The relationship of slavery and capitalism looms over nineteenth-century historiography. Scholars still debate how to label slaveholders who presented themselves as market-averse paternalists while nonetheless producing the nation’s most valuable export crop and relentlessly transforming human beings into commodities. Likewise, historians continue to argue over the timing and extent of a market revolution that brought wage labor, market production, and cash exchange to some (but scarcely all) regions of the North. Few explanations for the coming of the Civil War are more durable than those pitting a capitalist North against a slaveholding (and thus presumptively anticapitalist) South. However, such “clash of civilizations” accounts are harder to sustain as we learn more about economic structures and cultures in both sections as well as about their commercial interconnectedness in the decades before 1860.

Slavery and capitalism were deeply entangled with one another as the United States grew into an economic power in the nineteenth century, yet we still know far too little about these entanglements. Two things become very clear almost immediately. First, to understand technological innovation, entrepreneurship, speculation, sanctified property rights, and market integration in the nineteenth-century United States, it is necessary to take Mississippi and South Carolina as seriously as Massachusetts and New Hampshire. Second, slavery was indispensable to national economic development, as access to slave-grown commodities and to markets in slave-agriculture regions proved essential to the lives and livelihoods of Americans far removed from the plantation South.
By connecting the stories of New York financiers, Virginia slaves, Connecticut shipbuilders, and Alabama land speculators, historians have made slavery central to the history of capitalism. In an age of industry predicated on the transformation of slave-grown cotton into textiles, the plantation and the factory must necessarily be discussed together rather than separately. In the blur of commodities and capital that flowed between regions, it becomes far harder to locate the boundary between a capitalist North and a slave South, with consequences for how we understand North and South as discrete economies—and whether we should do so in the first place.1

Plantation Economies

The relationship of plantation slavery to capitalism has proven an enduring issue in the scholarship, even as the once-famous Oakes-Genovese debate fades into the background. For much of the 1980s and 1990s, students had two basic choices: follow Eugene Genovese into a planter ideology that rejected the marketplace as the arbiter of social relations or join James Oakes in highlighting the centrality of liberal private property to the slaveholding regime.2 The question of whether the slaveholders were capitalists or not made for a frequent qualifying exam question, but the answer got murkier as “the market revolution” emerged as an organizing issue in the mid-1990s and more attention fell on the subsistence strategies of nonslaveholding whites and the self-provisioning efforts of enslaved people themselves. Did the South have a market revolution? Yes, argued Harry Watson, in an insightful essay on the region’s “dual economy.”3 No, contended Douglas Egerton, with the memorable repudiation of scholars “who would argue that the South was merely the North with whips and chains.”4 For reasons still puzzling, the quantitative scholarship of Robert Fogel, Harold Woodman, Gavin Wright, and other economic historians was segregated from these debates, even after Fogel’s *Without Consent or Contract*
marshaled compelling data on a southern economy that rivaled Germany and France in terms of manufacturing and transportation infrastructures. The debate over whether the plantation South was capitalist depends largely on one’s definition of capitalism. If wage labor is the prima facie condition for capitalism, then the plantation South was not capitalist. If capitalism means the application of commodified labor for producing exports to distant markets in exchanges undergirded by sanctified private property, sophisticated credit instruments, and profit-seeking, then the plantation South was capitalist. Very quickly, the outcome hinges on the definition of capitalism (a theoretical issue) rather than on the careful study of the social relations and economic practices of the slaveholding regime (an empirical inquiry). Drawing on Marxist categories has proven especially vexing, for, as Walter Johnson observes, “it is, after all, this intellectual tradition that has most actively kept alive the idea that when you talk about ‘capitalism’ and ‘slavery’ you are talking about two things, rather than one.”

An alternative strategy has been to deploy less-encumbered terms than capitalism, which is perhaps why much recent scholarship has chased economic modernity as its quarry. Although modernity has its own problems as a fraught label, it at least impelled historians to describe what was taking place on the ground in ever more precise terms. Mark Smith’s *Mastered by the Clock* (1997), for example, counted timepieces and evaluated their use in the organization of plantation labor. Jonathan Wells located a functional southern middle class to rival the one solidifying in the North, while Frank Byrne traced the business practices of the region’s entrepreneurial merchants and storekeepers. Agricultural improvers, aspiring manufacturers, and enterprising railroad men figure in works like John Majewski’s *Modernizing a Slave Economy* (2009), Aaron Marrs’s *Railroads in the Old South* (2009), Tom Downey’s *Planting a Capitalist South* (2006),
as well as the several invaluable collections edited by Michele Gillespie and Susanna Delfino. Contributors to three 2011 anthologies—*The Old South’s Modern Worlds, Southern Society and Its Transformations*, and *The Southern Middle Class in the Long Nineteenth Century*—see little to be gained in understanding the plantation regime as a premodern outlier in “the age of progress.”

If one tendency of the “southern modernity” scholarship has been to look beyond the plantation for evidence of capitalism, a competing body of work suggests that the plantation is precisely the place to see capitalism in action. Drawing attention to sophisticated methods of production and management that linked plantation regimes in Brazil, Cuba, and the United States during the nineteenth century, scholars like Dale Tomich have coined the term “Second Slavery” to refer to the industrialized form of slave agriculture posting unprecedented profits during the so-called era of emancipation in the Atlantic World. In a recent review essay, Anthony Kaye observes that this framework is only beginning to structure new scholarship on the American South. Nonetheless, studies by Richard Follett and Daniel Rood on the technologies of sugar processing and flour milling embed places like Louisiana and Virginia in the most sophisticated modes of commodity production anywhere in the world. Such prominence in a global capitalist system is hardly surprising in light of recent histories of leading slaveholders, including William Scarborough’s account of the wealthiest tier of planters in *Masters of the Big House* (2003) and Martha Brazy’s biography of Natchez’s Stephen Duncan. Three forthcoming books by Edward Baptist, Walter Johnson, and Joshua Rothman (expected in 2012 or 2013) promise to situate the economic and political development of the Mississippi Valley centrally in the story of modern capitalism. The plantation also holds a place of prominence in new histories of accounting and management: modern business practices like capital depreciation and vertical reporting emerged
earlier via slavery, rather than later with the railroad corporation (which usually receives credit for these innovations).  

Perhaps the most interesting development in the study of the plantation as a site of capitalist development has been the reconceptualization of slavery as a property regime. That is, enslaved men and women did not just produce commodities for market but rather, as commodities unto themselves, served as vehicles for the storage, transfer, and multiplication of capital. Gavin Wright explored the notion of slavery as a property regime in his *Slavery and American Economic Development* (2006), but the concept is immediately recognizable to anyone familiar with the last decade of work on the slave market. The “chattel principle,” as popularized in Walter Johnson’s *Soul by Soul* (1999), posits the immediate convertibility of a person into cash as the organizing logic of slaveholding itself. Steven Deyle’s *Carry Me Back* (2004) confirms the abolitionist observation that slave sales were the “lifeblood” of the system, and the current research of Daina Ramey Berry promises to measure the value of slave sales to the regional economy.  

Women’s reproductive capacity structured what the legal scholar Adrianne Davis has called slavery’s “sexual political economy” and made women’s bodies into particular targets of violent exploitation and distinctive sites of speculation. Indeed, commodified bodies generated a frenzy of investment that positioned the slaveholding South as perhaps the most leveraged sector of the American economy in the nineteenth century. Bonnie Martin has explored the prevalence of slave mortgages, while Joshua Rothman and Edward Baptist tie massive plantation speculation to social instability and the Panic of 1837. Although the existing studies of southern banking remain fairly technical, additional financial histories hold a great deal of promise for recognizing slavery’s centrality to the *capital* at the heart of capitalism.
Indeed, following the money has allowed scholars to see slavery less as a regional system and more as the wellspring of national economic development in the era of the Market Revolution.

The National Economy of Slavery

As Joanne Melish argued in *Disowning Slavery* (1998), one of the North’s greatest victories in the Civil War was the erasure of its slaveholding past. Melish and numerous other scholars diligently recovered slavery’s history in the colonial and early national North, while David Roediger identified the political and psychic value of “whiteness” in easing the trauma of northern workers transitioning to capitalism in the nineteenth century. This work demonstrated slavery’s national reach, but it was the modern reparations movement that jumpstarted sustained inquiry into the North’s economic investment in slavery. The effort that began with Deadria Farmer-Paellmann’s research into Aetna’s slave policies did not yield many verdicts in favor of the descendents of enslaved Americans, but it compelled businesses and universities to delve into their records and publicize historical relationships to slavery. Threatened lawsuits, municipal and state disclosure ordinances, and journalistic scrutiny generated a host of corporate apologies, institutional self-studies, and the emergence of “complicity” as the favored description of the North’s connection to slavery. Newspapers like the *Providence Journal* and the *Hartford Courant* published extended investigations, most notably the latter’s *Complicity: How the North Promoted, Prolonged, and Profited from Slavery* (2005). The New-York Historical Society staged a blockbuster show on slavery’s indispensability to the city’s commercial ascent.

New scholarship on the North’s material investment in slavery is still developing; there is no study comparable to Joseph Inikori’s *Africans and the Industrial Revolution in England* (2002) for the United States. Atlantic approaches to the history of colonial British North America highlight New England’s role in the provisioning trade to the Caribbean, as well as the
movement of people (free and enslaved) between mainland colonies and West Indian sugar islands.\textsuperscript{20} Strangely, these vital economic connections fall out of the story with American independence, even as Rhode Island ships carried the last generation of slaves across the Atlantic before the Constitution prohibited further importation after 1807. An illegal slave trade continued, especially for New England owners of Cuban plantations who restocked their labor forces by sailing to Africa under the Spanish flag. These same offshore investors grew prosperous carrying Cuban coffee and sugar to such distant ports as St. Petersburg, Russia, during the Napoleonic Wars. The post-Revolutionary carrying trade in plantation commodities (often called the re-export trade) was a boon to New England shippers and generated profits that ultimately underwrote the region’s transition from a mercantile to a manufacturing economy.\textsuperscript{21}

The rise of a manufacturing economy, of course, in no way eliminated New England’s connection to slavery. An industrial revolution predicated on textile manufacturing linked places like Pawtucket and Lowell to the ever-expanding cotton frontier of the American southwest. The concurrent growth of cotton manufacturing and cotton plantations in the first decades of the nineteenth century demands further exploration. So too does the manufacturing of plantation provisions that proved to be big business for many New England villages: North Brookfield, Massachusetts, specialized in slave shoes; East Haddam, Connecticut, was home to a leading maker of slave hoes; Peace Dale, Rhode Island, began producing readymade clothing for field hands in the early 1830s.\textsuperscript{22}

More scholarly attention has focused on New York City and the rise of a financial services industry tied to the international cotton market. Cotton was to the industrial economy of the nineteenth century what oil has been to that of the twentieth and twenty-first centuries—and the United States was basically the Saudi Arabia of cotton.\textsuperscript{23} Cotton was the most valuable thing
produced in the United States and the only export capable of bringing specie into American coffers. The largest Anglo-American banks and investment houses were deeply leveraged in cotton, and the shipping and insurance concerns that connected New Orleans to Liverpool were increasingly housed in New York as well. This helped create the impression that the city’s leading men were firmly in the pockets of the cotton planters and (with few exceptions) would be hostile to the antislavery enterprise; cotton merchants and numerous dry goods wholesalers confirmed such suspicions in their support for the Compromise of 1850 and urgent calls for additional concessions to the South on the eve of the Civil War. Most illuminating will be new scholarship on the history of finance, tracking northern and foreign investment in slave states (who purchased Alabama or Mississippi state bonds?) and the lending strategies of prominent bankers like August Belmont and Nicholas Biddle.  

Slavery’s national reach has also figured prominently in accounts of state formation and American political development. If the Constitution and subsequent body of national law, jurisprudence, and policy figure in the emergence of a capitalist economy, then the visible importance of slavery to the structures of governance demands further exploration. Don Fehrenbacher’s formulation of the early United States as a “slaveholding republic” began to set out this research agenda, and scholars like David Waldstreicher, George William Van Cleve, David Erickson, and Robin Einhorn have found slavery looming over the nation’s founding and subsequent diplomacy, land policy, tax structure, and overall administrative capacity. Einhorn makes the particularly astute observation that “if property rights have enjoyed unusual sanctity in the United States, it may be because this nation was founded in a political situation in which the owners of one very significant form of property thought their holdings were insecure.” She provocatively argues that legal scholars should rethink the history of “substantive due process”: 
perhaps the protections offered business against governmental regulation owe more to the *Dred Scott* decision than to the Fourteenth Amendment. Such an observation moves slavery from the periphery of American economic history to the center.  

**Conclusion**

This brief survey has attempted to highlight the latest research on the American economy during the decades between the Revolution and the Civil War. It is worth noting the methodological eclecticism of this scholarship, a testament to new claims on the economic past by those who by no means identify as “economic historians.” To be sure, social, political, and cultural historians could afford to be in greater dialogue with scholars inclined toward quantification and armed with technical expertise on issues like specie flows and currency discounts; likewise, the highly specialized work of economic historians on essential topics like banking must be made accessible to lay readers. Ultimately, the economic past is open for reconsideration by historians using whatever tools they have at their disposal. One of the most promising opportunities for the study of slavery and capitalism is in the fruitful collaboration of scholars working across fields like visual and material culture, the history of management and accounting, and political economy (just to name a few possibilities). Particularly liberating is that this research need not pursue a causal relationship between capitalism and slavery as its ultimate goal. The question of whether slavery caused capitalism or capitalism caused slavery carries much less urgency than it once did; so too does the matter of whether slavery is *in, of, or outside* capitalism. What seems most important here is that slavery was indispensible to the American economy as it rose to global importance in the nineteenth century, and that no narrative can explain the nation’s spectacular pattern of development without placing slavery front and center.

**Notes**
1. The April 2011 conference, “Slavery’s Capitalism: A New History of American Economic Development” highlighted recent scholarship on this topic. For the program, see http://brown.edu/web/slaveryconf/index.html, and for an account of the proceedings, see Shaun Nichols’s recap on the scholarly list H-Soz-u-Kult: http://hsozkult.geschichte.hu-berlin.de/tagungsberichte/id=3665 A volume of revised papers from the conference, edited by Sven Beckert and Seth Rockman, is currently in the works with the University of Pennsylvania Press.


23. Hendrik Hertzberg makes this analogy to Saudi Arabia in “Over There,” *New Yorker*, August 1, 2011. However, it was not merely the South but the entire United States that dominated the world market for this essential commodity.
