

The Economics of Slavery

Slavery took hold during the colonial period. Slaves worked on the tobacco farms of the Chesapeake and the rice and indigo plantations of Carolina. The Industrial Revolution in England and the North caused cotton to become the most important crop. Rising demand from textile mills in England and the North spurred cotton production in the South.

Cotton was well-suited to plantation farming. Higher profits came from higher yields. But because work was by hand, higher yields required having larger work forces.

Because large plantations were so efficient for growing cotton, the South had many more large farms than the North did. In the South, almost 5 percent of all the farms had 500 acres of land or more. But in the North, only .1 percent of the farms were that large. In the North, most farms were family-owned, and families did not have the workers available to work large farms.

The organization of the work force depended on the size of the plantation. Most slaveowners had fewer than 20 slaves. The owners often worked in their own fields and directed the work of the slaves.

On larger plantations, owners hired overseers to run the work in the fields. Overseers were often young men who hoped to save enough money to buy their own land. Slaves were organized into work groups called gangs. Each gang was assigned a task to do or area to work each day.

Field work began early in the day and generally lasted until sundown. Slaves worked every day except Sunday. Men performed the hard labor of plowing. Women and children did the weeding and joined with the men in harvesting the crop. Slaves worked late into the night at harvest time.

The free labor by slaves and the demand for cotton made cotton-growing extremely profitable. As a result, the output of cotton and the number of slaves in the South grew rapidly from 1820 to 1860, as the accompanying graph shows.

Slave Population, 1820–1860	
Year	Slaves (in thousands)
1820	1,644
1830	2,162
1840	2,642
1850	3,352
1860	4,097

Source: Historical Statistics of the United States

From 1820 to 1860, the output of cotton increased almost 12 times. In the same period, the number of slaves more than doubled. That means that the average slave was producing almost five times as much cotton in 1860 as in 1820. This was partly because of inventions like the cotton gin, which speeded up the process of harvesting cotton. But it was also because slaveowners constantly pushed their enslaved laborers to work harder.

Growing cotton brought profits to slaveowners. It also caused problems. Cotton used up the nutrients in the soil. When the soil was no longer productive, plantations were abandoned. For this reason, there was a gradual westward movement of cotton growing. In the 1810s through the 1830s, people moved away from the coastal states. They built plantations in Tennessee, Alabama, and Mississippi. By the 1840s and 1850s, these lands, too, were becoming unproductive. In this period, cotton growing moved to Arkansas and Texas.

Activity

In the 1840s and later, some critics said that slavery was dying out. They said that—along with being unjust—it didn't make economic sense. Based on what you've read, do you agree or disagree? Why?

Growth of the Factory System

The transformation from household and small shop manufacturing to the factory system is considered a turning point in the nation's economic development. The creation of factories allowed producers to make goods cheaply, quickly, and on a mass scale—all of which helped the United States eventually to become a major industrial power. Economists normally define a factory as a place where there is:

1. substantial output of a product made to be sold to a mass market, rather than locally.
2. complex operations carried out in one or more buildings, much of it relying on the use of machines.
3. an assembly of workers trained to perform specific tasks.

The factory system in the United States began with Samuel Slater's textile mill in 1793. Slater was a textile mechanic from England (where the Industrial Revolution had already had spawned the rise of factories) who migrated to Rhode Island and recreated from memory the country's first cotton-spinning machine.

Several years later, Eli Whitney—already known for his invention of the cotton gin—contributed greatly to the growth of factories with his introduction of interchangeable parts. In 1800, Whitney developed a system for making muskets in which a piece from a weapon could replace the same part on any other weapon. With this standardization of parts, intricate items no longer had to be made slowly by skilled artisans, but could be produced quickly by teams of unskilled factory employees.

A number of other factors spurred the growth of factories in America during the early 1800s. They included a wealth of natural resources needed to produce a variety of items as well as a large population from which to draw the necessary labor force. The nation was also home to an abundance of rivers, which provided the waterpower for the running of many early factories. Playing an equally important role was the War of 1812. The conflict with the British disrupted U.S. trade abroad and

forced the country to begin manufacturing many of the products that it had imported before the war.

The factory system developed first in the cotton industry. By 1840 there were 1,200 cotton factories in the United States, most of them in New England. Wool manufacturing was the next industry to adopt the factory system on a large scale. By 1850 some 1,500 woolen mills dotted the landscape of the North, and on the eve of the Civil War the largest textile factories in the country were woolen factories.

The factories of the early and mid-1800s, however, were hardly the size of the giant mills that exist today. While a few cotton factories employed as many as 1,000 workers, most were much smaller. The average cotton mill, for example, had about 60 workers in 1840 and around 110 by 1860.

The growth of factories was mainly a northern phenomenon. With its warm climate and fertile land, the South had emerged as a largely farming society whose economy ran on the production of cash crops such as tobacco, rice, and indigo. And with the invention of the cotton gin in 1793—which prompted a boom in the region's most profitable crop—the South tied its future to agriculture, not manufacturing.

Questions:

1. What spurred the growth of the factory system in the USA in the early 1800's? List the factors in your notebook.
2. How were the North and South economically dependent on each other? Explain in your notebook.