on tax revenue, the open question is if those revenue effects impacted the two areas of agreement among black politicians. As discussed earlier, black politicians articulated reforms along two main channels— land redistribution and education. Theoretically, citizen-candidate models predict that these policy differences would be measurable. Below, I present evidence of the effects of black politicians on land reform and education.

6.1 Land Redistribution and Black Politicians

Comprehensive land ownership data by race is unavailable in the Reconstruction and immediate Post-Reconstruction eras for most Southern states (Margo, 1984). Therefore, I analyze land redistribution in general, a necessary condition for racial redistribution. To estimate the effect of taxes in 1870 on land distribution in 1880 I estimate the following regression:

$$\Delta Farms_{i,s} = \alpha + \beta \tau_{1870,i,s} + \Gamma X_{i,s} + \theta_s + \epsilon_{i,s} \quad (4)$$

The change in number of farms in county i is estimated from 1870 to 1880 ($\Delta Farms = 1880 - 1870$). The regression tests whether higher taxes in 1870 led to more farms in the same county, which would be suggestive evidence of the breakup of existing farms. The results in Table 9 show that higher taxes in 1870 led to *fewer* farms in the same county in 1880, exactly the opposite effect of the tax policies advocated by black politicians. In Panel A of Table 9 the effect of taxes on changes in farm size is negative. Taxes have no effect on farm value changes, however. Panel A includes a dichotomous indicator for whether the county had a black politician, to investigate whether there was an effect due to politicians that was not channeled through taxes. The results there show that the effect of taxes does not change with the inclusion of the indicator. The consolidation of farms over time, however, suggest that this was not successful.

While property was seized by Southern states for the non-payment of taxes, there is little narrative evidence of large-scale changes in landholdings driven by Reconstruction era tax policy. Indeed, the failure of land redistribution has long been held as a key failure in Reconstruction institutional change.

Few of the large landholdings were broken up into the smaller parcels, and very little of the land was redistributed to those new to landownership (Foner, 2014; Du Bois, 1935). For example, Foner (2014) notes that more than 20% of Mississippi farmland was confiscated for non-payment of taxes during Reconstruction, and yet more than 95% eventually returned to the original owner.⁵³ Yet another complication is that the tax policy was not permanent. While land was seized and "nearly every state provided that such property should be divided into small lots when thrown on the market...often the threat of land sale led owners to satisfy their tax liabilities, and neighbors frequently conspired to prevent bids on land placed at auction" (Foner (2014), p. 376). Williamson (1965) similarly details the failure of permanent land reform in South Carolina.⁵⁴ Overall, the evidence is inconsistent with black politicians leading to land redistribution, and the findings in Table 9 are consistent with that assertion.⁵⁵

The tax policy could have spurred landowners to put more land in production, however, and this could have altered the terms of labor negotiations for black farmers. In Panel B of Table 9 we see that taxes had a positive effect on the share of all rental farms that were tenant farms, which suggest a marginal improvement in black economic position. The results estimate the value of politicians on rental contract type by calculating $\gamma * \beta_{IV} * \sigma_{BlackPoliticians}$, which estimates the effect of a one standard deviation change in the number of black politicians on the number and share of farms by rental type, respectively. As an additional check, Panel B also shows results where black officials were used as an instrument for per capita tax revenues, to scale the results by the effect of black officials on taxes. There, we see that, when scaled by the effect of black politicians on per capita taxes, each additional dollar of per capita tax revenue increased the share of tenant farming by 4%. The results show that while black landownership did not appear to be influenced by tax policy, the relative position of farmers was improved.

⁵³Part of this could be due to problem of property rights. The original owner could reclaim the land for payment of the property taxes owed, even after the land was sold to another party.

⁵⁴Williamson (1965) does show casual empiricism by noting that the counties in South Carolina with the most land forfeited had the largest shares of black voters, but he cannot connect this to actual land redistribution. He deduces that nearly 70% of black landowners acquired their land through private sales, but this does not imply a statistically significant relationship to land policy. Another complication is that blacks payed the same tax per acre on their small landholdings, making it difficult to acquire land and keep it.

⁵⁵An IV strategy where the number of black politicians is the key dependent variable for the change in number of farms shows that black politicians had no effect on the change in number of farms. Similarly, results by farm size further show that there was no change in the number of very small and small (less than ten acre) farms.

6.2 Education and Black Political Leaders

6.2.1 Evidence from Educational Outcomes

The largest impetus for tax policies advocated by black politicians was public education (Du Bois, 1935; Foner, 2014; Hahn, 2005; Franklin, 1961). As with the land data, we do not have comprehensive race-specific school expenditure data for the Reconstruction and immediate Post-Reconstruction eras (Margo, 1990). Therefore, I assess this possibility of politician’s effect on education in two ways. The first is a casual empirical analysis. This proceeds by first estimating the relationship between taxes and educational outcomes and then using the effect of black politicians on taxes to estimate the effect attributable to black politicians. First, I estimate:

$$EducationOutcome_{i,s} = \alpha + \gamma\tau_{1870,i,s} + \Gamma X_{i,s} + \theta_s + \epsilon_{i,s} \quad (5)$$

Then one can estimate the value of politicians on educational outcomes by calculating $\gamma * \beta_{IV} * \sigma_{BlackPoliticians}$, which estimates the effect of a one standard deviation change in the number of black politicians on the educational outcome of interest via the effect of black politicians on taxes. The results for a number of educational outcomes are given in Table 10. The within-state variation in county taxes was positively related to school enrollment for both blacks and whites. The results imply that a one standard deviation increase in the number of black politicians resulted in an additional 34 black students enrolled in school and an additional 125 white students enrolled in school. The results also imply that the same change led to a decline in black illiteracy— a one standard deviation increase in black politicians reduced black illiteracy at age 10 by more than 30 persons and illiteracy at age 15 by 15 persons. Interestingly, there is no similar effect of black politicians on white literacy.⁵⁶

Another approach is to look at adult literacy after the end of Reconstruction. To do so Table 10 presents estimates where the dependent variable is literacy of those 21 and above in 1900, who would have been of school age during the time of black officeholding. The results show that a one standard deviation increase in black politicians increased adult black male literacy by 1.6%. Given the baseline

⁵⁶It is unlikely that the results are driven by per-pupil tax allocations for education, given the local control of education at the time. This is especially true considering that the literacy results are not driven by a per pupil funding formula.

literacy rate of black men above the age of 21 was 50% in 1900 (Margo, 1990), this implies a more than 3% increase in black male literacy due to black politicians. While black politicians also play a role in white school enrollment, they are not significantly related to white literacy rates. In Panel B of Table 10 the addition of the black official indicator shows that having a black politician in the county does not result in differences in counties for most educational outcomes by itself. This is suggestive evidence that while schooling policies advocated by black officeholders increased school enrollment in general, the educational benefits led to larger increases in human capital for blacks.

6.2.2 Difference-in-Differences Estimates

The casual estimates presented above are clearly a back-of-the-envelope calculation. To infer the effects one must assume that the effect of taxes on educational outcomes extends to the marginal effect of black politicians. A more direct strategy would be to consider exposure to black politicians during school age and to see if such exposure altered the time-trend of black literacy. A first step is to simply look at baseline literacy for those in areas exposed to black politicians versus those who were not, to investigate whether the extensive margin of exposure to black politicians was related to literacy differences. Taking the complete census returns in 1920, I estimate birth cohort literacy by race.⁵⁷ As a first step, we see that cohort literacy was lower for black men from counties represented by black politicians. Black literacy was 37.3% for black men from counties where blacks held office (versus 39.0% where blacks did not), while for whites the literacy rate was 88.1% (versus 85.4% where blacks did not hold office). Restricting to those exposed to Reconstruction schooling policy, however, shows that the difference in educational outcomes is reversed. Black literacy was 54.7% for black men in counties represented by black politicians, and 53.2% for those not represented by black politicians.

Extending this analysis, Table 11 shows estimates from a difference-in-differences specification for cohorts of black men.⁵⁸ Using adult literacy as the outcome, I estimate:

⁵⁷The use of 1920 is to ensure that schooling for the men was completed.

⁵⁸The results based on the 1920 Census are preliminary. The counts for some counties are not complete. For those counties with incomplete information, the neighboring counties within the state were used for interpolation. As a conservative estimate, I only interpolate from counties which did not have politicians. This results in estimates that would be biased against an effect as counties with no politician are averaged with counties without politicians and counties with politicians are averaged with counties without politicians. That is, the treatment counties are deliberately given control values where they are incomplete.

$$\begin{aligned}
BlackLiteracy_{i,j,s} = & \alpha + \beta_1 PostReconstruction_{j,s} + \beta_2 BlackPolitician_{i,s} \\
& + \beta_3 PostReconstruction * BlackPolitician_{i,j,s} \\
& + \phi_j + \gamma_s + \epsilon_{i,j,s} (6)
\end{aligned}$$

For cohort j in county i in state s . The parameter β_3 estimates the difference-in-differences of literacy rates for black cohorts exposed to black politicians during Reconstruction. This effect is estimated net of state fixed effects (γ) and non-linear time trends in cohort literacy rates (ϕ). Using all black men born from 1820 to 1870, who would have come of age with some exposure to Reconstruction schooling, Table 11 shows that black men exposed to politicians indeed have higher literacy rates.⁵⁹ Given the overall literacy rates of 53.7% for black men exposed to Reconstruction schooling, the estimate of 0.033 implies a 6.1% increase in literacy due to exposure to black politicians.

Equally important, exposure to black political leaders could have altered the gap in literacy between blacks and whites. The difference in literacy (white - black) rates overall was 46.7%. For those exposed to schooling in Reconstruction the gap narrowed to 35.2%. To see if exposure to politicians narrowed the gap in racial literacy differences I estimate a similar regression where the dependent variable is the cohort-specific racial difference in literacy rates. Using all men born between 1820 and 1870, Table 11 shows that the gap in literacy between black and white men was lower for those exposed to black politicians. Given a baseline difference in literacy of 35.2% for those exposed to Reconstruction schooling, Table 11 shows that the literacy gap closed by 7.6% for those exposed to black politicians.⁶⁰

⁵⁹While one concern in using the 1920 census is that the oldest cohorts would experience education-correlated mortality (where literate men would be more likely to survive), this would influence the results only to the extent that this varied significantly by race and residency in a county which has black officeholders.

⁶⁰Results for both specifications (DD and DDD) are similar when using only men born from 1840-1870.

7 Conclusion

The unique history of Reconstruction offers an opportunity to investigate the causal effect of politician race on public finance. Using the antebellum distribution of free blacks to overcome the endogeneity between black politicians and local tax revenues, I showed that counties with black politicians had much larger county tax revenues than others. Black politicians were related to significant public goods provision, consistent with models of citizen candidates influencing policy (Alesina, 1998; Besley and Coate, 1997). The counties where they held office had higher rates of tenant farming, school enrollment, and literacy rates for whites and blacks and showed more convergence in black-white literacy rates. The specific policy of education reform advanced by black politicians appears to have had a large effect on human capital among blacks. The causal effect of politicians was acute—black politicians during Reconstruction mattered.

Overall, this study provides the first quantitative evidence consistent with the historical arguments of Du Bois (1935); Foner (2014); Franklin (1961); Hahn (2005); Williamson (1965); Coates (2017), and others who argued with narrative evidence that black politicians were important during the Reconstruction era. Building on those narrative histories, this study identified an instrument to yield causal estimates of black politicians on local public finance and the specific areas of policy agreement, allowing for tests of the efficacy of the policies they advocated. Further, the narrative guided the search for specific policies and found that while land reform failed the educational priorities of black politicians had a large impact on literacy both among blacks. True to being a political effect, the result holds for legislative officials but is not evident for judicial nor executive officeholders.

The effect of black politicians, however, was not persistent. When whites reclaimed control of political offices during Redemption, tax revenue in areas where blacks held political leadership declined substantially. While the effect of the end of black officeholding was equally dramatic, Redemption policy also signaled a dramatic intensity of social and legal racial restrictions in the South. The combined economic, social, and political changes at the end of the nineteenth century were far more persistent than the Reconstruction era policies. The dramatic gains to black political involvement and their nearly complete reversal is an important historical caution to models that posit the permanence of political change with extension of the franchise. Indeed, the reversal of Reconstruction policy has

been used as an analogy for the rise of contemporary ethno-national movements in the United States (Coates, 2017).

The framework outlined here could be used to consider a number of additional outcomes. While the results so far have confined themselves to taxes, education, and land reform, additional outcomes to consider would include returns to education, occupational structure, migration, and local economic growth. This would add even further empirical evidence of the effect of black policymakers, and would make a substantial contribution to our understanding of the Reconstruction era, its long-term effects on outcomes, and the role of candidate demographics in shaping policy and individual outcomes.

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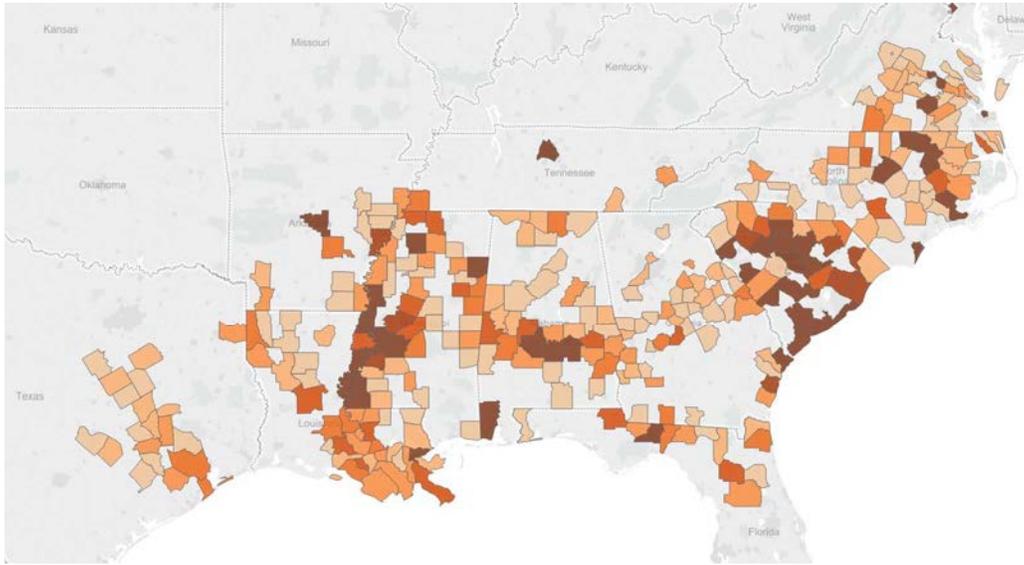


Figure 1: Spatial Distribution of Black Officials During Reconstruction. Source: Foner (1996)

Table 1: Summary Statistics for Black Officials During Reconstruction

Variable	N	Mean	Std. Dev.
Entered Office	1331	1869.016	2.677765
Left Office	1331	1873.63	5.650746
Birth Year	1096	1832.479	11.56974
Death Year	366	1893.825	17.96578
Literate	1331	0.642957	0.479295
Victim of Violence	1331	0.104603	0.306147
Born a Slave	1331	0.288703	0.453318
Property Owner (>\$100)	1331	0.233612	0.423276
Executive	1331	0.334728	0.47206
Legislative	1331	0.567643	0.495576
Judicial	1331	0.094142	0.292128

Note: Data come from Foner (1996) for each unique black officeholder.

Table 2: Summary Statistics for Southern Counties

	All Counties	Black Officeholders	No Black Officeholders
Black Officials Per County	1.216 (4.103)	4.554 (6.273)	- -
County Taxes Per Capita, 1870	1.135 (1.369)	1.557 (1.874)	0.958 (1.044)
Total Value of Farms 1870	23964.130 (2608863)	3350403 (2820776)	1983389 (23986830)
Segregation Measure	0.296 (0.143)	0.376 (0.113)	0.265 (0.141)
Percent Black	0.291 (0.242)	0.560 (0.175)	0.193 (0.181)
Total Population	11655.970 (14987.01)	16389.320 (15901.02)	9677.384 (14136.32)
Manufacturing Wages	59983.960 (396261.7)	79467.590 (258244.7)	51839.590 (441246.8)
Value of Manufacturing Output	294466.3 (1180786)	356157.6 (1122916)	265684.3 (1206722)
Number Illiterate	3260.420 (3301.422)	5913.026 (4287.004)	2153.093 (1904.915)
Rail Access?	0.265 (0.441)	0.432 (0.496)	0.194 (0.395)
Water Access?	0.368 (0.482)	0.498 (0.500)	0.313 (0.463)
Urban?	0.036 (0.185)	0.086 (0.287)	0.027 (0.130)
County Wealth	4259823 (15500000)	5569868 (14100000)	3696304 (16000000)
Republican Vote Share 1868 President	0.198 (0.250)	0.146 (0.185)	0.162 (0.296)
N	974	311	663

Note: Standard deviations in parentheses.

Table 3: OLS Estimates of 1870 County Taxes Per Capita

	Dependent Variable : 1870 County Taxes per Capita			
	I	II	III	IV
Black Officials Per County	0.0993*** (0.0106)	.0993*** (0.0105)	0.0986*** (0.0132)	0.0925*** (0.0133)
Total Value of Farms 1870	6.11e-08*** (1.88e-08)	8.93e-08*** (2.03e-08)	8.51e-08*** (2.01e-08)	7.24e-08*** (2.06e-08)
Segregation Measure	0.214 (0.318)	0.3028 (0.352)	0.271 (0.349)	0.348 (0.348)
Percent Black	0.251 (0.214)	1.109*** (0.252)	0.988*** (0.252)	0.903*** (0.253)
Total Population	-2.77e-06 (2.98e-06)	0.0000279*** (7.66e-06)	-1.72e-05 (1.28e-05)	-1.48e-05 (1.27e-05)
Manufacturing Wages		-1.27e-06*** (2.45e-07)	-1.77e-06*** (2.69e-07)	-1.80e-06*** (2.68e-07)
Value of Manufacturing Output		3.37e-07*** (6.25e-08)	3.68e-07*** (6.23e-08)	3.67e-07*** (6.21e-08)
Number Illiterate		-0.0001638*** (0.0000249)	-9.40e-05*** (2.94e-05)	-8.66e-05*** (2.94e-05)
Rail Access?		0.011499 (0.085)	0.0382 (0.0823)	0.0404 (0.0820)
Water Access?		0.04222 (0.08053)	0.0460 (0.0800)	0.0408 (0.0797)
Urban?		0.0231714 (0.17859)	0.106 (0.178)	0.0680 (0.178)
County Wealth			4.95e-08*** (1.13e-08)	4.89e-08*** (1.12e-08)
Republican Vote Share 1868 President				0.00123*** (0.000462)
R-Squared	0.443	0.5139	0.525	0.529

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

N= 974 (Column I). N=825 (Columns II-IV). All Regressions include state fixed effects.

Table 4: Free Blacks in 1860 and Reconstruction-Era Political Outcomes

Panel A: Congressional Elections					
	Election Year				
	1868	1870	1872	1874	1876
Free Black Coefficient for:					
Democrat Vote Share	-0.00837 (0.0185)	0.0194 (0.0160)	-0.0133 (0.0137)	0.0114 (0.0152)	0.00422 (0.00607)
Republican Vote Share	-0.00885 (0.0179)	0.0201 (0.0159)	-0.00813 (0.0139)	0.0123 (0.0161)	0.00310 (0.00636)
Total Votes	-70.41 (192.9)	139.0 (155.2)	-93.86 (142.1)	48.43 (133.0)	36.12 (63.06)

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1 N= 828. Regressions include value of farms in 1870, the Logan-Parman segregation measure, percent black, total manufacturing wages, value of manufacturing output, number illiterate, rail access, water access, urban county, county wealth and state fixed effects.

Panel B: Black Official Tenure			
	Entered Office	Left Office	Time in Office
Free Blacks in 1860	-0.000185 (0.000189)	0.000200 (0.000420)	0.000385 (0.000368)

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. N=311 (counties with black officials). State fixed effects included.

Panel C: State Constitutional Convention Voter Registrations				
	Black	White	Total	Share Black
Free Blacks in 1860	-0.0657 (0.0608)	-0.059 (0.0523)	-0.1248 (0.0920)	0.000004 (0.000007)

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. N=567. State fixed effects included. Voter registration data from Hume and Gough (2008)

Table 5: IV Estimates for Black Elected Officials

	I	II	III	IV
<i>OLS</i>				
Black Officials Per County	0.0993*** (0.0106)	.0993*** (0.0105)	0.0986*** (0.0132)	0.0925*** (0.0133)
<i>First Stage</i>				
Free Blacks in 1860	0.00275*** (0.000216)	0.00159*** (0.000236)	0.00118*** (0.000239)	0.00115*** (0.000236)
F-Statistic on Excluded Instrument	161.8	45.9	24.2	23.9
<i>IV</i>				
Black Officials Per County	0.197*** (0.0289)	0.24006*** (0.0574)	0.207*** (0.0787)	0.205** (0.0802)
State Fixed Effects	X	X	X	X
Local Economic Conditions		X	X	X
County Wealth			X	X
Republican Vote Share (1868)				X

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1 N= 825. All regressions include total value of farms in 1870, Logan-Parman segregation measure, percent black, and total population. Column II includes manufacturing wages, value of manufacturing output, number illiterate, rail access, water access, and urban county. Column III includes county wealth. Column IV includes Republican vote Share in the 1868 Presidential Election. All regressions include state fixed effects.

Table 6: Effects of Politicians by Free Black Demographics and Controls for Black Electoral Majorities

Panel A: Free Black Men Aged 20-59 in 1860 as IV			
Dependent Variable:	OLS -- 1870 County Taxes Per Capita	First Stage Officials Per County	IV -- 1870 County Taxes Per Capita
Black Officials Per County	0.0925*** (0.0133)		0.2129*** (0.0779)
Free Black Men Aged 20-59 in 1860		0.00613*** (0.00123)	
F-Statistic on Excluded Instrument	25.01		
Panel B: Free Black Men Aged 0-14 in 1860 as IV (Placebo Test)			
Dependent Variable:	OLS -- 1870 County Taxes Per Capita	First Stage Officials Per County	IV -- 1870 County Taxes Per Capita
Black Officials Per County	0.0925*** (0.0133)		0.1397 (0.1114)
Free Black Men Aged 0-14 in 1860		0.00318*** (0.00114)	
F-Statistic on Excluded Instrument	11.14		
Panel C: Indicator for Majority Black Electorate in County Included, Percent Black Excluded			
Dependent Variable:	OLS -- 1870 County Taxes Per Capita	First Stage Officials Per County	IV -- 1870 County Taxes Per Capita
Black Officials Per County	0.0970*** (0.0132)		0.2094*** (0.0794)
Free Blacks in 1860		0.001176*** (0.00024)	
F-Statistic on Excluded Instrument	24.3		
Panel D: Indicator for Majority Black Electorate in County Included, Percent Black Included			
Dependent Variable:	OLS -- 1870 County Taxes Per Capita	First Stage Officials Per County	IV -- 1870 County Taxes Per Capita
Black Officials Per County	0.0992*** (0.0133)		0.2069*** (0.0785)
Free Blacks in 1860		0.001179*** (0.00024)	
F-Statistic on Excluded Instrument	24.5		
Panel E: Indicator for Majority Black Electorate, Percent Black, and Interaction with Percent Black Included			
Dependent Variable:	OLS -- 1870 County Taxes Per Capita	First Stage Officials Per County	IV -- 1870 County Taxes Per Capita
Black Officials Per County	0.0858*** (0.0140)		0.2070*** (0.0663)
Free Blacks in 1860		0.001403*** (0.00022)	
F-Statistic on Excluded Instrument	39.56		

Robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$ Note: $N=825$ in all regressions. All regressions include Republican vote share in 1868 Presidential Election, total value of farms, Logan-Parman Segregation, percent black (except Panel C), manufacturing wages, value of manufacturing, number illiterate, rail/water access, urban county, county wealth, and state fixed effects.

Table 7: Effects of Politicians by Branch of Government

Panel A: Judicial Officials			
Dependent Variable:	OLS -- 1870 County Taxes Per Capita	First Stage Officials Per County	IV -- 1870 County Taxes Per Capita
Judicial Officials Per County	0.0659 (0.0608)		3.494 (3.005)
Free Blacks 1860		6.77e-05 (5.39e-05)	
F-Statistic on Excluded Instrument	1.578		
Panel B: Executive Officials			
Dependent Variable:	OLS -- 1870 County Taxes Per Capita	First Stage Officials Per County	IV -- 1870 County Taxes Per Capita
Executive Officials Per County	0.123*** (0.0233)		1.006 (0.638)
Free Blacks 1860		0.000235* (0.000139)	
F-Statistic on Excluded Instrument	2.883		
Panel C: Legislative Officials			
Dependent Variable:	OLS -- 1870 County Taxes Per Capita	First Stage Officials Per County	IV -- 1870 County Taxes Per Capita
Legislative Officials Per County	0.139*** (0.0232)		0.283*** (0.109)
Free Blacks 1860		0.000837*** (0.000135)	
F-Statistic on Excluded Instrument	38.204		

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. Note: N=825 in all regressions.

Regressions include Republican vote share in 1868 Presidential Election, total value of farms, Logan-Parman Segregation, Total population, percent black, manufacturing wages, value of manufacturing output, number illiterate, rail access, water access, urban county, county wealth, state fixed effects.

Table 8: 1880 Taxes and Changes in Taxes 1870-1880

Panel A: 1880 Per capita County Taxes			
Dependent Variable:	OLS -- 1880 County Taxes Per Capita	First Stage Officials Per County	IV -- 1880 County Taxes Per Capita
Black Officials Per County	0.0309*** (0.0068)		-0.0902** (0.0460)
Free Blacks 1860		0.0012*** (0.0002)	
F-Statistic on Excluded Instrument		24.45	
Panel B: Change in Per Capita Taxes, 1870-1880			
Dependent Variable:	OLS -- 1870-1880 County Taxes Per Capita	First Stage Officials Per County	IV -- 1870-1880 County Taxes Per Capita
Black Officials Per County	-0.0129*** (0.0030)		-0.0629*** (0.0199)
Free Blacks 1860		0.0012*** (0.0002)	
F-Statistic on Excluded Instrument		24.45	

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. Note: N=825 in all regressions.

Regressions include Republican vote share in 1868 Presidential Election, total value of farms, Logan-Parman Segregation, Total population, percent black, manufacturing wages, value of manufacturing output, number illiterate, rail access, water access, urban county, county wealth, state fixed effects.

Table 10: Taxes, Black Officials, and Educational Outcomes

Panel A	Black			White		
	Enrollment	Cannot Write Age > 10	Age > 15	Enrollment	Cannot Write Age > 10	Age > 15
1870 County Per Capita Taxes	42.20*** (6.603)	-39.66*** (5.454)	-19.22*** (4.618)	156.6*** (22.69)	-2.854 (6.983)	0.428 (4.985)
R-Squared	0.726	0.914	0.953	0.793	0.473	0.506
Effect of One Standard Deviation Change in Black Politicians ($\gamma*\beta$)	35.5	-33.4	-16.2	131.7	-2.4	0.36
			0.017			-0.00007

Panel B	Black			White		
	Enrollment	Cannot Write Age > 10	Age > 15	Enrollment	Cannot Write Age > 10	Age > 15
1870 County Per Capita Taxes	42.12*** (6.609)	-39.36*** (5.447)	-19.02*** (4.617)	156.5*** (22.71)	-2.888 (6.990)	0.391 (4.990)
R-Squared	0.726	0.915	0.953	0.793	0.473	0.506
Black Officials?	9.098 (20.61)	-32.76* (16.99)	-21.33 (14.40)	8.704 (70.83)	3.621 (21.80)	3.977 (15.56)
			0.0316** (0.0146)			0.00173 (0.0101)
			0.0198*** (0.00469)			-0.000103 (0.00322)

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

N= 974. Regressions include total value of farms in 1870, the Logan-Parman segregation measure, percent black, total population, manufacturing wages, value of manufacturing output, number illiterate, rail access, water access, urban county, county wealth, and state fixed effects

Table 11: Exposure to Black Officials and Education

<i>Panel A:</i>				
	Black Literacy Rate			
Black Officials in County	-0.0221*** (0.00388)	-0.0217*** (0.00413)	-0.0193*** (0.00365)	-0.0198*** (0.00383)
Exposed to Schooling	0.183*** (0.0169)	0.184*** (0.0170)	0.396*** (0.00270)	0.388*** (0.00274)
Black Officials * Exposed to Schooling	0.0368*** (0.00649)	0.0361*** (0.00640)	0.0340*** (0.00636)	0.0334*** (0.00629)
Observations	48,376	48,376	48,376	48,376
R-squared	0.099	0.116	0.177	0.194
State Effects		X		X
Birth Cohort Effects			X	X
Percent Effect on Black Literacy Rate	6.85	6.72	6.33	6.22
<i>Panel B :</i>				
	Racial Difference in Literacy Rate			
Black Officials in County	0.0380*** (0.00376)	0.0388*** (0.00403)	0.0387*** (0.00363)	0.0397*** (0.00399)
Exposed to Schooling	-0.144*** (0.0150)	-0.145*** (0.0151)	0.297*** (0.00259)	0.293*** (0.00259)
Black Officials * Exposed to Schooling	-0.0269*** (0.00709)	-0.0271*** (0.00710)	-0.0276*** (0.00702)	-0.0279*** (0.00703)
Observations	46,130	46,130	46,130	46,130
R-squared	0.050	0.064	0.091	0.105
State Effects		X		X
Birth Cohort Effects			X	X
Percent Effect on Literacy Rate Difference	7.66	7.72	7.86	7.95

Robust standard errors in parentheses, clustered at birth cohort level.

*** p<0.01, ** p<0.05, * p<0.1

Regressions use 1920 complet count census. Literacy is calculated by county-birth cohort for men born 1820-1870 in US South. Black Politicians in County is dichotimous indicator for whether there were any black policymakers serving during Reconstruction. Exposed to schooling is an indicator for all who would be aged 6-15 duiring the Reconstruction era (1865-1877). Literacy rate difference is calculated as white - black.

A Reconstruction in Brief

A.1 Presidential Reconstruction

Even before the American Civil War ended in May of 1865, politicians and Union officials had given serious thought to how they would rebuild the nation and incorporate the eleven states that had succeeded from the Union between December of 1860 to June of 1861.¹ Lincoln had several different thoughts on Reconstruction, and it does not appear that he had a fully drawn strategy for the process. Lincoln's proposed policies would have allowed Congress to rule on the legality of Southern elections and choose whether or not to seat elected Southern Congressmen, giving some federal role and Congressional oversight to the process. It was not clear how much of a role Congress was to play beyond the decision to seat representatives. Lincoln had implemented his so-called "10-Percent Plan" in late 1863, which allowed for recognition by the federal government any Southern state in which 10% of the white population swore allegiance to the United States. Specifically, if 10% of 1860 voters from each Southern state pledged allegiance to the Union, abolished slavery, and prohibited Confederate leaders and military officers from voting and officeholding they would be readmitted to the Union.² In his last public address, Lincoln stated that he would like to see the franchise extended to at least the educated class of blacks and black Union soldiers in Louisiana, which was relatively far progressed in its reconstruction in early 1865. Beyond that, Lincoln's exact goals for black political participation were unclear.

After Lincoln's assassination, President Johnson continued with a relatively lenient Reconstruction policy and was prepared to admit former Confederate states to the union with little regard for civil rights or political participation by blacks.³ Republicans originally confused Johnson's antipathy for the southern planter aristocracy with a progressive outlook on Reconstruction.⁴ When President Johnson assumed office, four Confederate states had functioning local civil governments (Louisiana, Arkansas, Virginia, and Tennessee) due to war-time reconstruction measures implemented by Lincoln. In May of 1865 Johnson extended Lincoln's amnesty provisions, with restrictions on high-ranking Confederate officers and those with wealth exceeding \$20,000. The next month, Johnson allowed for the calling conventions to amend state constitutions to meet his three conditions for acceptance back into the

¹For well known histories of Reconstruction see Franklin (1961); Du Bois (1935); Foner (2014); Dunning (1907).

²Lincoln's belief stemmed, in part, from a belief that succession was null and void. Since blacks (free or slave) could not vote the requirement of 10% of 1860 voters was a *de facto* continuation of the white votes policy of 1863.

³Similar to Lincoln, Johnson believed that states had not left the Union, and therefore that states should resume normalized relations in the Union quickly. To stipulate extensive conditions on their readmission would be unnecessary as they had always remained states in the union. Radical Republicans in Congress and prominent abolitionists argued that such plans were unsatisfactory for several reasons. First, requiring only 10% of support from southern states represented a tenuous basis for the new southern governments. Second, the policy on Confederate amnesty was relatively lenient. Third, states did not have to guarantee freed slaves nor free blacks any civil or political rights beyond abolition. Congressional Republicans submitted their own outline for Reconstruction which required a majority of male white voters to take the loyalty oath before a state was readmitted and with more stringent amnesty requirements for former Confederates. At the time, this was only an outline, as the President retained authority over the Reconstruction process.

⁴Charles Sumner, a noted radical Republican senator, considered he and the President to be on the same page in advocating for black suffrage, which had become the defining issue for Radicals in the spring 1865. This was based on private conversations with Johnson in the spring of 1865 along with an oft-quoted speech of Johnson's from October 1864 in which he promised to be their Moses to a group of African Americans in Nashville, TN.

Union: the abolishing of slavery, the repudiation of Confederate debt, and the repealing of ordinances of secession. Beyond the restrictions on Confederate officers and wealthy southerners (who were able to apply for individual Presidential pardons), each state was left to decide for itself who was eligible to vote and hold office in elections. Radical Republicans were surprised at Johnson's policy and were outraged at the lack of provisions for black voting rights, which were not a stipulation for readmission under Presidential Reconstruction.⁵

In February 1866, only nine months after Johnson had issued his amnesty provision, 14,000 leading Confederates had received pardons from the President, making them eligible to hold office. Before Congress had resumed session, Mississippi, Alabama, South Carolina, North Carolina, Georgia, and Florida had all held elections for delegates to constitutional conventions with few restrictions on either former Confederate voting or officeholding and none with significant voting rights for blacks. The governments that these conventions produced, along with subsequent elections held by the newly constituted states, maintained a strong pro-Confederate character. For example, these states elected to the United States Congress the Vice-President of the Confederacy, four Confederate generals, five Confederate colonels, six Confederate cabinet members, and fifty-eight members of the Confederate congress. These results were mirrored and even amplified at the state and local levels in the South, and some elected officials continued to wear their Confederate uniforms while in office. Presidential Reconstruction offered little room for black political concerns to be addressed.

While the states did abolish slavery as directed, the reconstituted states worked to implement a post-bellum racial policy referred to as black codes. While some of these laws did allow for blacks to own property and initiate litigation, their chief design was to legally reinforce and re-systematize labor control in the absence of chattel slavery.⁶ The codes differed from state to state, but common provisions included requirements for black laborers to have verification of employment every year, prohibitive taxes on black land-ownership, apprenticeship laws which allowed white employers to take over custody of black children if their parents were deemed unfit, bans on blacks owning firearms, and making intermarriage between a black citizen and white citizen a felony for the black individual.⁷ Johnson rejected and suppressed reports of the enforcement of black codes and appeared to do little to stop widespread racial violence occurring in southern states. Many Republicans disagreed with the policies but were reluctant to oppose them for fear of a split within the party.

In September of 1865, Congress denied to seat representatives from the Tennessee government which had been reconstructed under Lincoln's war-time program. By October, many Republicans began to express their concerns publicly when former rebel leaders were elected to office and the inflexibility with which Johnson supported his Reconstruction program. The rapid removal of federal troops from the South was disconcerting to Republicans as well, and this was one Johnson policy that Republicans felt left the South vulnerable to Confederate interests.⁸ This growing discontent culminated in the political maneuvering by Radicals before the December 1865 session of Congress which persuaded the Clerk of the House of Representatives to refuse to include members from the former rebel states on the roll call, effectively denying these states representation and re-admittance

⁵The President nominally argued that black voting rights could be given after southern states had been re-admitted rather than as a condition for re-admittance, but by October of the same year he was openly advocating against black suffrage claiming it would lead to extensive racial strife.

⁶See Smith (2013) for an example of Mississippi's codes from 1865.

⁷These codes, enforced upon both newly freed slaves and formerly free blacks with no distinction between the two, ironically encouraged the development of a unified black polity in the South which would not have necessarily formed otherwise (Foner, 2014).

⁸By June 1866, hardly a year after the war had ended, there remained only 3,000 troops in North and South Carolina combined.

to the Union. It was unclear what the next stage for readmission would be since neither Lincoln nor Johnson had a policy if Congress refused to seat representatives.

After refusing to seat the elected southern representatives, Congress established the Joint Committee of Fifteen to investigate the current conditions in former rebel states. Among the Committee's principal findings were its assertion for the continuing need of a significant federal military presence in the southern states as well as the necessity of the Freedmen's Bureau. Following the advice of the Joint Committee, the Senate passed a bill which expanded the Bureau's lifespan indefinitely.⁹ Johnson somewhat shockingly vetoed the Bureau bill, calling it unconstitutional as it gave judicial power to the Bureau and terming its cost prohibitive. While Congress could not unify to defeat this Presidential veto, only a few months later Johnson again surprised nearly everyone when he vetoed a Civil Rights Bill for Freedmen. Johnson's obstinacy disturbed even Congressional moderates and his veto was quickly overturned, one of the first in American history.

Black political equality quickly became a defining issue for Presidential Reconstruction. Johnson's vetoing of these bills was the first third of a triad of 1866-1867 legislation which reset the Reconstruction process. In April 1866, the same Joint Committee of Fifteen proposed a set of resolutions that would become the 14th Amendment to the United States Constitution. The resolutions included a definition of citizenship and the disallowing of states to abridge or violate these civil rights, a clause for a reduction in the representation in Congress of any states proportional to the number of male residents it denied the franchise to and the exclusion from Congress, the Electoral College, and other federal offices of people who had left federal government, oath-sworn positions to aid the rebellion. Southern states re-admission was to be contingent on the ratification of the 14th amendment. The necessity of more stringent policy was reinforced by widespread southern violence in the summer of 1866.¹⁰ Johnson went on an ill-conceived press junket in the fall of 1866 to campaign for his Reconstruction policies while denouncing the Civil Rights Bill and the 14th Amendment. By the end of 1866 seven southern states had already rejected the 14th Amendment, all but assuring the implementation of a more radical program and more rigorous conditions for re-admission which would include black suffrage. Furthermore, the results of the 1866 elections gave significant strength to Radical Republicans—they now had the necessary two-thirds majority to override a presidential veto. A new, wholesale Reconstruction program was passed which placed a priority on black suffrage. It was vetoed by Johnson and quickly passed over the President's veto. By early 1867, Congressional Reconstruction had officially begun.

A.2 Congressional Reconstruction

The Congressional Reconstruction Act passed in the spring of 1867 divided the eleven former Confederate states, except Tennessee, into five military districts: 1) Virginia, 2) North Carolina and South Carolina, 3) Georgia, Alabama, and Florida, 4) Mississippi and Arkansas, 5) Louisiana and Texas. The Act placed the former rebel states under martial law as the army commander in charge of each district was allowed to use military commissions rather than civilian courts to enforce laws. The program also specified the more stringent requirements for readmission into the Union: (1) the ratification of the 14th Amendment, (2) new state constitutions which allowed for manhood suffrage irrespective of race, color, or religion, (3) approval of these new constitutions by a majority of a state's

⁹This also and validated land deeds given through the Bureau or Military Field Orders such as Sherman's Field Order 15, which had reserved a strip of land running down the Charleston to Jacksonville coastline for freedmen homesteads.

¹⁰Most notable of these murderous instances was the bloody New Orleans Riot in June where 44 blacks and 4 whites were killed attempting to attend a constitutional convention and the massacre in Memphis of 45 blacks and 2 whites over two days in May.

eligible voters, and (4) the establishment of governments under the new constitutions to replace the governments established under Presidential Reconstruction. Subsequent Reconstruction Acts were passed strengthening the original legislation. In March of 1867, voters were required to take a loyalty oath. In July, federal voting registrars were authorized to disenfranchise those thought to be taking the oath dishonestly. A fourth act passed in March 1868 which changed the requirement for passage of state constitutions from a majority of a state's registered voters to merely a majority of the voters who voted in the election, as many white Southerners had registered and then did not vote in hopes of preventing the ratification of the new constitutions.

The passage of the Reconstruction Act, effectively enfranchising more than one million southern black males, instantly stimulated black political activity in the South. Indeed, the potential of blacks to be active in politics was one the largest areas on conflict during Reconstruction. Black institutions and leaders, particularly churches and ministers, quickly became politicized channels of Republican organization in the South. The Union League, previously a Northern middle-class organization, became a conduit of black political activity in the South through political education initiatives and the building of churches and schools, aimed primarily at Freedmen (Hahn, 2005; Foner, 2014). While black support for the Republican Party was extensive to point of being unanimous, in only three southern states (South Carolina, Mississippi, and Louisiana) did blacks hold an outright majority, and even with this influx of newly eligible voters there was extensive local political competition. This meant that attracting the support of whites living in the South would be critical in founding a foundation for the Republican Party in the region.¹¹

In many areas of the South, black turnout for constitutional ratification and subsequent elections exceeded 90%, even under the consistent threat of losing employment or physical violence in retaliation for voting (Du Bois, 1935; Foner, 2014). Disenfranchisement of former Confederates varied, as some states disenfranchised only those barred from office by the 14th Amendment while others had more far-reaching proscriptive measures. The resulting constitutions drafted and passed by these southern state conventions are notable for their progressiveness. Public responsibilities were greatly increased as provisions were made for the establishing of public school systems, orphan asylums, and homes for the mentally ill. The constitutions also abolished the extremely high poll-taxes which existed in most southern states and also rewrote the antebellum tax codes so that tax revenues now came from assessed land values as opposed to high poll and licensing fees.

Along with the progressive nature of the newly adopted state constitutions, the Reconstruction-era southern governments also boast many noteworthy accomplishments. One of the major and first actions of these governments was the repealing of the black codes implemented under Presidential Reconstruction. With these discriminatory laws gone, freedmen were finally able to move somewhat freely throughout the South and engage in labor contracts that were much more equitable than before.¹² In addition, the institutional infrastructure to provide a higher level of public goods was established. With expanded civil rights, blacks began to assert themselves more fully by, for example, seeking legal redress for disputes. The expanded social responsibilities of government as well as the accompanying costs are best demonstrated in South Carolina. In the six years between 1870 and 1876 the enrollment in the state's public schools increased from 30,000 to 123,000 while the state budget more than doubled between 1860 and the end of Reconstruction. The period of Congressional

¹¹Republicans originally hoped to attract former Whigs to the party, as the Democrats had a firm base among the southern elite.

¹²See Litwack (1979), Foner (2014), and Higgs (1977), for white responses to black labor's new ability to negotiate contacts. Many white planters responded by suggesting that landowners collude to set low wages, while others argued that such strategies were against free labor ideals.

Reconstruction represents a dramatic change in the political and social organization of the American South.

B Considering Other Potential Instruments

Free blacks may not be the only instrumental variable available, and it is useful to consider other IVs and what they would identify. First, one may think of environmental factors such as crop suitability as IVs for black officeholders under the assumption that crop suitability is related to long-standing political institutions which have their roots in agricultural productivity. The key problem with such an IV would be the fact that environmental factors are obviously related to slavery, the extent of slavery due to differences in slave labor requirements for specific crops, slave productivity, and agricultural land values (Fogel and Engerman, 1974). This would violate the exclusion restriction, and environmental factors would therefore not be exogenous to political institutions as they would be related to the tax base via farm values and the extent of slaveholding.

Second, one could think of Confederate losses during the Civil War as an IV for black officeholders under the logic that areas with more Confederate deaths would have fewer whites able to serve in political positions. Another part of the logic of such an IV is that the losses would have occurred before Reconstruction and would be unrelated to local conditions given troop movement and the locations of battles during the Civil War. Unfortunately, the extent of troop losses in the Confederacy is unknown and highly suspect.¹³ This could lead to the numbers of losses being correlated with Scalawags, Southern whites who were Republican during Reconstruction and derided as deserters during the Civil War, or other factors which would be related to postbellum outcomes. Another complication is that Confederate deaths are correlated with voting during Reconstruction (Larsen, 2015), which violates the exclusion restriction as they may be related to political preferences. At a more basic level, there is no evidence that there was a dearth of leaders that was related to Confederate losses during the war.¹⁴ The first reconstructed governments, established during Presidential Reconstruction, were completely white and staffed with former Confederates and other white sympathizers. There is no evidence that Confederate losses left such a gap in leadership that it would lead to black leaders in their absence. Indeed, after Reconstruction ended the governments quickly dispatched with black leaders and replaced them with no evidence that there was a dearth of whites willing to serve (Franklin, 1961; Foner, 2014).¹⁵

Third, one could think that rather than the number of free blacks, the *fraction* of the black population which was free would be a ideal instrument. The problems with such an IV are numerous. At a minimum, the chief issue is that the number of slaves is contained in the denominator. Enslaved and free blacks are weakly correlated, with a correlation of 0.1065.¹⁶ The number of slaves would be related to agricultural productivity and land values (Fogel and Engerman, 1974). Also, slavery and slaveholding played a critical role in political beliefs surrounding the Civil War (Calomiris and Pritchett, 2016), but there is little evidence that free blacks were related to contemporaneous political attitudes. There is also some evidence that slaveholding is related to persistent preferences for distribution (Acharya et al., 2016).¹⁷ An additional problem is the identifying assumption of the IV—

¹³See Larsen (2015), for example, who estimates death rates for seven confederate states.

¹⁴Larsen (2015) argues that Confederate death rates were negatively related to lynching. Cook et al. (2016), however, find no evidence that lynching was related to the presence of black politicians during Reconstruction.

¹⁵This is not an issue of the quality of the leadership, but whether there were unfilled positions.

¹⁶See above for more on the correlation of free blacks with other variables.

¹⁷If this is the case then slaves should be included in the specification. The inclusion of slaves in the specification

it supposes that black officeholders are related to their disproportion in the overall black population, as opposed to their number. For example, this assumption supposes that a location with 100 free blacks would have fewer black officeholders if there were 1,000 slaves in the area as opposed to 500.¹⁸ This is a curious assumption, as it supposes that there are a fixed number of positions for black officeholders that are more likely to be filled by free blacks where they are in larger proportion. There is no narrative evidence that this was the case. In fact, when testing the proportion free IV the first stage relationship is particularly weak— black politicians are not related to the relative size of the black population, but were related to the number of free blacks.¹⁹ Given that the difference between the free black and proportion of black free is driven by slaves, the results confirm that slaveholding is a weak instrument.²⁰

C Additional Specifications

In Table A1 I show several checks of the main specification in Table 5. First, Panel A shows results which use the percent of blacks who were free in 1860 as the instrument for black officeholders. While the share of the black population free in 1860 has intuitive appeal, the denominator’s inclusion of the slave population makes it difficult to argue that it would satisfy the exclusion restriction. As the results show, the percent of blacks free is a weak instrument. The F-statistic on the excluded instrument is below 5, falling well below conventional measures for instrument strength. This is consistent with the argument earlier that slaves (and any function which contains slaves) will be a poor instrument and slaves would be correlated with electoral preferences for redistribution.

Panels B and C consider the sensitivity of the results with respect to population. The dependent variable is in per capita terms but other variables in the main specification are not and population enters linearly in the existing models. This may lead to a biased estimate of the effects to the extent that black official would be located in more populous places, for which dichotomous urban indicators would be a poor control. Also, population enters in different ways on the right- and left-hand side of the regression. To see if population drives the results Panel B first excludes it from the specification. The results show that the exclusion of population does not alter the results. Panel C presents estimates where all covariates are placed in per capita terms, obviating the need to include total population by itself and now having a specification which is consistently in per capita terms.²¹ The results are similar to the main specification, where the IV estimate for black politicians is roughly twice the OLS estimate. The results confirm that the estimates are not confounded by population nor driven by their inclusion nor exclusion.²²

In Table A2 additional specifications are included to decompose the effect geographically as well as to control for antebellum factors which could be related to political preferences. In Panel A of Table 7

could also be required if, for example, federal expenditures on Freedmen were substitutes for local expenditures. See Table A2, which shows that the inclusion of slaves does not alter the results.

¹⁸Note that since the regression controls for population and population shares such an IV is conditioned on these factors.

¹⁹See Table A1 for the results of the specification.

²⁰Another concern is the interpretation of the first stage. The fraction of blacks free is two variables, which alters the critical value of the F statistic. Even using the inappropriate value of the F statistic critical value, the IV fails all conventional weak instrument tests (see Table A1).

²¹In particular, wealth, manufacturing wages, manufacturing output, literacy, and farm value are measured per capita.

²²When total population is included in the per capital estimate the F-statistic on the excluded instrument is 134.3— $\beta_{First} = 0.00265$, $t = 11.59$ — and the estimated difference $\beta_{OLS} = 0.094$ versus $\beta_{IV} = 0.213$.

the specification is replicated geographically. Rather than focusing on branch of government these results show the effects of all black politicians who served in local offices as opposed to federal or state positions. As with the results for legislative officials, the results here confirm that those serving at a local level had a large impact on local tax revenues. In Panels B and C of Table A2 I include measures of the extent of slaveholding to the extent that slavery may be related to persistent preferences for redistribution (Acharya et al., 2016), or the potential for federal expenditures on Freedmen to substitute away from local expenditures. It should be noted that since the slave population was correlated with land values the inclusion of slaves may be an over-control in the specification. Panel B uses includes the number of slaves in 1860 and Panel C the share of slaves as a fraction of the total population in 1860. In both cases the inclusion of slaves does not alter the main result of the effect of black politicians on per capita taxes, nor does the inclusion of slaveholding weaken the free black IV in the first stage. In unreported results, the inclusion of slaves and the fraction of the population enslaved do not alter the results for 1880 taxes nor for the change in taxes from 1870 to 1880.²³

Further estimates of the effect of taxes and the existence of black politicians is presented in Table A3. In Table A3, the change in the number of farms is replicated for farms by size. Overall, the results show that taxes had little effect on the change in the number of farms. While there is a decrease in the number of farms 100-500 acres, the effect is relatively modest. When including the indicator for black politicians, the effect is similar, but the presence of black politicians is correlated with an increase of farms between 3 and 9 acres, which would be consistent with yeoman farming. At the same time, it is related to a decrease in farms between 10 and 20 acres, which is also yeoman farming. Given this inconclusive evidence it is difficult to assert that black politicians had an impact on changes in farms.²⁴

The educational results presented earlier can be reformulated in a two-stage regression where the first stage is county taxes as a function of black officials (or free blacks). This allows for a more intuitive interpretation of the marginal effect by focusing on the variation in taxes driven by black politicians. Table A4 shows the results for the educational outcomes in Table 10 where black officials (Panel A) and free blacks (Panel B) are used in a first stage to predict 1870 county taxes. The results for black officials show that the effect of taxes, predicted by the number of black officials, are substantially greater than the OLS estimates. In proportional terms, the effect of taxes is much larger for blacks than whites, which is consistent with the predicted taxes (via black officials) having a larger proportional effect on black educational outcomes.

Finally, Table A5 shows the reduced form estimates of the relationship between the number of free blacks in 1860 and per capita county taxes in 1870, replicating the regression results of Table 3, omitting black officials, and including free blacks in 1860.²⁵ The results confirm that free blacks in 1860 are positively related to per capita county taxes in 1870.

In Figure A1 the distribution of free blacks in 1860 is shown. As discussed in the text, the number

²³For the effect of 1880 taxes, the results with slaves were $\beta_{OLS} = 0.0349$ versus $\beta_{IV} = -0.0915$. For the fraction slave the results were $\beta_{OLS} = 0.0277$ versus $\beta_{IV} = -0.1402$. For the effect of tax changes 1870 to 1880 taxes, the results with slaves were $\beta_{OLS} = -0.0143$ versus $\beta_{IV} = -0.0523$. For the fraction slave the results were $\beta_{OLS} = -0.0129$ versus $\beta_{IV} = -0.0714$. A one standard deviation increase in the number of black officials reduces 1880 taxes by 0.495 or 0.759 standard deviations, and decreases the change in taxes by 0.63 or 0.87 standard deviations, respectively.

²⁴Taxes are unrelated to changes in the amount of unimproved land per county, but taxes are positively correlated changes in the amount of unimproved land per farm, which implies that more land was placed out of cultivation. Black politicians are correlated with a decrease in the amount of unimproved land per farm, but the effect is quite modest— less than 10 acres per county— and may simply reflect spacing of households in plots more distant over time. As with the results of tax size, this evidence is inconclusive, at best, of an effect of black politicians on land and land use changes.

²⁵ In specifications that contained slaves in 1860 and the percent of the population enslaved the coefficient on free blacks in 1860 was 0.000210 and 0.000194, respectively.

of free blacks is greater in the Old South as opposed to the New South, but within each state there is significant variation. Less than one fifth of the counties in the South had no free blacks in 1860.²⁶

A check of whether using 1870 for tax revenue is a valid for identification of black officeholders is required. Black officeholders were elected after 1870, and if a majority entered office after 1870 the effect they could have on public finance would be uncertain. In Figure A2 I show the year of entry for black officeholders. More than two thirds of black officeholders began their offices before 1870. (It is important to note that officeholders beginning during 1870 could still have an effect on 1870 taxes.) Including those officials with uncertain start dates (some are listed only by the decade they began service) increases this even further.

D Description of Branch of Service Rubric

Regarding the encoding of a politician's branch, certain qualitative assessments had to be made in order to create a discrete variable representing which aspect of government in which the politician participated. A value of Legislative was given if the politician himself or the governmental entity with which he was associated with was tasked with drafting laws and/or setting rates and policies with respect to revenue. This would include such titles as a state house representative, clerk for the state house, or tax assessor. A value of Executive was given if the politician himself or the governmental entity with which he was associated was primarily focused on carrying out or enforcing laws or making decisions on what to adopt into law. This includes such titles as alderman, county commissioner, postman, or a clerk for an entity primarily tasked with these duties. A value of Judicial was given if the politician himself or the governmental entity with which he was associated was tasked with the interpretation of the law or establishing penalties for criminals in courts of law. This includes titles such as magistrate, justice of the peace or a clerk for any court of law.

E A Model of Optimal Taxation

In this section I present a simple model which shows the preference that blacks would have for land taxation, consistent with the narrative literature on tax policies advocated by black leaders. The model is adopted from Pritchett (1986), which analyzes optimal taxation and forms the background of the work in Pritchett (1989). The goal is to estimate an optimal tax rate on capital (or land) using a two-factor model of the economy. The optimal tax (in the model this is similar to an optimal tariff) depends on the elasticities of derived demand and supply of capital, and the factor shares of the representative voter. Since blacks supplied relatively more labor than capital (or land), the representative voter should support higher property taxes if he is black and lower property taxes if he is white.

Formally, the model starts with utility as $U_i = U(C_i, L_i, K_i)$, where C_i is consumption of the final product and K and L are the employment of capital and labor in the economy, respectively.

Consumption is financed through earnings net of transfers, G_i . Assuming competitive factor markets (wage rate, w and after tax return on capital, r), the budget constraint is $C_i = wL_i + rK_i + G_i$. The social planner wishes to optimize utility by varying the tax rate, T . In the model this is expressed

²⁶As a technical matter, the relatively high variation in the number of free blacks per county makes it difficult to visually show the range of distribution within as opposed to between states, especially for states in the Old South. Another option would be to show the distribution of free blacks relative to the state mean, but this approach is analogous to visually presenting the regression estimates with state fixed effects included.

as a percentage of the after tax return on capital.

$$-S_L \frac{wL}{T} \left(\frac{dw}{dT} \frac{T}{w} \right) - S_L \frac{rK}{T} \left(\frac{dr}{dT} \frac{T}{r} \right) = S_G \frac{dG}{dT} \quad (\text{A1})$$

where S is the share of the factor (e.g., $S_K = \frac{K_i}{K}$). Higher taxes increase the gross return on capital and reduce the net return on capital but also reduces the amount of capital in the economy.²⁷ Since the tax burden is shared by labor and capital with lower returns, the loss to renters of capital must equal that of loss in rent earned by labor, $\rho K E(\rho, T) = -w L E(w, T)$. Substituting in gives the following:

$$-S_K \frac{rK}{T} E(r, T) + S_L r K (E(r, T) + 1) = -S_G r K \left(\frac{T-1}{T} (\beta + 1) E(r, T) + 1 \right) \quad (\text{A2})$$

And the optimal tax rate follows after noting that the elasticity of the derived demand for capital is a function of the before tax return $K = \rho^\eta$, and that capital supply and demand should be equal in equilibrium, implying that $E(r, T) = \frac{\eta}{\beta - \eta}$ which gives:

$$T = \left(\frac{S_G \left(\frac{\beta + 1}{\beta} \right) - S_K \frac{1}{\beta}}{S_G \left(\frac{\eta + 1}{\eta} \right) - S_L \frac{1}{\eta}} \right) \quad (\text{A3})$$

When $S_G = S_L$ and $S_K = 0$, $T = \frac{\beta + 1}{\beta}$. Since the supply of capital slopes upward, the optimal tax is where the gross return on capital equals the marginal factor cost. This case agrees broadly with the description of tax polices in Reconstruction advocated by black politicians (Williamson, 1965; Du Bois, 1935; Foner, 2014). Once they become owners of capital, however, the optimal tax would change. This situation is described by Williamson (1965) for South Carolina and may explain some of the relationship between assessment ratios and black landholding in Margo (1984).

Moving beyond this model, it would be tempting to consider a political setting where exogenous changes in the number of black elites lead to differentials in the supply of black officeholders, or where black elites face lower costs of running for office. A simple model would have a normalized population B and W such that $B + W = 1$. From each group elites are $e(B)$ and $e(W)$ and assume $e(B) < e(W)$. In such a setup black and white preferences would have to differ and in the simplest case elites simply reflect the preferences of their reference group. Note that even in this model the political preferences of whites and blacks must differ. If $e(*) < \Omega$ the number of politicians is less than those proportional to the population shares. Such a model would only be true under extremely restrictive conditions on voter and/or politician preferences, however. First, while politicians are more likely to come from elite groups, this is not a requirement. Voters would have to prefer elite politicians of either race more than their preferred redistributive policy to the extent that out-group elites did not share their policy preferences. An alternative restriction would limit political office to elites but this would not match with the history of Reconstruction, where a significant number on non-elite blacks and whites served in office. Second, white politicians would have to sub optimally respond to the policy preferences of the black electorate, where their policy positions should be more likely to conform to black electoral strength. The existing evidence from the enfranchisement of blacks in the 1960s suggests that white politicians did respond to black electoral strength (Cascio and Washington,

²⁷In particular, the percentage change in the gross return on capital is equal to the sum of the percent changes in the tax on capital and the change in the net return on capital.

2014). Adding any dynamic dimension to such models would therefore require implausible discounting by politicians for enfranchisement to have no effect. In both cases, however, the electoral preferences of blacks would be incorporated via either a black or white politician in equilibrium, rendering the race of the policymaker unimportant and the policies a function of electoral preferences and not the race of the policymaker. Since neither of these assumptions is tenable, the effect of race on public finance is difficult to model formally. More exotic models, where race is a signal which overcomes an information problem, do not yield predictions that politician race will have an effect. While the effect of politician race on outcomes is an empirical question, the theoretical prediction for such an effect is difficult to derive from existing models of political behavior.

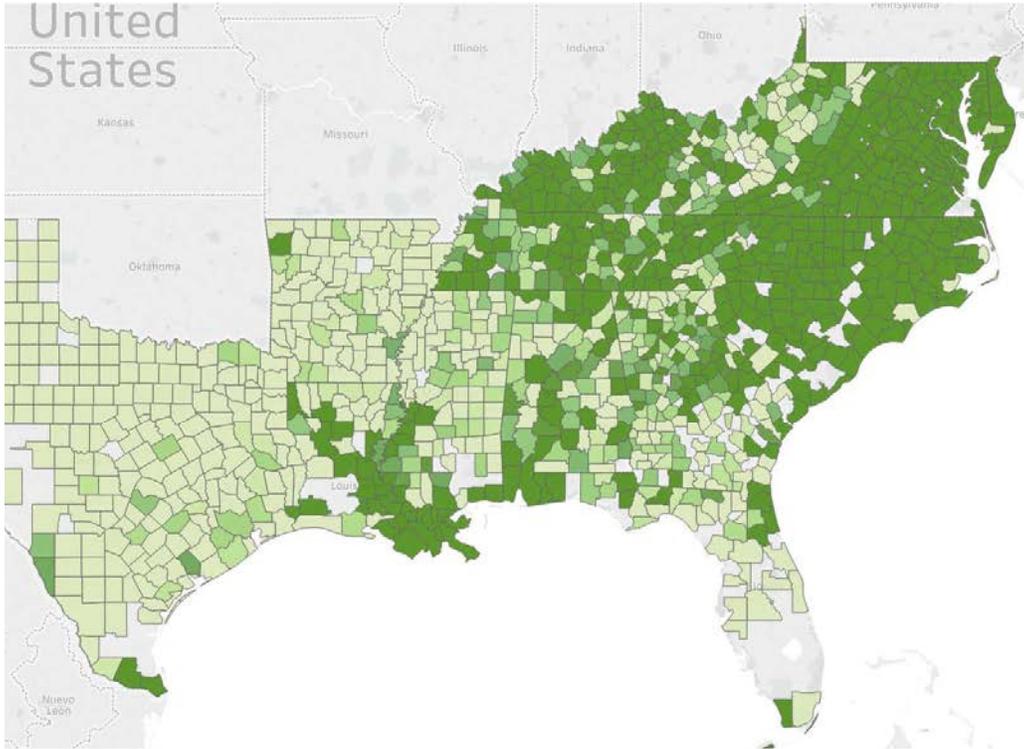


Figure A1: Number of Free Blacks by County, 1860.

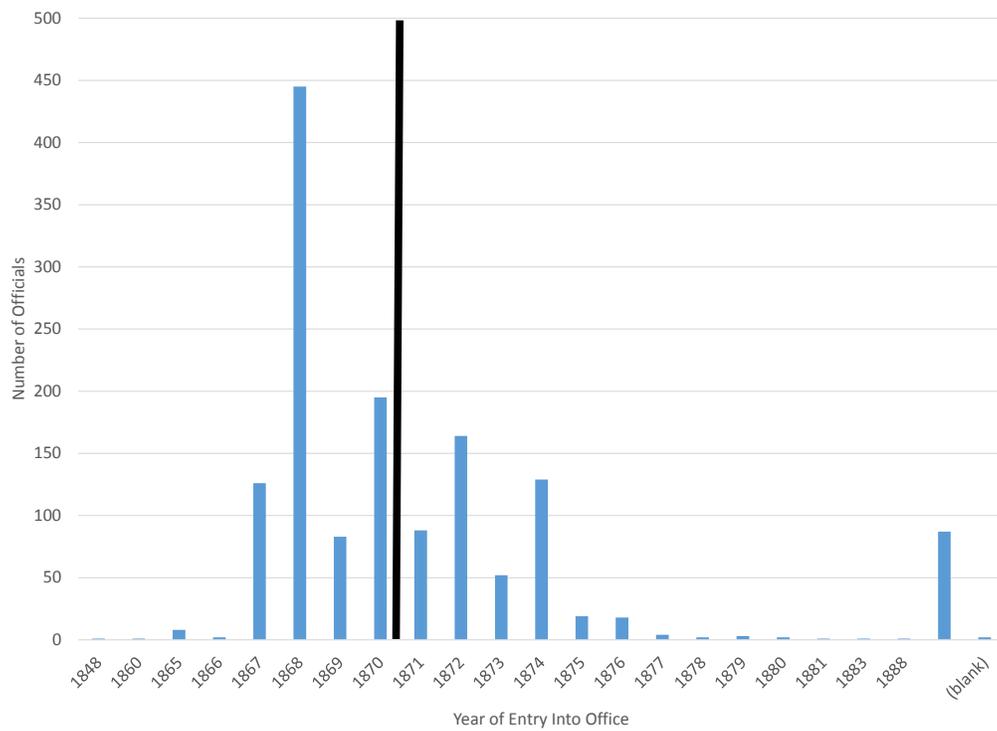


Figure A2: Number of Black Politicians by Year of Entry to Office. Source: Foner (1996)

Table A1: Additional Specification Checks

Panel A: Percent of Blacks free in 1860 as IV			
	OLS	First Stage	IV
Dependent Variable:	1870 County Taxes Per Capita	Black Officials Per County	1870 County Taxes Per Capita
Officials Per County	0.0925*** (0.0133)		0.578* (0.327)
Percent of Blacks Free 1860		1.982* (1.084)	
F-Statistic on Excluded Instrument		3.34	
Panel B: Total Population Removed			
	OLS	First Stage	IV
Dependent Variable:	1870 County Taxes Per Capita	Black Officials Per County	1870 County Taxes Per Capita
Black Officials Per County	0.0997*** (0.0132)		0.2056*** (0.0787)
Free Blacks 1860		0.00118*** (0.00024)	
F-Statistic on Excluded Instrument		24.24	
Panel C: All Covariates Per Capita, Total Population Removed			
	OLS	First Stage	IV
Dependent Variable:	1870 County Taxes Per Capita	Black Officials Per County	1870 County Taxes Per Capita
Black Officials Per County	0.0949*** (0.00979)		0.1735*** (0.0209)
Free Blacks 1860		0.00317*** (0.000206)	
F-Statistic on Excluded Instrument		237.79	

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Note: N=825 in all regressions. All regressions include Republican vote share in 1868 Presidential Election, total value of farms, Logan-Parman Segregation, percent black, manufacturing wages, value of manufacturing output, number illiterate, rail access, water access, urban county, county wealth and state fixed effects. Panel A includes total population in 1870. Panel C uses all variables which are not indices or proportions in per capita formulation.

Table A2: Specification Checks for Local Politicians and Inclusion of Antebellum Factors

Panel A: Local Politicians			
Dependent Variable:	OLS 1870 County Taxes Per Capita	First Stage Local Black Officials Per County	IV 1870 County Taxes Per Capita
Local Officials Per County	0.141*** (0.0225)		0.291*** (0.110)
Percent of Blacks Free 1860		0.000837*** (0.000140)	
F-Statistic on Excluded Instrument		35.57	
Panel B: Number of Slaves in 1860 Included			
Dependent Variable:	OLS 1870 County Taxes Per Capita	First Stage Black Officials Per County	IV 1870 County Taxes Per Capita
Black Officials Per County	0.1094*** (0.0132)		0.1562** (0.0661)
Free Blacks 1860		0.00134*** (0.00024)	
F-Statistic on Excluded Instrument		32.52	
Panel C: Slaves as Share of Total Population Included			
Dependent Variable:	OLS 1870 County Taxes Per Capita	First Stage Black Officials Per County	IV 1870 County Taxes Per Capita
Black Officials Per County	0.0948*** (0.0133)		0.1833** (0.0873)
Free Blacks 1860		0.00106*** (0.000243)	
F-Statistic on Excluded Instrument		19.24	

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Note: N=825 in all regressions. All regressions include Republican vote share in 1868 Presidential Election, total value of farms, Logan-Parman Segregation, percent black, manufacturing wages, value of manufacturing output, number illiterate, rail access, water access, urban county, county wealth and state fixed effects.

Table A3: County Taxes and Changes in Number of Farms by Farm Size, 1870-1880

Panel A:	Change in Number of Farms by Acreage, 1870 to 1880							
	0-2 I	3-9 II	10-19 III	20-49 IV	50-99 V	100-499 VI	500-999 VII	1000 + VIII
1870 County Per Capita Taxes	0.676 (0.456)	0.527 (2.215)	4.276 (3.759)	-4.469 (6.672)	-1.463 (2.935)	-13.62** (5.334)	-1.344* (0.718)	-0.524 (0.419)
R-Squared	0.046	0.129	0.112	0.323	0.457	0.688	0.5	0.472
State Fixed Effects	X	X	X	X	X	X	X	X
Local Economic Conditions	X	X	X	X	X	X	X	X
County Wealth	X	X	X	X	X	X	X	X
Republican Vote Share	X	X	X	X	X	X	X	X

Panel B:	Change in Number of Farms by Acreage, 1870 to 1880							
	0-2 I	3-9 II	10-19 III	20-49 IV	50-99 V	100-499 VI	500-999 VII	1000 + VIII
1870 County Per Capita Taxes	0.657 (0.456)	0.357 (2.209)	4.493 (3.756)	-4.315 (6.679)	-1.569 (2.936)	-13.60** (5.341)	-1.347* (0.719)	-0.526 (0.420)
Black Officials?	1.735 (1.467)	15.93** (7.111)	-20.35* (12.09)	-14.48 (21.50)	9.951 (9.450)	-2.329 (17.19)	0.309 (2.314)	0.223 (1.350)
R-Squared	0.048	0.136	0.115	0.323	0.458	0.688	0.5	0.472
State Fixed Effects	X	X	X	X	X	X	X	X
Local Economic Conditions	X	X	X	X	X	X	X	X
County Wealth	X	X	X	X	X	X	X	X
Republican Vote Share	X	X	X	X	X	X	X	X

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

N= 974. Regressions include total value of farms in 1870, the Logan-Parman segregation measure, percent black, total population, Column II and VI: manufacturing wages, value of manufacturing output, number illiterate, rail access, water access, urban county, and county wealth. Column III and VII: county wealth in 1870. Column IV and VIII: Republican Vote Share in 1868. All regressions include state fixed effects.

Table A4: Two-Stage Estimates of Educational Outcomes as a Function of County Taxes

Panel A: Black Officials as First Stage Predictor of Taxes		Black			White			
		Enrollment	Cannot Write	Age > 10	Age > 15	Age > 20	Literacy	
1870 County Per Capita Taxes	365.59*** (50.766)	-138.79*** (24.887)	15.55 (18.300)	0.0932*** (0.0205)	391.18*** (92.837)	-175.25*** (35.575)	-127.74*** (25.822)	0.0351** (0.0133)
F Statistic on Excluded Predictor		56.0						
Coefficient on Black Officials (First Stage)		0.09886*** (0.0132)						
Panel B: Free Blacks as First Stage Predictor of Taxes		Black			White			
		Enrollment	Cannot Write	Age > 10	Age > 15	Age > 20	Literacy	
1870 County Per Capita Taxes	320.16** (126.28)	-112.97* (64.294)	-127.79* (63.852)	-0.044 (0.0553)	461.53* (267.815)	-176.935* (99.106)	-87.387 (62.365)	-0.0352 (0.0368)
F Statistic on Excluded Predictor		6.859						
Coefficient on Free Blacks (First Stage)		0.000244** (0.0000931)						
Panel C: OLS Estimates		Black			White			
		Enrollment	Cannot Write	Age > 10	Age > 15	Age > 20	Literacy	
1870 County Per Capita Taxes	42.20*** (6.603)	-39.66*** (5.454)	-19.22*** (4.618)	0.0201*** (0.00470)	156.6*** (22.69)	-2.854 (6.983)	0.428 (4.985)	-8.68e-05 (0.00322)

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1
 N= 974. Regressions include total value of farms in 1870, the Logan-Parman segregation measure, percent black, total population, manufacturing wages, value of manufacturing output, number illiterate, rail access, water access, urban county, county wealth, and state fixed effects

Table A5: Reduced Form Estimates

	Dependent Variable : 1870 County Taxes per Capita			
	I	II	III	IV
Free Blacks in 1860	0.000541*** (7.84e-05)	0.000383*** (9.11e-05)	0.000244*** (9.31e-05)	0.000244*** (9.31e-05)
Total Value of Farms 1870	7.18e-08*** (1.95e-08)	6.55e-08*** (2.10e-08)	5.99e-08*** (2.07e-08)	6.04e-08*** (2.08e-08)
Segregation Measure	0.0499 (0.326)	0.303 (0.366)	0.284 (0.360)	0.281 (0.360)
Percent Black	0.669*** (0.211)	1.101*** (0.262)	0.954*** (0.259)	0.961*** (0.260)
Total Population	-3.11e-06 (3.26e-06)	3.34e-05*** (8.27e-06)	-2.34e-05* (1.31e-05)	-2.26e-05* (1.34e-05)
Manufacturing Wages		-1.34e-06*** (2.66e-07)	-2.06e-06*** (2.92e-07)	-2.06e-06*** (2.92e-07)
Value of Manufacturing Output		2.18e-07*** (7.20e-08)	3.04e-07*** (7.25e-08)	3.04e-07*** (7.26e-08)
Number Illiterate		-9.42e-05*** (2.46e-05)	-1.62e-05 (2.80e-05)	-1.72e-05 (2.82e-05)
Rail Access?		0.0437 (0.0862)	0.0680 (0.0849)	0.0689 (0.0850)
Water Access?		0.120 (0.0829)	0.114 (0.0818)	0.115 (0.0820)
Urban?		0.212 (0.184)	0.292 (0.181)	0.292 (0.181)
County Wealth			6.40e-08*** (1.16e-08)	6.34e-08*** (1.18e-08)
Republican Vote Share 1868 President				0.0832 (0.259)
R-Squared	0.421	0.477	0.496	0.496

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

N= 825. All Regressions include state fixed effects.