

## Chapter 224 - The South's Economic Future Hinges On The Expansion Of Slavery

Time: 1810 Forward

### Cotton Plays A Crucial Role In The South's Agrarian Economy

In declaring that "Cotton Is King," James Hammond reveals both the towering strength and vulnerability of the South's economy.

The situation in 1858 traces all the way back to Thomas Jefferson and his fellow planters who rejected Hamilton's call for industrialization and committed the South to an agricultural destiny.

Their original reasoning says that America, unlike Europe, possesses a super abundance of fertile land and those who farm it will not only be assured of feeding their own families, but also able to sell any excess yields for a profit, both domestically and through exports abroad.

The result is a focus on the South's four great crops-- tobacco, rice, sugar and cotton – all staples experiencing sales growth as America develops as a nation and as a world power.

Soon enough, however, it becomes apparent that these four do not come with equal risks and rewards. Tobacco farmers learn that the plants quickly deplete needed soil nutrients and that annoying crop rotations are required to sustain decent output. Rice growers are limited by the scarcity of fresh water swampland, the need to carefully manage irrigation, and by the constant threat of ruinous salt water intrusion from coastline flooding. Sugar meanwhile requires a climate that is almost "frost free" in the winter and involves difficult operational challenges associated with boiling and refining the cane.

This leaves cotton as the one crop most likely to thrive across the entire South from the Carolinas to the California coast. As Hammond says, it is the clear cut "king" of the agrarian economy – a fact demonstrated by its staggering growth between 1840 and 1860.

Value Of Cotton

Year	Cotton Lbs	Price/Lb	Value	Index
1840	586.7	\$ 9.00	\$ 526MM	100
1845	731.9	7.95	569	108
1850	933.5	10.49	957	168
1855	1173.7	10.27	1,205	229
1860	1712.0	7.30	1,218	232

Robert Ransom p.78

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### Ownership Of Slaves Determines Individual Wealth

Given the early planters wishes to expand production of the four main crops -- and the back-breaking labor required to do so -- it is easy to see how African slavery takes hold in the South just as it is fading in the North.

By 1860 there are 3.9 million slaves living in the South alongside some 8.5 million whites.

Actual ownership of these slaves is limited to only 30% of all households, and 4 out of 5 of these hold fewer than ten.

#### Ownership of Slaves in 1860

	# HH	% Total
South in Total	1,100,000	100%
Do not own slaves	770,000	70
Do own	330,000	30
Own 10 or fewer	273,000	83

But the rewards of their ownership are readily apparent. On average slaveholders have farms that are 3.5 times larger and 7.5 times more valuable than non-owners. Their Personal Estates are also 16.7 times greater.

#### Average Wealth of Farmers In 1860

	Ave # Acres	Value of Farm	Personal Estate
North in total	145	\$2,909	\$834
South in total	482	8,186	13,277
South with slaves	637	11,817	19,828
South w/o slaves	181	1,568	1,188
Ratio	3.5x	7.5x	16.7x

Robert Ransom, p.66

What lies behind these remarkable differences in wealth is the value of the slaves themselves when sold on the open market! Thus while the cotton they produce in 1860 is worth some \$1.2 Billion, their value at auction is estimated at just over \$3 Billion. (This compares with total U.S. GDP of \$4.4 Billion that same year.)

#### Value Of Slaves

Year	# Slaves	\$/ Slave	Total \$
1840	2,487M	\$377	\$ 938MM
1845	2,823	342	965
1850	3,204	377	1,208

1855	3,559	600	2,135
1860	3,954	778	3,076

Robert Ransom p.75

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### Leveraging The Value Of Slaves Depends On Opening New Plantations

Plantation owners recognize early on that selling slaves as a “second crop” offers a huge source of added income – as Jefferson points out in his *Farm Book*:

*I consider a woman who brings a child every two years as more profitable than the best man of the farm... What she produces is an addition to the capital, while his labors disappear in mere consumption.*

Two things are needed, however, to take advantage of this opportunity:

- First, an excess supply of slaves must be created through systematic breeding; and
- Second, demand for these slaves must be fueled by the start-up of new plantations.

The practice of often forced breeding is well documented and under the control of owners and their overseers.

Demand is also growing rapidly between 1840 and 1860 as new plantations open in the inland Southern states west of the Appalachian range. This is evident in the ongoing shift in the slave population from the Coastal South to the Inland South.

### The Migration Of Slaves To New Plantations In The West

Coastal South	Admitted	1840	1850	1860	1860/1840
Delaware	1787	2,605	2,290	1,798	(31%)
Maryland	1788	89,737	90,368	87,189	(3)
Virginia	1788	448,087	472,528	490,865	10
South Carolina	1788	327,038	384,984	402,406	23
Georgia	1788	280,944	381,682	462,198	66
North Carolina	1789	245,817	288,548	331,059	35
Florida	1845	25,717	39,310	61,745	140
Total		1,419,945	1,659,710	1,837,260	29
Inland South					
Kentucky	1792	182,258	210,981	225,483	24%
Tennessee	1796	183,059	239,459	275,719	51
Louisiana	1812	168,452	244,809	331,726	97
Mississippi	1817	195,211	309,878	436,631	124
Alabama	1819	253,532	342,844	435,080	72

Missouri	1821	58,240	87,422	114,931	97
Arkansas	1836	19,935	47,100	111,115	457
Texas	1845	---	58,161	182,566	++
Total		1,060,687	1,540,654	2,113,251	111
Grand Total		2,480,632	3,200,364	3,950,511	
% Coastal		57%	52%	46%	
% Inland		43	48	54	

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### **The Wilmot Proviso Threatens To Stifle This Booming Southern Economy**

The future for the Southern economy thus looks bright up to the moment, in August 1848, when Pennsylvania Congressman David Wilmot offers his “Proviso” to ban slavery in all lands acquired by the Mexican War – in order, as he says, to preserve it for the benefit of white men.

Were this to become law, it would signal a sudden end to the Southern growth strategy.

Without slavery, new plantations could not open in the west. Without these plantations, the production of cotton would slow and the demand for buying excess slaves from the east would cease altogether.

Wilmot’s proposed ban prompts violent pro and con debates in the halls of Congress before spilling over into open warfare on the plains of “Bloody Kansas” in 1856. The result, as Lincoln will soon say, is a “house divided:”

- The South demanding the “right” to take its property in slaves into the new territories, for which it has shed the blood of its sons in the war with Mexico; and
- Northerners resisting the expansion of slavery, a minority doing so on the basis of morality, the rest holding racist views of all blacks and hoping to “cleanse” them from the west along with the competition from the aristocratic plantation owners.

When the Democratic Party commits to “popular sovereignty” as a last ditch opportunity for the South to avoid a ban, the Republican Party is founded to block expansion once and for all.

The response from men like James Henry Hammond and his fellow “fire-eaters” is outrage.

Together they cite the 1787 Constitution along with the March 1857 *Dred Scott* ruling that slaves are property and owners may transport them anywhere they so choose. Calhoun’s 1828 argument is resurrected, in favor of “states right” whereby a minority may “nullify” a harmful law passed by a majority. And the ultimate threat – the call for secession and civil war – gains momentum.

The common men of the South gradually join this chorus, even though two-thirds own no slaves.

If Northern radicals can prohibit slavery in the West, what's to stop them from abolishing it across the entire South? Such a move would unravel the way of life they have grown up with and wreak havoc on their historical chances to prosper through owning slaves.

More and more Southerners feel honor-bound to fight back.

The problem, however, is that, despite all of James Hammond's bravado, the South has already fallen far behind the North on almost all measures needed to prevail.

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### **The South Is Left With No Way To Overcome A Western Slavery Ban**

The underlying vulnerability of the South's strategic commitment to a slave-based agrarian economy is becoming readily apparent by 1858.

While this model has created great wealth for all slave-holders, it has also left the region wide open to the Northern backlash against expanding slavery and ill-equipped to defend against it.

The capacity to do so through the political arena in Washington has almost vanished.

Despite its favorable climate, the South remains rural in nature, with few large cities and only 29% of the nation's total population in 1860. This negates all hopes of gaining a majority in the U.S. House or even having enough voting bloc power to insure the ongoing elections of presidents like the two "doughface" sympathizers, Pierce and Buchanan.

Likewise the balance of power in the Senate has disappeared by the time Hammond speaks, with California giving the Free States a 16-15 margin, and with two more of the same – Minnesota and Oregon – next on the horizon.

So the South will no longer find a way to avoid a western slave ban by politicking in D.C.

Beyond that, it's also forfeited its chances of coping with such a ban by adjusting its economic model. For decades it has refused to adopt the infrastructural requirements for industrialization. One result is that in 1860 only 15% of America's factories are located in the South, and they produces a mere 8% of the nation's iron and steel. The percentage of workers engaged in the manufacturing sector has also fallen steadily over time.

**Location Of Manufacturing Workers**

	<b>1820</b>	<b>1840</b>	<b>1860</b>
Northeast	62%	63%	69%
Northwest	7	14	17
Border	12	8	5
Southeast	16	11	5
Southwest	3	4	4

	100%	100%	100%
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The quality of the South's roads is behind the times, and its share of all railroad tracks in 1860 is only 28%. Even if it wanted to, the South is in no position to respond to the slave ban by any quick attempt to diversify and modernize its economy.

Nor is it prepared -- as its secessionist leaders will soon discover -- to defy the North by force of arms, Thus it may produces 99.9% of America's cotton but its share of firearms manufacturing is a paltry 3%.

#### **Regional Comparisons As Of 1860**

<b>Dimensions</b>	<b>South</b>	<b>North</b>
Population	29%	71%
Large farms	84	16
Cotton production	99.9	0.1
Factories	15	85
Industrial workers	8	92
Iron/Steel mfr	8	92
RR miles	28	72
Firearms production	3	97

Simply stated, the proposed Republican Party ban on expanding slavery into the west is a direct existential threat to the Southern economy, and one for which it has no viable response.

Furthermore, one outspoken critic – a young North Carolina man named Hinton Rowan Helper – fires back with an open attack on elite planters and politicians who have benefited from slavery at the expense of their “poor white trash” kinsmen.