

# Seven ■ The Significance of the Slave Plantation for Southern Economic Development

Historians are no longer sure that plantation slavery produced the economic woes of the Old South. The revisionists' doubts rest on two propositions of dubious relevance: that slave labor could have been applied successfully to pursuits other than the raising of plantation staples; and that slave agriculture possibly generated as high a rate of profit as alternative industries and cannot be held responsible for the unwillingness of Southerners to use their funds more wisely.<sup>1</sup> The first proposition confuses slave labor and its direct effects with the slave system and its total effects; the latter is at issue, with the versatility of slave labor a secondary consideration. The second rests on the assumption that the master-slave relationship was purely economic and not essentially different from an employer-worker relationship. Yet, when confronted with the issue direct, who could deny that slavery gave rise to a distinct politics, ideology, and pattern of social behavior and that these had immense economic consequences?

We need not examine at the moment the precise relationship

between slavery and the plantation. Certainly, plantation economies presuppose considerable compulsion, if only of the *de facto* type now prevalent in parts of Latin America. The historical fact of an antebellum plantation-based slave economy is our immediate concern, although, undoubtedly, postbellum developments preserved some of the retardative effects of slavery.

Those retardative effects were too many even to be summarized here. A low level of capital accumulation, the planters' high propensity to consume luxuries, a shortage of liquid capital aggravated by the steady drain of funds out of the region, the low productivity of slave labor, the need to concentrate on a few staples, the anti-industrial, anti-urban ideology of the dominant planters, the reduction of Southern banking, industry, and commerce to the position of auxiliaries of the plantation economy—all these are familiar and yet need re-study in the light of the important work being done on the economics of underdeveloped areas. For the present let us focus on another factor, which in itself provides an adequate explanation of the South's inability to industrialize: the retardation of the home market for both industrial and agricultural commodities.

Thirty years ago Elizabeth W. Gilboy complained that economic historians studying the process of industrialization concerned themselves too much with supply and not enough with demand.<sup>2</sup> Her complaint was justified despite brilliant work on the problem of markets by a few outstanding men from Karl Marx to R. H. Tawney and Paul Mantoux. Since then, demand has received much more attention, although possibly not so much as it deserves. Important essays by Maurice Dobb, Simon Kuznets, H. J. Habakkuk, and Gunnar Myrdal, among others, have helped to correct the imbalance,<sup>3</sup> as has new research on European industrialization and the economics of underdeveloped countries. If there is one lesson

to be learned from the experience of both developed and underdeveloped countries, it is that industrialization is unthinkable without an agrarian revolution which shatters the old regime on the countryside. While the peasantry remains tied to the land, burdened with debt, and limited to minimal purchasing power, the labor recruitment and market pre-conditions for extensive manufacturing cannot emerge. "Land reform"—that is, an agrarian revolution—constitutes the essential first step in the creation of an urban working class, the reorganization of agriculture to feed growing cities, and the development of a home market.

Of the several ways in which agricultural reorganization can provide markets for manufactures, we may consider two. First, when the laborers are separated from the land, as during the English enclosures, they necessarily increase the demand for clothing and other essentials formerly produced at home. Paradoxically, this expansion of the market does not preclude a marked reduction in the laborers' standard of living. Second, the farmers left on the countryside to produce for growing urban markets provide an increased demand for textiles, agricultural equipment, and other commodities.

The North rose on the rapid expansion of the rural market, whereas the South remained dominated by slave plantations until a predatory foe interested in a new system of rural exploitation imposed a reorganization from without. An adequate home market could not grow in the antebellum South and has evolved slowly and painfully during the last century.

### ❧ *The Nature of the Market*

In 1860 about 75 per cent of the South's cotton crop went abroad; during no antebellum year did the grain exports of the United States exceed 5 per cent of the total crop. No doubt, cotton profits helped finance the economic growth of the

United States, but the question is, were the profits siphoned off to build up the Northern economy? The credit mechanisms alone, to a considerable extent, had such an effect. The South's dependence on the export trade, in contradistinction to the North's primary reliance on its home market, indicates not merely a social division of labor but the economic exploitation of the exporting South.

Robert G. Albion, in his excellent examination of the colonial bondage of the South to the North, concludes that the South's lack of direct trade with Europe constituted an irrational arrangement secured by the impudence of New York's aggressive entrepreneurs. We can agree that had the South imported from abroad as much as the North and West, there could have been no sensible reason to route through New York either the South's cotton or its share of European goods, but the assumption made by Albion, and by such contemporaries as George McDuffie and T. P. Kettell, of a rough equality of imports cannot be substantiated. The South's total market for manufactured goods did not match that of the free states; although the South depended upon Europe as well as the North for manufactured goods, its imports from Europe were smaller in value than imports into the North and West and smaller in bulk than the staples it exported. If the ships carrying cotton had sailed from Southern ports direct to Europe and back, they would have had to return in ballast.<sup>4</sup> New York's domination of the Southern market was therefore not accidental. If the South's share in American imports had been as Albion suggests, and if the coastal trade had been as large as he implies, the greater part of the goods sent from New Orleans to the plantation areas would have originated in Europe and been reshipped through New York rather than being, as we know to have been the case, of Western origin.<sup>5</sup>

Albion's acceptance of the assumption of nearly equal imports surprises all the more in view of the evidence of restricted

Southern demand. The Southern cotton, iron, paper, wool, and railroad industries—to mention a few—struggled with indifferent results against a low level of Southern patronage. Antislavery leaders like Henry Ruffner and Cassius M. Clay made slavery's effects on a home market a cardinal point in their indictment. Thoughtful proslavery Southerners also commented frequently on the market problem. The opinion of the editor of the *Southern Agriculturalist* in 1828 that the South lacked sufficient customers to sustain a high level of manufacturing echoed throughout the antebellum period. The speech of Colonel Andrew P. Calhoun to the Pendleton, South Carolina, Farmers' Society in 1855, for example, had a similar tone and content. On the other side, someone like Beverley Tucker would occasionally argue that Northerners would never risk a war "which, while it lasted, would shut them out from the best market in the world."<sup>6</sup> It is difficult to imagine that many, even those who adopted such arguments for political purposes, took seriously a proposition so palpably false.

Alfred Glaze Smith, Jr., and Douglass C. North have traced the low level of Southern demand, in part, to plantation self-sufficiency. This view is not borne out by the data in the manuscript census returns from the Cotton Belt, which reveal only trivial amounts of home manufactures on even the largest plantations and which bear out the judgments of Rolla M. Tryon and Mary Elizabeth Massey on the weakness of Southern household industry.<sup>7</sup> In De Soto and Marshall counties, Mississippi, the big planters (thirty-one or more slaves) averaged only \$76 worth of home manufactures in 1860, and farmers and small planters averaged much less. In Dougherty and Thomas counties, Georgia, the small planters (twenty-one to thirty slaves) led other groups of slaveholders with \$127, and the big planters produced only about half as much. Most of the planters in both clusters of counties recorded no home manufactures at all.<sup>8</sup> Sample studies from Virginia's tobacco

area, wheat area, and tidewater reveal the same. Plantation manuscripts show surprisingly frequent and often large expenditures for artisans' services and suggest that plantations were much less self-sufficient and exhibited much less division of labor than is generally appreciated.<sup>9</sup> The root of the insufficient demand must be sought in the poverty of the rural majority composed of slaves, subsistence farmers, and poor whites.

The United States, both North and South, suffered from a deficiency of both capital and labor during the nineteenth century. Farmers, who provided a large market for goods and tools, spurred industrial development, and manufacturing rose on the foundation of this immense rural demand. Eastern manufacturers gradually awoke to their dependence on this rural market and by 1854 were supporting homestead legislation not only to gain support for higher tariffs and for purposes of speculation but to expand the market for their goods. Farmers in New England saw their futures linked with industrial development, and their hostility toward commercial middlemen was not usually transferred to the manufacturers.<sup>10</sup> The same was true in the West. As the shrewd Achille Murat noted in the 1830s, the manufacturing interest of the West "is not constituted by the manufactories which exist, but by those which they look forward to in prospective."<sup>11</sup> An agrarianism uncompromisingly hostile to industry and urbanization—to "manufacturing as a system"—existed only in the South and cannot be separated from the ideological leadership of the slaveholding planters. Even there, those seriously interested in economic progress saw the link between agricultural reform and industrialization and tried to work out proposals for increased manufactures that would be palatable to their fellow slaveholders.<sup>12</sup>

The West could import capital because Eastern manufacturers and European creditors had confidence in her growth and

prosperity. Outside credits at that time had to be accumulated by the importation of commodities and the maintenance of an unfavorable trade balance. The immense internal market guaranteed the West an import surplus until 1850. Its insatiable demand for manufactured articles contributed to the unfavorable trade balance of the United States, but on the whole this problem was not a serious one for the country. American importers had enough strength to obtain long-term credits on relatively easy terms, and during the 1850s profits from shipping and other invisible gains largely restored the balance.<sup>13</sup> Thus, on the one hand, the national economy had the resources to overcome the worst effects of a trade deficit, and on the other hand, the agrarian West could obtain the credits required for industrial development. The South did not benefit from this arrangement. It provided an exportable surplus, which although of great help to the national economy in offsetting the large quantity of imports, fell prey to Northern capital. Those invisible gains so important to national growth were made partly at the expense of the South.

The population statistics for 1860 offer a clue to the structure of the market. If we exclude Maryland, in which slavery was declining, and Delaware, which was a slave state in name only, the median population per square mile in the slave states was 18, and Kentucky was high with 31. In comparison, Massachusetts had a population of 158 per square mile; Rhode Island, 138; Connecticut, 98; New York, 84; New Jersey, 81; and so forth. In the West, Ohio had 59; Indiana, 40; and Illinois, 31.

These figures do not tell the important part of the story. A country that is sparsely settled, in absolute terms, may have a high population density, in economic terms, if its systems of transportation and commodity production are well developed and integrated. The Northern states in 1860, for example, had a much higher population density—from an economic

point of view—than the thickly populated countries of Asia. The superiority of Northern transportation and economic integration, relative to those of the South, meant that the difference in the magnitude of the market greatly exceeded that suggested by the population figures.

Historians, since the pioneering researches of Ulrich B. Phillips, have appreciated that the Southern transportation system tied the staple-producing areas to the ports and that this was the best possible arrangement for the planters. The planters controlled the state legislatures in an era in which state participation was proving decisive in railroad construction and generally refused to assume the tax burden necessary to open the back country and thereby encourage and strengthen politically suspect farmers. Without a fully developed railroad network tying the South into an economic unit, the absorption of nonstaple producers into the market economy, except in a peripheral way, was impossible. Poor transportation, for example, contributed toward the retardation of the Southern cotton textile industry.<sup>14</sup>

With good reason alert Southerners spoke of the connection between railroads, markets, diversified agriculture, and manufacturing. James Robb pointedly described improved transportation and greater industry as necessary ingredients in the process of unifying the South. Oscar M. Lieber noted that without an adequate transportation system South Carolina's farmers could not enter the market as corn producers. Senator John Bell of Tennessee warmly supported federal land grants to railroads to strengthen the bonds of commodity production.<sup>15</sup> Within the South these men could, at best, expect to be received with an impatient silence. Their message sometimes gained attention in the Upper South, as for example in what came to be West Virginia; the subsequent construction of road and railroad links to existing markets generally bound parts of

the Upper South to the free states and helped remove them from the slaveholders' domain.

In the slave South the home market consisted primarily of the plantations, which bought foodstuffs from the West and manufactured goods from the East. The planters needed increased Southern manufacturing, but only for certain purposes. They needed cheap slave clothing, cotton gins and a few crude agricultural implements, rope for cotton bagging, and other such items. This narrow market could not compare with the tremendous Western demand for industrial commodities of all kinds, especially for agricultural implements and machinery on the more capital-intensive Western farms. The Northeast had the capital and skilled labor for fairly large-scale production and had established its control over existing markets in the North and West. Southern manufacturers could not hope to compete with Northern outside the South, and the same conditions that brought about Northern control of the Northern market made possible Northern penetration of the Southern market despite its costs of transportation.

The South found itself in a dilemma similar to that facing many underdeveloped countries today. On the one hand, it provided a market for outside industry. On the other hand, that very market was too small to sustain industry on a scale large enough to compete with outsiders who could draw upon wider markets. Only one-fifth of the manufacturing establishments of the United States operated in the South, and their average capitalization was well below that of the manufacturing establishments of the free states. Consider the situation in two industries of special importance to the South—cotton textiles and agricultural implements. New England had almost three times as many cotton factories as the entire South in 1860, and yet the average capitalization was almost twice as great. The concentration in this industry had proceeded so

far by 1850 that of the more than one thousand cotton factories in the United States only forty-one had half the total capital investment. As for the agricultural implement and machinery industry, New York, Pennsylvania, Ohio, and Illinois each had a greater total capital investment than did the entire South, and in three of these the average capitalization was between two and two-and-a-half times as great as the average in the South.<sup>16</sup> This Northern advantage led Edmund Ruffin and Thomas L. Clingman, among others, to look forward to a Southern Confederacy protected by high tariffs against Northern goods.<sup>17</sup>

Data on the cotton textile industry almost invariably reveal that Southern producers concentrated upon the production of the cheapest and coarsest kind of cloth to be used in the making of slave clothing.<sup>18</sup> Even so, local industrialists had to compete for this market with Northerners who sometimes shipped direct and sometimes established Southern branches and who had facilities for the collection and processing of second-hand clothing.<sup>19</sup> Just as New England supplied most of the South's "Negro cloth," so did it supply much of the boots and shoes. For example, Batchellor Brothers of Brookfield, Massachusetts, produced cheap shoes especially for the Southern market and as early as 1837 opened a branch at Mobile to consolidate its Southern market.<sup>20</sup>

Producers of better cotton goods had little hope of making a living in the South. Occasionally, a William Gregg could penetrate Northern markets successfully, but Southern demand for such goods remained too small to have much effect on the industry generally. Northern firms like the Pepperell Manufacturing Company or the A. A. Lawrence Company did little business in the South. On the other hand, a rising demand for textiles in the agrarian West had greatly influenced the New England cotton industry since 1814.<sup>21</sup>

The Southern iron industry, hampered by restricted railroad development in the slave states, also had its troubles. American iron producers generally faced the handicap of large importations of railroad iron. The small scale of operations and resultant cost schedules, which hurt the industry nationally, hit the Southern manufacturers especially hard. Dependent upon a weak local market, Southern iron manufacturers had great difficulty holding their own even during the prosperous 1850s.

No wonder the Augusta, Georgia, Commercial Convention added to its demand that Southerners buy Southern goods the qualification, "unless you can get Northern cheaper." And no wonder the proposal was ridiculed as amounting to "Never kiss the maid if you can kiss the mistress, unless you like the maid better."<sup>22</sup>

### ❧ *The Size of the Rural Market*

We cannot measure precisely the extent of the Southern market nor even make a reliable, general, quantitative comparison between the Southern and Western rural markets, but we can glean from various sources some notion of the immense difference. For example, Phelps, Dodge & Co., a prominent cotton-shipping firm that also distributed metals, tools, machinery, clothing, and an assortment of other items, reported at the beginning of the Civil War that only 5 per cent of its sales went south and that those went primarily to the noncotton states. We do not know the extent of the firm's participation in the cotton export trade, but it was considerable. Phelps, Dodge & Co. was in an excellent position to exchange industrial goods for cotton, but the Southern demand for imported goods could not compare in bulk or value with the supply of cotton.

In the West, on the other hand, farmers and townsmen provided a growing and lucrative market, and the firm had more customers in Ohio than in any other state except New York.<sup>23</sup>

An examination of the manuscript census returns for 1860 and other primary sources pertaining to two representative cotton counties in Mississippi and to two in Georgia permits us to judge roughly the extent of the market in the Cotton Belt by estimating the expenditures made by planters and farmers in these counties. (See note 8, p. 175.) The estimates are the most generous possible and exaggerate the extent of the Southern rural market in relation to the Western in two ways: there were far more rural poor with little or no purchasing power in the Cotton Belt than in the West, and the concentration of landholdings in the South resulted in fewer landowners than could be found in a Western area of comparable size. Thus, even if the estimate of the expenditures made by these Southern planters and farmers had been larger than the expenditures of a similar group of individual proprietors in the West, the total purchased in each county would still have been much less than in a comparable Western area. Since Southern expenditures consisted, to a considerable extent, of food purchases, the market for industrial commodities was much smaller than might appear.

The concentration of landholding and slaveholding in the Mississippi counties meant that 6 per cent of the landowners commanded one-third of the gross income and probably a much higher percentage of the net. That is, the majority of landowners received a disproportionately small portion of the total income accruing to the cotton economy as a whole.

Only the largest planters—10 per cent of the landowners—spent more than one thousand dollars a year for food and supplies, and they rarely spent more. These expenditures include the total purchases for the slaves. The slaveholding farms and

plantations in Mississippi annually spent about thirty or thirty-five dollars per person for food and supplies; nonslaveholders spent about twenty-five dollars per person. In Georgia, slaveholding farms and plantations spent about twenty-five dollars per person, and nonslaveholders were just about self-sufficient.<sup>24</sup> In contrast, Philip S. Foner reports that contemporary newspapers and other sources indicate that the small farmers who made up the great majority of the rural population of the West accumulated store bills of from one hundred to six hundred dollars.<sup>25</sup> Even if we allow for considerable exaggeration and assume that the accounts were generally closer to the lower estimate, these figures, which are exclusive of cash purchases, mail orders, payments to drummers, and so forth, are at least a clue to the impressive purchasing power of the Western countryside.

However imprecise the estimates for the South may be, they indicate the lack of purchasing power among the rural population of the Cotton Belt and demonstrate how greatly the situation differed there from that in the West. With such a home market the slave economy could not sustain more than the lowest level of commodity production apart from that of a few staples. The success of William Gregg as a textile manufacturer in South Carolina and the data produced by Professor John Hebron Moore showing that a cotton textile industry could and did exist in antebellum Mississippi seem to contradict this conclusion; but Gregg, who was aware of the modest proportions of the home market, warned Southerners against trying to produce for local needs and suggested that they focus on the wholesale market. His own company at Graniteville, South Carolina, produced fine cotton goods that sold much better in New York than in the South. Gregg's success in the Northern market could not easily be duplicated by others, and when he discussed the Southern market, he felt

compelled, as did B. L. C. Wailes and other astute observers, to advocate production of cheap cotton goods for the plantations.<sup>26</sup> Moore's conclusion that his data prove the adaptability of manufacturing to the Lower South requires for substantiation more than evidence of particular successes, no matter how impressive;<sup>27</sup> it requires evidence that Southern producers had enough strength to drive out Northern competition and, more important, that the market was large enough to sustain more than a few firms.

The plantation system did have its small compensations for industry. The planters' taste for luxuries, for example, proved a boon to the Petersburg, Virginia, iron industry, which supplied plantations with cast-iron fences, lawn ornaments, balconies, fancy gates, and other decorative articles.<sup>28</sup> A silk industry emerged briefly but was destroyed by climatic conditions as well as by a shortage of capital.<sup>29</sup> The hemp industry, which supplied rope for cotton baling, depended heavily on the plantation market.

Some Southern industrialists, especially those in the border states, did good business in the North. Louisville tobacco and hemp manufacturers sold much of their output in Ohio. Botts and Burfoot of Richmond, Virginia, reported the sale of \$1,000 worth of straw cutters in the North during a six-month period. The more successful Southern iron producers worked in the Upper South and sold outside the slave states. Smith and Perkins of Alexandria, Virginia, began production of locomotives and railroad cars in the 1850s and obtained a good many orders from the North. The company failed because shipping costs made consolidation of its Northern market difficult and because only a few orders came from the South to take up the slack. Similarly, the paper industry in South Carolina did well until the 1850s, when Northern orders dropped and no substantial Southern orders appeared.<sup>30</sup>

The political dangers of these links with the free states did

not escape the slaveholders. The Virginia Commercial Convention reported that West Virginia was being cut off from the South in this way.<sup>31</sup> During the Civil War, William Henry Holcombe, a thoughtful doctor living in Natchez, listed in his diary various reasons for the adherence of the border states to the Union and placed close commercial ties high on the list.<sup>32</sup> There was more than hindsight here, for politically sophisticated Southerners sensed the danger well before 1861. But what could they have done about it?

### ❧ *The Urban Market for Foodstuffs*

The inability of the South to generate an adequate rural market inhibited industrialization and urbanization, which in turn limited the market for agricultural produce and undermined attempts at diversification. With the exception of New Orleans and Baltimore the slave states had no large cities, and few reached the size of 15,000. The urban population of the South could not compare with that of the Northeast, as is generally appreciated, but more to the point, it could not compare with that of the agrarian West either. The urban population of the Lower South in 1860 was only 7 per cent of the total population, and in the western part of the Lower South, embracing most of the Cotton Belt, there was a relative decline during the preceding twenty years. In New England the percentage was 37; in the Middle Atlantic states, including Ohio, 35; and perhaps most significantly, in Indiana, Illinois, Michigan, and Wisconsin, 14.<sup>33</sup>

Even these figures do not tell the full story of the underdevelopment of the South's urban market. If we except New Orleans, which was a special case, three cities of the Lower South had a population of 15,000 or more: Mobile, Charleston, and Savannah, with a combined population of 92,000. Of this



number, 37 per cent were slaves and free Negroes, who may be assumed to have represented only minimal purchasing power. In the 1850s, American families certainly did not spend less than 40 per cent of their incomes on food, and the importance of a large urban market for foodstuffs may be judged accordingly.<sup>34</sup>

Southern authorities on agriculture pointed repeatedly to the pernicious effects of a limited home market. Eugene W. Hilgard, state geologist of Mississippi, explained his state's failure to develop a cattle industry largely by the absence of local markets. Oscar M. Lieber, state geologist of South Carolina, warned farmers in a state that was never comfortably self-sufficient in corn not to produce more corn than they could consume, for there was no place to market the surplus. Charles Yancey of Buckingham County, Virginia, wrote that planters and farmers would not grow oats because the only possibility of disposing of them lay in person-to-person barter.<sup>35</sup>

The weakness of the market for agricultural produce had many detrimental consequences for the South, of which we may mention only two. First, those sections of the border states which found markets in the Northern cities increasingly moved into the political-economic orbit of the free states at the moment when the slave states required maximum solidarity to preserve their system. Second, the weakness of the market doomed the hopes of the agricultural reformers and transformed their cry for diversification into a cry for a backward step toward natural economy.

When that great antislavery Kentuckian, Cassius M. Clay, finally receives from historians the honor and attention that he deserves, he will surely be recognized as one of the most penetrating commentators on the economics of slavery. Consider his remarks on the problem of markets, with which we are presently concerned:

Lawyers, merchants, mechanics, laborers, who are your consumers; Robert Wickliffe's two hundred slaves? How many clients do you find, how many goods do you sell, how many hats, coats, saddles, and trunks do you make for these two hundred slaves? Does Mr. Wickliffe lay out as much for himself and his two hundred slaves as two hundred freemen do? . . . All our towns dwindle, and our farmers lose, in consequence, all home markets. Every farmer bought out by the slave system sends off the consumers of the manufacturers of the town: when the consumers are gone, the mechanic must go also. . . . A home market cannot exist in a slave state.<sup>36</sup>

Plantation slavery so limited the purchasing power of the South that it could not sustain much industry. That industry which could be raised usually lacked a home market of sufficient scope to permit large-scale operation; the resultant cost of production often became too high for success in competition with Northern firms drawing on much wider markets. Without sufficient industry to support urbanization, a general and extensive diversification of agriculture was unthinkable. Whatever other factors need to be considered in a complete analysis, the low level of demand in this plantation-based slave society was sufficient to retard the economic development of the South.

#### N O T E S

- 1 Cf., e.g., Robert R. Russel, *JSH*, IV (Feb. 1938), 34-54, or the more recent statement by Conrad and Meyer, *JPE*, LXVI (April 1958), 95-130. Curiously, Russel was one of

- the first to challenge the assumption of men like T. P. Kettell that the South imported as much as the North. His *Economic Aspects of Southern Sectionalism, 1840-1861* (New York, 1960; first published, 1924), contains much valuable material and many excellent insights on the weaknesses of the South's home market.
- 2 "Demand as a Factor in the Industrial Revolution," in *Facts and Factors in Economic History: Articles by the Former Students of Edwin F. Gay* (Cambridge, Mass., 1932), pp. 620-39.
  - 3 Dobb, *Studies*, pp. 6 ff, 87 ff, 98 ff, 290-96; Kuznets, "Toward a Theory of Economic Growth," in Robert Lekachman (ed.), *National Policy for Economic Welfare at Home and Abroad* (New York, 1955), pp. 12-77; Habakkuk in Dupriez (ed.), *Economic Progress*, pp. 149-69; Myrdal, *Rich Lands and Poor*, esp. pp. 23-38.
  - 4 Albion, *Rise of New York Port and Square-Riggers on Schedule*. For similar arguments by contemporaries see De Bow, *Industrial Resources*, I, 125, 365, and *DBR*, IV (1847), 208-25, 339, 351. For a perceptive Northern reply see [Daniel Lord], *The Effects of Secession upon the Commercial Relations Between the North and South and upon Each Section* (New York, 1861), p. 15. For the weakness of the Southern import trade see George Rogers Taylor, *The Transportation Revolution, 1815-1860* (New York, 1951), p. 198; Philip S. Foner, *Business & Slavery* (Chapel Hill, N.C., 1941), pp. 6-7; and Samuel Eliot Morison, *The Maritime History of Massachusetts, 1783-1860* (Boston, 1921), pp. 298-99. Many of the lines carrying cotton from Northern ports were deeply involved in bringing immigrants to the United States. These immigrants, too, helped guarantee that ships returning from Europe could escape being in ballast. John G. B. Hutchins, *The American Maritime Industries and Public Policy, 1789-1914* (Cambridge, Mass., 1941), pp. 262-63.
  - 5 Emory R. Johnson *et al.*, *History of the Domestic and Foreign Commerce of the United States* (2 vols.; Washington, D.C., 1915), I, 242; R. B. Way, "The Commerce of the Lower Mississippi in the Period 1830-1860," *Mississippi Valley Historical Association, Proceedings*, X (1918-1919), 62; Louis Bernard Schmidt, "The Internal Grain Trade of the United States, 1850-1860," *Iowa Journal of History and Politics*, XVIII (Jan. 1920), 110-11.
  - 6 *Southern Agriculturalist* (Charleston, S.C.), I (Sept. 1828), 404; *Farmer and Planter*, VI (Dec. 1855), 270-71; *SQR*, XVIII (Sept. 1850), 218.
  - 7 Smith, *Economic Readjustment*, p. 134; North, *The Economic Growth of the United States, 1790-1860* (Englewood Cliffs, N.J., 1961), pp. 132-33; Tryon, *Household Manufactures in the United States*; Massey, *Ersatz in the Confederacy*, pp. 80, 98.
  - 8 From five Mississippi and five Georgia Cotton Belt counties regarded as typical by Gray in his *History of Agriculture* (I, 334-35, and II, 918-21), I have analyzed for each state the two that come closest to the mode in the only variable for which there is clear evidence—the size of slaveholdings. A review of the economic and natural conditions of the South reveals nothing to suggest that the four counties so chosen were not roughly typical of the Cotton Belt. I have used the four counties primarily for an investigation of purchasing power—to gain clues to the general structure of the market—and the insignificant expenditures recorded indicate that even with due allowance for the possibility of a wide, say 50%, deviation in other counties and for incorrect reporting in the census returns, the results could not conceivably be substantially different. As a random sample, I selected the first ten names on each page of U.S. Census, 1860, Georgia, Schedule 4, Productions of Agriculture, Dougherty and Thomas counties (Library, Duke University, Durham, N.C.) and U.S. Census, 1860, Mississippi, Schedule 4, De Soto and Marshall counties (Mississippi State Archives, Jackson). From the U.S. Census, 1860, Georgia, Schedule 2, Slave Inhabitants, Dougherty and Marshall counties (National Archives, Washington), I determined the number of slaves held by each agriculturalist in my sample. Where Schedule 4 gave the amount of produce but not the monetary value, I used

a specially prepared price schedule in order to translate the amounts into dollar values. For methodological details, see my unpublished doctoral dissertation, "The Limits of Agrarian Reform in the Slave South," Columbia University, 1959, appendices.

9 *Supra*, Chapter II.

10 Roy M. Robbins, *Our Landed Heritage* (New York, 1950), p. 177; Joseph Brennan, *Social Conditions in Industrial Rhode Island, 1820-1860* (Washington, D.C., 1940), p. 18; Samuel Reznick, "The Rise and Early Development of Industrial Consciousness in the United States, 1760-1830," *JEBH*, IV (Aug. 1932), Supplement, 784-811; Isaac Lippincott, *History of Manufactures in the Ohio Valley to the Year 1860* (New York, 1914), pp. 63-65; Grace Pierpont Fuller, *An Introduction to the History of Connecticut as a Manufacturing State* (Northampton, Mass., 1915), p. 45; James Neal Primm, *Economic Policy in the Development of a Western State: Missouri, 1820-1860* (Cambridge, Mass., 1954), pp. 56-59; Frank W. Taussig, *The Tariff History of the United States* (7th ed.; Cambridge, Mass., 1923), pp. 68-108; and Bray Hammond, *Banks and Politics in America* (Princeton, N.J., 1957).

11 *America and the Americans*, p. 19.

12 For examples see the remarks of M. W. Philips and John J. Williams, *Mississippi Planter and Mechanic*, II (May, 1858), 157-58; of Thomas J. Lemay, *Arator*, I (Nov. 1855), 237; and of Andrew Johnson, *Congressional Globe*, XXIII, 312.

13 See Simon Kuznets, *Economic Change* (New York, 1953), pp. 307 ff; and Charles F. Dunbar, *Economic Essays* (New York, 1904), p. 268.

14 See Milton S. Heath, *Constructive Liberalism: The Role of the State in Economic Development in Georgia to 1860* (Cambridge, Mass., 1954), pp. 290-91; and Seth Hammond, "Location Theory and the Cotton Industry," *JEH*, II (1942, Supplement), 101-17. The opposition of entrenched landowning classes to the extension of transportation has been general in colonial and underdeveloped

countries. See George Wythe, *Industry in Latin America* (New York, 1945), p. 4.

15 De Bow, *Industrial Resources*, II, 154; Oscar M. Lieber, *Report on the Survey of South Carolina . . . 1857* (Columbia, S.C., 1858), p. 106; *Congressional Globe*, XXI, Pt. 1, 867-68.

16 U.S. Census Office, *Manufactures of the United States in 1860 . . .* (Washington, D.C., 1865), pp. xxi, ccxvii, lxxiii, 729-30; Evelyn H. Knowlton, *Pepperell's Progress: History of a Cotton Textile Company, 1844-1945* (Cambridge, Mass., 1948), p. 32. The average capitalization of manufacturing establishments in 1850 was more than 25% higher in the free states and territories than in the slave states, and the gap widened in the 1850s, when the increase in average capital investment was 68% in the free states and territories and only 51% in the slave states. The Lower South (including North Carolina but excluding Tennessee) fell even further behind. The average capitalization here, 38% less than in the free states in 1850, was 47% less by 1860. Furthermore, the rate of increase in the number of establishments during this decade was appreciably greater in the North than in the South.

17 Ruffin, "Incidents of My Life," pp. 19-20, Ruffin Papers; Clingman, *Speeches*, pp. 233-54, esp. p. 250.

18 U.S. Commissioner of Patents, *Report on Agriculture, 1857*, pp. 308-9, 318; and Richard H. Shryock, "The Early Industrial Revolution in the Empire State," *GHQ*, XI (June 1927), 128.

19 Jesse Eliphalet Pope, *The Clothing Industry in New York* (New York, 1905), pp. 6-7.

20 Hazard, *Boot and Shoe Industry*, pp. 57-58.

21 Knowlton, *Pepperell's Progress*, pp. 83-84; Caroline F. Ware, *The Early New England Cotton Manufacture* (Boston, 1931), pp. 48, 55.

22 Wender, *Southern Commercial Conventions*, p. 25.

23 Richard Lowitt, *A Merchant Prince of the Nineteenth*

*Century: William E. Dodge* (New York, 1954), pp. 31 ff, 37.

- 24 In Mississippi a sample of 584 units with 7,289 slaves and an estimated 2,480 whites spent about \$316,500; in Georgia a sample of 100 units with 2,354 slaves and an estimated 710 whites spent about \$73,300.
- 25 *Business & Slavery*, p. 143. Since the Western figures are for family units they fall below the lower limit for the cotton area, but they are of course partial. Therefore, they do suggest an immense spread between the two sections even if they do not allow us to calculate closely. I am indebted to Robert W. Fogel for pointing out the need for this qualification; apparently, some misunderstandings arose from the way in which I phrased the matter in the original article.
- 26 Gregg, *Essays on Domestic Industry*, p. 4; Wailes, *Address Delivered before the Agricultural, Horticultural and Botanical Society of Jefferson College* (Natchez, Miss., 1841), pp. 22-23; *DBR*, XXIX (Oct. 1860), 496-97; Broadus Mitchell, *William Gregg, Factory Master of the Old South* (Chapel Hill, N.C., 1928), p. 106.
- 27 John Hebron Moore, "Mississippi's Ante-Bellum Textile Industry," *JMH*, XVI (April 1954), 81.
- 28 Edward A. Wyatt IV, "Rise of Industry in Ante-Bellum Petersburg," *William and Mary College Quarterly*, XVII (Jan. 1937), 32.
- 29 Southerners were very much interested in silk cultivation and manufacture and saw fine market possibilities. See Parsons, *Inside View*, pp. 71 ff; Cathey, *NCHR*, XXI (Jan. 1954), 6; Spalding Trafton, "Silk Culture in Henderson County, Kentucky," *Filson Club History Quarterly*, IV (Oct. 1930), 184-89.
- 30 Lippincott, *Manufactures in the Ohio Valley*, p. 64; *Southern Planter*, III (April 1843), advertisement on back cover; Lester J. Cappon, "Trend of the Southern Iron Industry under the Plantation Regime," *JEBH*, II (Feb. 1930), 361, 371, 376; Quenzel, *VMHB*, LXII (April 1954), 182 ff; Lander, *NCHR*, XXIX (April 1952), 225 ff.

- 31 De Bow, *Industrial Resources*, III, 465.
- 32 Holcombe Diary, entry for Sept. 6, 1855, but obviously written in 1861.
- 33 Urban areas defined as incorporated places of 2,500 or more. See U.S. Bureau of the Census, *Urban Population in the U.S. from the First Census (1790) to the Fifteenth Census (1930)*.
- 34 This estimate is from Edgar W. Martin, *The Standard of Living in 1860* (Chicago, 1942), pp. 11-12, and may greatly underestimate the situation in urban households. According to Richard O. Cummings, laborers in Massachusetts probably spent about three-fourths of their weekly wages on food in 1860. *The American and His Food* (Chicago, 1941), p. 266.
- 35 Hilgard, *Report on the Geology and Agriculture of the State of Mississippi*, pp. 250-51; Lieber, *Report*, p. 106; See also U.S. Commissioner of Patents, *Report on Agriculture, 1849*, p. 137.
- 36 Clay, *Writings*, pp. 179, 227. Since this essay was written David L. Smiley has published a fine biography: *Lion of White Hall: The Life of Cassius M. Clay* (Madison, Wis., 1962).

# Nine ■ Slave Labor or Free in the Southern Factories: A Political Analysis of an Economic Debate

The excited and sometimes bitter debate between those who wished to use slaves in Southern factories and those who wished to use free white laborers quickly passed beyond discussion of the economic advantages of one or the other. Experience could be relied upon to settle the strictly economic question in particular industries and districts. Experience could not be relied upon to settle the social and political questions. A miscalculation of labor costs might produce ruin for a few investors but could make wiser entrepreneurs of their successors; a miscalculation of the effects of raising a class of urban factory slaves or white proletarians could prove fatal to the Southern social system. This debate over a seemingly economic question cannot be understood unless studied in its political context, the main feature of which was the intention of the rural slaveholders to maintain their hegemony at all cost.

The case for Negro labor, which always meant slave labor

since no one proposed using free Negroes, took several forms, basically social or political. Negroes were sometimes held to be as efficient as whites, all things being equal, but were rarely held to be more efficient. The proponents of Negro labor argued that all things were not equal and that, even if less efficient on a day-to-day basis, Negroes were more so on a season-to-season basis since they could not readily leave their jobs.

The *Natchez Ariel*, referring to the hemp factories of Kentucky, commented in 1827: "Why are slaves employed? Simply because experiment has proved that they are more *docile*, more constant, and cheaper than freemen, who are often refractory and dissipated; who waste much time by frequenting public places, attending musters, elections, etc., which the operative slave is not permitted to frequent."<sup>1</sup> This theme recurred throughout the antebellum period. In 1845, the *Pensacola Gazette* noted the use of slaves by the Arcadia Manufacturing Company and added: "It is determined to incur this last expense at once, in order to avoid the possible inconvenience of white operatives becoming dissatisfied and leaving their work" [*sic*].<sup>2</sup> Samuel D. Morgan, the big Tennessee iron producer, said simply in 1852 that slaves did not strike and could not demand wage increases as their skill and productivity improved.<sup>3</sup>

William Gregg set the case in a more elaborate theoretical framework when he wrote that whereas labor and capital were becoming antagonistic in industrial countries, slavery united the interests of labor and capital in the person of the slave and thereby avoided the class struggle. Besides, he added, manufacturers "are not under the necessity of educating [slaves] and have, therefore, their uninterrupted services from the age of eight years."<sup>4</sup> Gregg admitted that the question of which kind of labor was the cheaper remained unsettled, and he soon made himself famous by his work at Graniteville, which relied on whites.

Slave labor had hidden virtues. Manufacturers found it difficult to induce planters to invest liquid capital in factories but easier to induce them to lease slaves in exchange for shares of stock. Under conditions of capital shortage and less than optimum cotton prices slave labor took on a special attractiveness, whatever the manufacturers' judgment of its relative efficiency.

The other side of the same appeal offered slaveholders a chance to improve their economic position by deflecting surplus slaves into industry. As Governor Aaron V. Brown of Tennessee wrote to the New Orleans Railroad Convention:

You will never adjourn, I hope, without making the strongest appeals to our capitalists, and especially our planters, to engage in [industry]. The latter can build the houses necessary with their own hands. Two or three or half a dozen can unite in one establishment. They can select from their own stock of slaves, the most active and intelligent ones for operatives, without the necessary advances in money to white laborers. . . . I earnestly desire to see one-fourth of southern slave labor diverted from the *production* to the *manufacture* of cotton. One-fourth of such labor abstracted, would give a steadiness and elevation of prices to the raw material, which would better justify its cultivation.<sup>5</sup>

As Southern hopes for territorial expansion dimmed, manufacturing became, for some, a guarantee against a labor surplus.<sup>6</sup> In its more extreme political form this argument emerged as an appeal to "bring slave labor directly into competition with Northern labor."<sup>7</sup> E. Steadman, using an argument similar to Brown's, added, "And this is not all. These laborers from producers are turned into consumers. They convert a considerable portion of the cotton produced by those who remain in the field, and thus still further enhance the value of the crop."<sup>8</sup>

Tobacco factories buttressed the plantation regime on the

countryside in two ways: they provided a ready market for the crops and hired those slaves who were not needed in the fields.<sup>9</sup> The cotton textile industry, on the other hand, shifted to white labor as the years went by, although numerous slaves worked in factories in Alabama and elsewhere.<sup>10</sup> The iron industry in both the Lower and Upper South absorbed large numbers of slaves, as did the railroads, despite complaints, such as that of Confederate Senator Wright of Georgia, who described Negro colliers as irresponsible and worthless.<sup>11</sup> Slaves, sometimes purchased, more often rented, were generally recruited locally and provided a strong bond of interest between the planters and manufacturers.

Dependence on slave labor had its drawbacks, for rising slave prices might at any time dry up the sources of supply. In Charleston, South Carolina, for example, the industrial progress of the 1840s received a severe jolt from the return of high cotton prices in the 1850s, which generated a derived demand for slaves. Estimates placed the number of slaves sold out of Charleston during the 1850s at ten thousand.<sup>12</sup> "It was," writes Griffin, "the fervent hope of all the factory owners that immigration would bring sufficient white people back into the [industrial region of Georgia] so they could dispense with hiring slaves."<sup>13</sup>

If manufacturers had mixed experiences and unsettled thoughts on slave labor, planters found their own reasons for uneasiness. On the one hand, they had an economic stake in slave hiring and a deep suspicion of white labor; on the other hand, they looked askance at the social consequences of industrial urban slavery. On balance, Russel may be right when he observes, "It is hard to escape the conclusion that many Southerners were interested in manufactures only so long as it appeared possible to conduct them with slave labor; when experience finally demonstrated the superiority of white labor, their interest declined."<sup>14</sup>

That demonstrated superiority of white labor grew out of

superior incentives and training and was therefore not universal, for slaves often obtained both. Unfortunately, the more incentives and training they got, the more the rural slaveholders looked on with dismay. How were planters to react upon learning, for example, that slaves in the tobacco-manufacturing towns selected their own employer, received money with which to obtain food and lodgings as they pleased, and expected bonuses for extra work?<sup>15</sup> What were planters to think when they learned that so long as the slaves at Tredegar did their job they were, in the words of Kathleen Bruce, "pretty much on the basis of free labor"?<sup>16</sup> The story was the same in the hemp factories of Kentucky, the gold mines of Virginia, the railroads of Tennessee, and generally.<sup>17</sup> It could not be other, for the secret of making the slave into a good industrial worker lay precisely in giving him incentives well beyond those available to field hands. That this tendency could not be permitted to go far enough to undermine plantation discipline was lost on no reasonably alert planter.

"Whenever a slave is made a mechanic," James H. Hammond told the South Carolina Institute in 1849, "he is more than half freed, and soon becomes, as we too well know, and all history attests, with rare exceptions, the most corrupt and turbulent of his class."<sup>18</sup> The South Carolina legislative Committee on Negro Population considered several memorials asking for laws to prohibit slaves from hiring their own time and working in the mechanic arts. J. Harlston Read, Jr., the committee's chairman, agreed with the memorialists that the practices were "evil" and denounced the practice of allowing slaves "to conduct themselves as if they were not slaves." The practices were so deeply rooted in custom and interest, he explained, that nothing could or should be done.<sup>19</sup> In short, the antipathy of the slaveholders as a class had to be weighed against the established rights and interests of individual slaveholders.

The behavior of the urban Negroes gave planters reason

for concern. The attitude of New Orleans slaves toward whites shocked the sensibilities of all who knew of it. According to Tregle: "It was not unusual for slaves to gather on street corners at night, for example, where they challenged whites to attempt to pass, hurled taunts at white women, and kept whole neighborhoods disturbed by shouts and curses. Nor was it safe to accost them, as many went armed with knives and pistols in flagrant defiance of all the precautions of the Black Code."<sup>20</sup> The early experience of the Charleston District left a permanent impression. At the end of the eighteenth century "trustworthy slaves were practically in a state of industrial freedom," but the Denmark Vesey conspiracy of 1822 frightened the slaveholders into an intense reaction.<sup>21</sup>

An elite stratum of urban slaves offered advantages to the regime by giving the more talented and intellectually vigorous Negroes privileges to protect by good behavior, but it offered more serious disadvantages by tempting them into disorders, giving them opportunities to become literate, providing them with access to political news, and arousing their hopes for freedom. When Nathaniel A. Ware, a prominent banker, planter, and nationalistic economist, wrote an anonymous article for Cassius Clay's *True American* in which he drew logical conclusions from the practices associated with urbanizing Negroes and advocated gradual emancipation for slaves and political rights for free Negroes, the reaction was swift: it was this article which led to the famous mob assault against the crusading, antislavery newspaper.<sup>22</sup>

The use of whites did not guarantee a better work force than did the use of Negroes, for the South lacked an adequate pool of disciplined free workers. S. Mims, a close friend of Daniel Pratt, wrote in his eulogistic "History of Prattville": "Hands had to be trained. These were brought up from the piney woods, many of them with no sort of training to any kind of labor; in fact, they had to learn everything, and in

learning many mistakes and blunders were made fatal to success."<sup>23</sup> At Graniteville, the South's other industrial showcase, the same story was told by Gregg's associate, James H. Taylor. Southern white labor was not disciplined to sustained labor, he admitted, but only time was needed to bring it up to Northern standards.<sup>24</sup> A prominent Negro politician of reconstruction days told of having had to keep accounts and write letters, while still a slave, for white workers in the Alabama salt works during the war.<sup>25</sup>

In many industries the problem remained unsolved. Southern timber, for example, had to be sent to Northern yards instead of supplying a Southern shipbuilding industry, primarily because labor costs, with a shortage of skills, were prohibitive.<sup>26</sup> Since laborers ranked far down in the social scale, progress had to be slow. Factory workers did not command as much respect as the poorest farmers or even the landless agricultural workers.<sup>27</sup> As James Martin, the Florence, Alabama, industrialist, wrote in 1858: "We have not yet a sufficient amount of trained labor to enable companies to do well. . . . The strange notion that our young men have, in believing the training of the mind and hand to any kind of handicraft causes them to lose caste in society" [*sic*].<sup>28</sup> In spite of the difficulties, sufficient progress did occur to enable Richard W. Griffin to write that the cotton textile industry came out of the war battered but with its most valuable resource intact—"the skilled labor and experienced supervisors."<sup>29</sup>

In view of the backwardness of the employable whites the main disadvantage of slave labor lay in the sacrifice of flexibility and the tying up of capital occasioned by purchase or renting. This disadvantage would have lost its significance if the whites had proved militant in the defense of their interests, but many Southern spokesmen expressed confidence in their steadiness and docility. As the debate proceeded, the main argument of the advocates of white labor became the social one: society's



responsibility to do something for the poor. William Gregg, abandoning his earlier concern for slave labor, led the appeal on behalf of the poor whites. Industry would absorb the thousands of landless poor, he argued, and would simultaneously uplift society's downtrodden, widen the home market, and help raise the economic and cultural level of society as a whole.<sup>30</sup>

Most participants in the debate went further than Gregg in the social argument and warned that the absorption of the poor whites by industry was essential to the maintenance of the slaveholders' regime. Increasingly, the appeal for industrial expansion based on white labor took this form. Whites should be employed in factories, J. H. Lumpkin of Georgia wrote in 1852, so that they can receive moral instruction under proper supervision.<sup>31</sup>

Hammond, as usual, spoke out bluntly in his address to the South Carolina Institute in 1849:

But it has been suggested that white factory operatives in the South would constitute a body hostile to our domestic institutions. If any such sentiments could take root among the poorer classes of our native citizens, more danger may be apprehended from them, in the present state of things, with the facilities they now possess and the difficulties they now have to encounter, than if they were brought together in factories, with constant employment and adequate remuneration. It is well known that the abolitionists of America and Europe are now making the most strenuous efforts to enlist them in their crusade, by encouraging the use of what is called "free labor cotton," and by inflammatory appeals to their pride and their supposed interests. But all apprehensions from this source are entirely imaginary. The poorest and humblest freeman of the South feels as sensibly, perhaps more sensibly than the wealthiest planter, the barrier which nature, as well as law, has erected between the white and black races . . . Besides this, the factory operative could

not fail to see here, what one would suppose he must see, however distant from us, that the whole fabric of his fortunes was based on our slave system . . .<sup>32</sup>

Hammond's argument was echoed by others, but no one, not even Hammond himself, presented it so clearly as Gregg's associate, James H. Taylor. Taylor's words about "a great upbearing of our masses" have often been quoted, but too often out of context:

. . . Because an effort has been made to collect the poor and unemployed white population into our new factories, fears have arisen, that some evil would grow out of the introduction of such establishments among us. . . . I take the ground, that our institutions are safe if we are *true to ourselves*; and, *that truthfulness* must not only be manifest in our statesmen and politicians, but must be an abiding *principle* in the *masses* of our people. The poor man has a vote, as well as the rich man; and in our State, the *number* of the first will largely overbalance the last. So long as these poor, but industrious people, could see no mode of living, except by a degrading operation of work with the negro upon the plantation, they were content to endure life in its most discouraging forms, satisfied that they were *above* the slave, though faring, often worse than he. But the progress of the world is "onward," and though in some sections it is still slow, still it is "onward," and the great mass of our poor white population begin to understand that they have rights, and that they too, are entitled to some of the sympathy which falls upon the suffering. They are fast learning, that there is an almost infinite world of industry opening before them, by which they can elevate themselves and their families from wretchedness and ignorance to competence and intelligence. *It is this great upbearing of our masses that we are to fear, so far as our institutions are concerned.*

Let our slaves be continued where they have been, and where they are of immense value; let them raise from the earth the cotton, rice, corn, etc., which they are so well fitted to do, and then furnish the white population with

employment in the manufactory and mechanical arts: and every man, from the deepest principle of self-interest, becomes a firm and uncompromising supporter of our institutions. But crowd from these employments the fast increasing white population of the South, and fill our factories and workshops with our slaves, and we shall have in our midst those whose very existence is in hostile array to our institutions.<sup>33</sup>

The full implications of this line of reasoning appeared, as might be expected, from the logical mind and facile pen of George Fitzhugh:

As ours is a government of the people, no where is education so necessary. The poor, too, ask no charity, when they demand universal education. They constitute our militia and our police. They protect men in possession of property, as in other countries; and do much more, they secure men in possession of a kind of property which they could not hold a day but for the supervision and protection of the poor. This very property has rendered the South merely agricultural, made population too sparse for neighborhood schools, prevented a variety of pursuits, and thus cut the poor off as well from the means of living, as from the means of education.<sup>34</sup>

Educate all Southern whites, employ them not as lacqueys, ploughmen, and menials, but as independent freemen should be employed, and let negroes be strictly tied down to such callings as are unbecoming white men, and peace would be established between blacks and whites.<sup>35</sup>

Finally, Fitzhugh made the point in language even dolts would understand: "The path of safety is the path of duty! Educate the people, no matter what it may cost."<sup>36</sup>

The arguments of the Hammonds, Taylors, and Fitzhughs made headway, but slowly and in the face of stubborn opposition and even more stubborn apathy. Much of the resistance

to chartering Graniteville had arisen from displeasure with Gregg's plan to use white labor.<sup>37</sup> When Gregg defended his policy before the South Carolina Institute a few years later, he was sharply attacked by the *Charleston Mercury* and even denounced by an irresponsible gossip for allegedly advocating a doctrine identical with that of "Free Soil and Free Labor."<sup>38</sup> In a more rational vein, C. G. Memminger wrote to Hammond arguing that Negroes, not whites, ought to be employed in factories because a white proletariat would represent the greatest possible threat to the regime. These "Lowellers," he punned in a grim and worried letter, would soon all become abolitionists.<sup>39</sup>

Memminger's fears did not impress men like De Bow, who pointed out that Southern factory workers did not have contact with immigrants and foreign "isms."<sup>40</sup> The presence of four million slaves, according to one commentator, deterred immigration, for if foreigners did come, "it would probably be to starve."<sup>41</sup> Edmund Ruffin expressed the general feeling of the planters when he wrote: "One of the great benefits of the institution of African slavery to the Southern states is its effect in keeping away from our territory, and directing to the north and northwest, the hordes of immigrants now flowing from Europe."<sup>42</sup> Griffin attributes the docility and passivity of white workers in the textile mills to the newness of employment and to "the lack of European emigrants, who brought a more highly developed class consciousness with them to the North."<sup>43</sup>

Reliance on the isolation of native workers from foreign placed the advocates of increased manufacturing in a contradiction, for one of the effects of industrial expansion and the rising demand for skilled labor was certain to be greater immigration. C. T. James, to whom many Southern pro-industrial spokesmen looked for support and guidance, laid great stress on the certainty that the South would attract skilled labor just

as soon as it could pay for it.<sup>44</sup> J. L. Orr, an advocate of industrial expansion, chose consistency over safety and advocated liberal naturalization procedures in the Confederacy, praising foreign mechanics as "everywhere useful citizens."<sup>45</sup>

Not many Orrs were to be found in the slave states. The foreign-born population of the Southern cities continued to cause apprehension among the rural slaveholders. With only 20 per cent of Charleston's population foreign-born in 1848, foreigners led natives by almost two to one in the race for poorhouse admission.<sup>46</sup> Elsewhere, except in New Orleans, conditions were about the same: unskilled Irish workers struggling to stay alive, Jewish peddlers and small merchants doing a necessary job but arousing considerable resentment by their mode of life, German artisans falling under the suspicion of antislavery feelings, and so forth.<sup>47</sup> Enthusiasm for manufacturing waned as it became clear that whites, not blacks, would be employed and that many foreigners would be joining the natives. The triumph of the Know-Nothings, in the streets and at the polls in the Southern cities, dealt a heavy blow to the industrial impulse, although ironically most Know-Nothings had been Whigs who were favorable to manufacturing. Even more ironically, the Know-Nothing upsurge tied the foreign-born workers more firmly to the Democratic party, which was rapidly becoming the party of the proslavery extremists.<sup>48</sup>

However docile the urban working class may have been relative to its Northern counterpart, it was becoming sufficiently rebellious to give pause to those who saw it as a political bulwark of the slave regime. Arthur C. Cole suggests that the class consciousness of the urban workers rose distinctly above that of the rural poor.<sup>49</sup> Labor organizations, although few, appeared with sufficient force and regularity to cause alarm. In the Upper South, unions grew more easily than further south. During the 1850s Baltimore, St. Louis, and Louisville gave rise to militant unions, which conducted strikes for higher wages and a ten-hour day.<sup>50</sup> Significant labor groups

appeared sporadically in Virginia, South Carolina, and Louisiana during the 1830s.<sup>51</sup> At least two strong unions functioned in New Orleans during the 1850s: the Screwman's Association, which raised wages by 20 per cent by a successful strike in 1854; and the New Orleans Typographical Society, which successfully struck to defeat a wage-cutting campaign by the Associated Press during the same year.<sup>52</sup> Throughout the 1850s strikes and working-class demonstrations broke out, and the resort to slaves could not always be relied upon by employers to break a strike.<sup>53</sup>

Labor militancy disturbed the slaveholders on two counts: it indicated an unruliness among the lower class that offended their conservative sensibilities and made them apprehensive about the security of property in general; and it raised the specter of antislavery agitation. The direct and indirect workings of the slave system threatened the very freedom of the white workers. Richard B. Morris writes: "Confronted, on the one side, with competition from Negro labor and, on the other, with some influx of foreign immigrant and Northern labor, the position of white labor in South Carolina steadily deteriorated in the ante-bellum period. As labor controls in general tightened, many white workers suffered in fact a loss of their freedom of occupational choice, and their mobility, and suffered at law a denial of their right to take concerted action . . ."<sup>54</sup> The use of slaves, and even free Negroes, as mechanics, not to mention strikebreakers, led to serious and mounting agitation among urban white workers. It was only a short step from specific complaints about such practices to more general demands for social and political reform.<sup>55</sup> Anti-Negro feeling among the workers inhibited the growth of antislavery feeling, but the two were not incompatible and the latter did make strides. When the editor of the *Charleston Mercury* publicly approved George Fitzhugh's doctrine that slavery was the natural condition of all labor, the white mechanics burned him in effigy in a wrathful demonstration.<sup>56</sup> As

organized Southern labor made steady, if slow and painful, progress during the 1850s, its leaders exhibited increasing hostility to the slave regime.<sup>57</sup> The use of Negro slaves to break strikes and of the state apparatus to imprison strike leaders pulled the white workers, however reluctantly, into fundamental opposition.

The pleas of the Hammonds, Taylors, and Greggs for the employment of white labor in factories must be evaluated in the light of these events. The growth of working-class consciousness, manifesting itself in conflicts with this or that feature of the slave regime, bore out the fears of those slaveholders who refused to yield to such pleas.<sup>58</sup> The sophisticated arguments of Hammond and Taylor, were, after all, mostly humbug. They rested on the assumption that the non-slaveholders would represent a greater danger to slavery under conditions of rural poverty than they would under conditions of urban industrial employment. Logic and experience suggested the reverse.

Taylor's famous remarks about a "great upbearing of our masses" are a case in point. A careful reading of his words reveals that he feared, or pretended to fear, that dissatisfaction would follow the inevitable rise in the expectations of the rural poor. He never did prove that expectations were in fact rising or about to rise. Whatever rise was occurring or was expected to occur might be traced to the impact of industrial expansion. Why then should slaveholders not conclude that industrialization, on any kind of a labor basis, would awaken their slumbering masses and cause trouble? Rural poverty and isolation, with its attendant cultural backwardness and absence of a direct and exploiting employer, generally produced acquiescence in the status quo. Urbanized workers, victimized by racism, might accept slavery in the abstract but were much more likely to collide with its political and social apparatus, and every such collision carried with it the danger of arousing a more profound consciousness of class interest.

Hammond and Taylor were really too clever. Industrialization would bind the workers to the regime by giving them jobs and flattering their feelings of racial superiority and would bind the industrialists to the regime by forcing them to rely on the slaveholders' black strikebreakers and political power to handle working-class unrest. Unfortunately, both workers and industrialists would benefit from public education, internal improvements to open new markets, increased urban political power, and a variety of other measures that the slaveholders could not easily accept. Unfortunately too, the workers could not be counted on to confine their class hostility to the manufacturers while the latter's dependence on the planters' power was so blatant.

Rural slaveholders had to view industrialization with either slave labor or free with misgivings. They needed more local manufacturing to supply the needs of the plantations and to guarantee the economic and military power of their states, but could not afford to permit too much. The exigencies of nineteenth-century life confronted the slaveholders with insoluble problems, with which they grappled as best they could. In the end, they could take no step along the industrial road without exposing themselves to perils so grave as to endanger their existence as a class.

#### N O T E S

- 1 Quoted by Thomas P. Jones, M. D., "The Progress of Manufactures and Internal Improvements in the United States and Particularly on the Advantages to be Derived from the Employment of Slaves in the Manufacturing of

- Cotton and Other Goods," first published in the *American Farmer* (1827) and republished in *THR*, III (July 1962), 156. Original emphasis.
- 2 "Notes on the Arcadia (Florida) Manufacturing Company," *Pensacola Gazette*, Sept. 13, 1845, as reprinted in *THR*, II (July 1961), 163.
  - 3 *South-Western Monthly*, II (Sept. 1852), 173-75.
  - 4 Gregg, *Essays on Domestic Industry*, p. 48; cf. Mitchell, *William Gregg*, p. 23.
  - 5 Brown, *Speeches, Congressional and Political*, p. 547.
  - 6 See, e.g., *DBR*, VIII (Jan. 1850), 25, 75-76; XII (Feb. 1852), 182.
  - 7 *DBR*, XII (Feb. 1852), 185.
  - 8 "A Brief Treatise on Manufacturing in the South," reprinted in *THR*, II (April 1962), 112.
  - 9 Joseph R. Robert, *The Tobacco Kingdom* (Durham, N.C., 1938), p. 198.
  - 10 Cf. Ernest M. Lander, Jr., "Slave Labor in the South Carolina Cotton Mills," *JNH*, XXXVIII (April 1953), 164-65 and *passim*; Richard W. Griffin, "Cotton Manufacture in Alabama to 1860," *AHQ*, XVIII (Fall 1956), 291-93.
  - 11 Speech on the exemption bill, Sept. 20, 1862. *Proceedings of the Confederate Congress*, ed. Douglas Southall Freeman, *Southern Historical Society Papers*, XLVI, 192. For the iron industry see Lester J. Cappon, "Iron-Making—a Forgotten Industry of North Carolina," *NCHR*, IX (Oct. 1932), 341; Ernest M. Lander, Jr., "The Iron Industry in Ante Bellum South Carolina," *JSH*, XX (Aug. 1954), 350; Robert E. Corlew, "Some Aspects of Slavery in Dickson County," *Tennessee Historical Quarterly*, X (Sept. 1951), 229; Woodward, *Alabama Review*, VII (July 1954), 200. For the railroads see Black, *Railroads of the Confederacy*, pp. 29-30.
  - 12 Leonard Price Stavisky, "Industrialism in Ante Bellum Charleston," *JNH*, XXXVI (July 1951), 319.
  - 13 Richard W. Griffin, "The Origins of the Industrial Revolution in Georgia: Cotton Textiles, 1810-1865," *GHQ*, XLII (Dec. 1958), 363. According to John A. Chapman, Gregg's indifferent results at Vaucluse, in contrast to his later success at Graniteville, were due to his shift from slave to free labor. This opinion has not been corroborated. See his *History of Edgefield County*, p. 100.
  - 14 *Economic Aspects*, p. 55.
  - 15 Robert, *Tobacco Kingdom*, pp. 203 ff.
  - 16 *Virginia Manufacture in the Slave Era* (New York, 1931), p. 252, n. 89.
  - 17 Cf. James F. Hopkins, *A History of the Hemp Industry in Kentucky* (Lexington, Ky., 1951), p. 135; Black, *Railroads of the Confederacy*, p. 30; and Morris, *MVHR*, XLI (Sept. 1954), 231-35.
  - 18 *DBR*, VIII (June 1850), 518.
  - 19 *DBR*, XXVI (May 1859), 600.
  - 20 Joseph G. Tregle, Jr., "Early New Orleans Society: A Reappraisal," *JSH*, XVIII (Feb. 1952), 34; Russel, *Economic Aspects*, p. 211.
  - 21 Ulrich B. Phillips, "Slave Labor in the Charleston District," *PSQ*, XXII (Sept. 1907), 427, 429.
  - 22 Smiley, *Lion of White Hall*, p. 261, n. 1.
  - 23 Tarrant (ed.), *Daniel Pratt*, p. 26.
  - 24 *DBR*, VIII (Jan. 1850), 27.
  - 25 Walter E. Fleming, "Industrial Development in Alabama during the Civil War," *SAQ*, III (July 1904), 271.
  - 26 Hutchins, *American Maritime Industries*, pp. 190-91.
  - 27 Bonner, *AHR*, XLIX (July 1944), 670; T. P. Abernethy, *From Frontier to Plantation in Tennessee* (Durham, N.C., 1932), p. 286.
  - 28 *DBR*, XXIV (May 1858), 383.
  - 29 *THR*, II (July 1961), 1.

- 30 This argument had appeared as early as the *Essays on Domestic Industry* (see esp. pp. 105-13) and was developed in most of his writings thereafter.
- 31 *DBR*, IX (Jan. 1852), 249; cf. Richard W. Griffin, "Poor White Laborers in Southern Cotton Factories, 1789-1865," *SCHGM*, LXI (Jan. 1860), 32 ff.
- 32 *DBR*, VIII (June 1850), 519-20.
- 33 *DBR*, VIII (Jan. 1850), 25-26; also XXVI (April 1859), 477-78.
- 34 *Sociology for the South* (Richmond, Va., 1854), pp. 144-45.
- 35 *Ibid.*, p. 147.
- 36 *Ibid.*, p. 148.
- 37 Wallace, *THR*, I (Jan. 1960), 21.
- 38 Lander, *JNH*, XXXVIII (April 1953), 169.
- 39 Thomas P. Martin (ed.), *JSH*, XI (Aug. 1945), 414: letter dated April 28, 1849.
- 40 J. D. B. De Bow, *The Interest in Slavery of the Southern Non-Slaveholder* (Charleston, S.C., 1860), p. 8.
- 41 *SQR*, XXVI, 435.
- 42 *Address to the Virginia State Agricultural Society*, pp. 16-17.
- 43 *SCHGM*, LXI (Jan. 1960), 38.
- 44 C. T. James, *Practical Hints on the Comparative Costs and Productiveness of the Culture of Cotton . . .* (Providence, 1849), *passim*; and *Letters on the Culture and Manufacture of Cotton* (New York, 1850), p. 5.
- 45 Quoted in Ruth Ketring Nuernberger, *The Clays of Alabama* (Lexington, Ky., 1958), p. 201.
- 46 Benjamin Joseph Klebaner, "Public Poor Relief in Charleston, 1800-1860," *SCHGM*, LV (Oct. 1954), 218.
- 47 Cf. Herbert Weaver, "Foreigners in Ante-Bellum Towns of the Lower South," *JSH*, XIII (Feb. 1947), 62-73.
- 48 The foreign-born population of Natchez in 1860 was 25% of the total; Mobile, 24%; Louisville, 34%; Memphis, 36%; Charleston, 15.5% (but 36% of the whites). See Eaton, *Growth of Southern Civilization*, pp. 250 f, for a good discussion of the Southern cities in the 1850s.
- 49 *The Irrepressible Conflict* (New York, 1934), pp. 37-38.
- 50 John R. Commons, et al., *History of Labour in the United States* (New York, 1918), I, 358-59, 386-87, 478.
- 51 Richard B. Morris, "Labor Militancy in the Old South," *Labor and Nation*, IV (May-June 1948), 33; cf. Wyatt, *William and Mary College Quarterly*, XVII (Jan. 1937), 20.
- 52 Philip S. Foner, *History of the Labor Movement in the United States from Colonial Times to the Founding of the American Federation of Labor* (New York, 1947), p. 249.
- 53 Herbert Aptheker, *The Labor Movement in the South during Slavery* (New York, 1955), pp. 12-14; cf. Eaton, *Growth of Southern Civilization*, pp. 165-66.
- 54 "White Bondage in Ante-Bellum South Carolina," *SCHGM*, XLIX (Oct. 1948), 194-95; and *MHVR*, XLI (Sept. 1954), 219-40.
- 55 Cf. Eaton, *Growth of Southern Civilization*, pp. 167-68; Fletcher M. Green, *Constitutional Development in the South Atlantic States, 1776-1860* (Chapel Hill, N.C., 1930), pp. 159-61.
- 56 Cole, *Irrepressible Conflict*, p. 55.
- 57 Bernard Mandel, *Labor: Free and Slave* (New York, 1955), Chap. II, esp. pp. 54-55; Foner, *Labor Movement*, pp. 262-63.
- 58 Russel, *Economic Aspects*, pp. 52-53; and "Economic History of Negro Slavery in the United States," *Agr. Hist.*, XI (Oct. 1937), 321.