The Slave Economy

The South relied on slavery heavily for economic prosperity and used wealth as a way to justify enslavement practices.

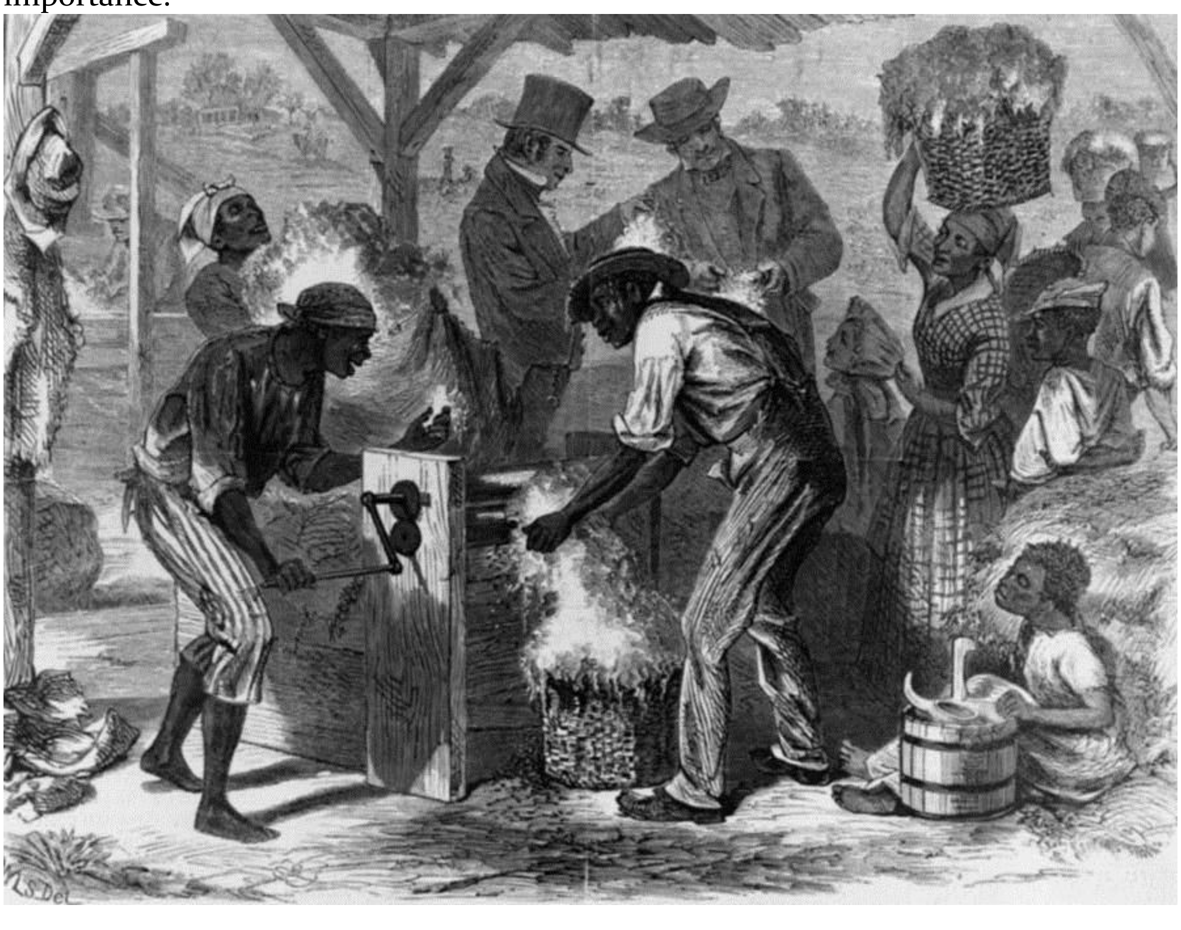
Overview

- With the invention of the cotton gin, cotton became the cash crop of the Deep South, stimulating increased demand for enslaved people from the Upper South to toil the land.
- As the disparity between plantation owners and poor white people widened in the Deep South, deeply entrench racism blurred perceived class divides.
- The slave economy of the South had international economic reach since the majority of cotton was sold abroad; it connected the United States to the international marketplace.

Cotton is king

By the mid-19th century, southern commercial centers like New Orleans had become home to the greatest concentration of wealth in the United States. Slavery shaped the culture and society of the South, which rested on a racial ideology of white supremacy. And importantly, many believed slavery itself sustained the newly prosperous Southern economy.

However, cotton proved a laborious crop to sow, and many plantation owners were reducing the number of people they enslaved due to high costs and low output. In 1793, **Eli Whitney** revolutionized cotton production when he invented the **cotton gin**, a device that separated the seeds from raw cotton. Suddenly, a process that was extraordinarily labor-intensive could be completed quickly and easily. By the early 1800s, cotton emerged as the South's major **cash crop**—a good produced for commercial value instead of for use by the owner. Cotton quickly eclipsed tobacco, rice, and sugar in economic importance.



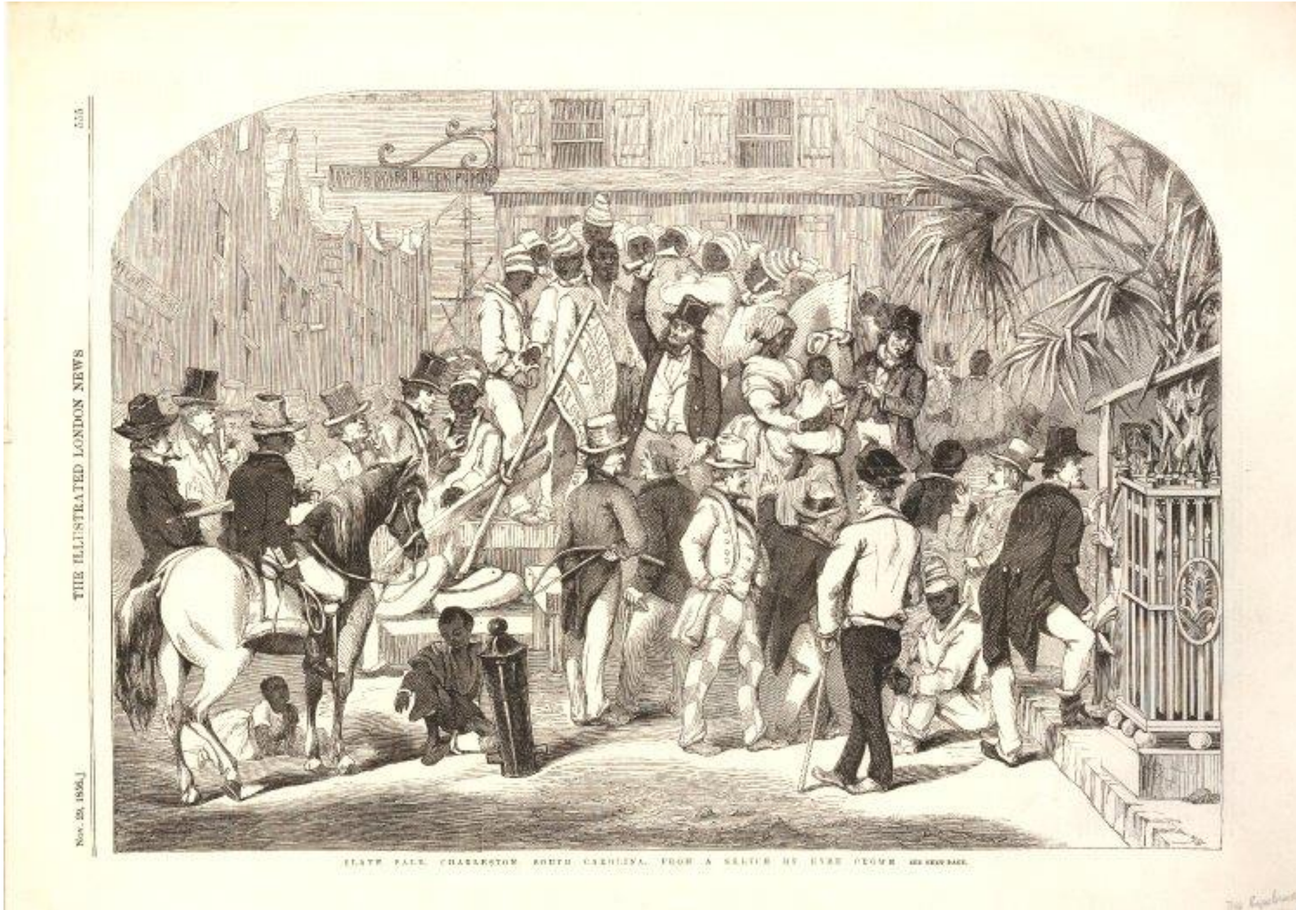
Enslaved people using the cotton gin. Image credit: Wikimedia Commons
American plantation owners began to turn to the world market to sell their newfound surplus. Cotton had the advantage of being easily stored and transported. A demand for it already existed in the industrial textile mills in Great Britain, and in time, a steady stream of slave-grown American cotton would also supply northern textile mills. Southern cotton, picked and processed by newly-profitable slaves, helped fuel the 19th-century **Industrial Revolution** in both the United States and Great Britain. This lucrative international trade brought new wealth and new residents to New Orleans as products and people travelled down the new water highway of the US, the **Mississippi River**. The invention of the **steamship** dramatically increased the use of the river as a quick and easy way of transporting goods. By 1840, New Orleans alone had 12 percent of the nation's total banking capital. Enslaved people, cotton, and the steamship transformed the city from a relatively isolated corner of North America to a thriving metropolis that rivaled New York in importance.

By 1850, of the 3.2 million enslaved people in the country's fifteen slave states, 1.8 million were producing cotton. By 1860, slave labor was producing over two billion pounds of cotton per year. Indeed, American cotton soon made up two-thirds of the global supply, and production continued to soar. By the time of the Civil War, South Carolina politician James Henry Hammond confidently proclaimed that the North could never threaten the South because "**cotton is king**."

The production of cotton brought the South more firmly into the larger American and Atlantic markets. About 75 percent of the cotton produced in the United States was eventually exported abroad. Exporting at such high volumes made the United States the undisputed world leader in cotton production. Although the larger American and Atlantic markets relied on southern cotton in this era, the South also depended on these markets for obtaining food, manufactured goods, and loans. Thus, the market revolution transformed the South just as it had other regions.

Sold down the river
With the cotton boom in the Deep South came a spike in demand for enslaved laborers to work the fields. Although Congress abolished the foreign slave trade in 1808, Americans continued to smuggle Africans across the Atlantic. However, the **domestic slave trade** primarily supplied the necessary labor force. As the tobacco crop dwindled, former tobacco farmers in the older states of Virginia and Maryland found themselves with "surplus" enslaved laborers whom they were obligated to feed, clothe, and shelter. Some slaveholders responded to this situation by freeing enslaved laborers; far more decided to sell their excess bondsmen.

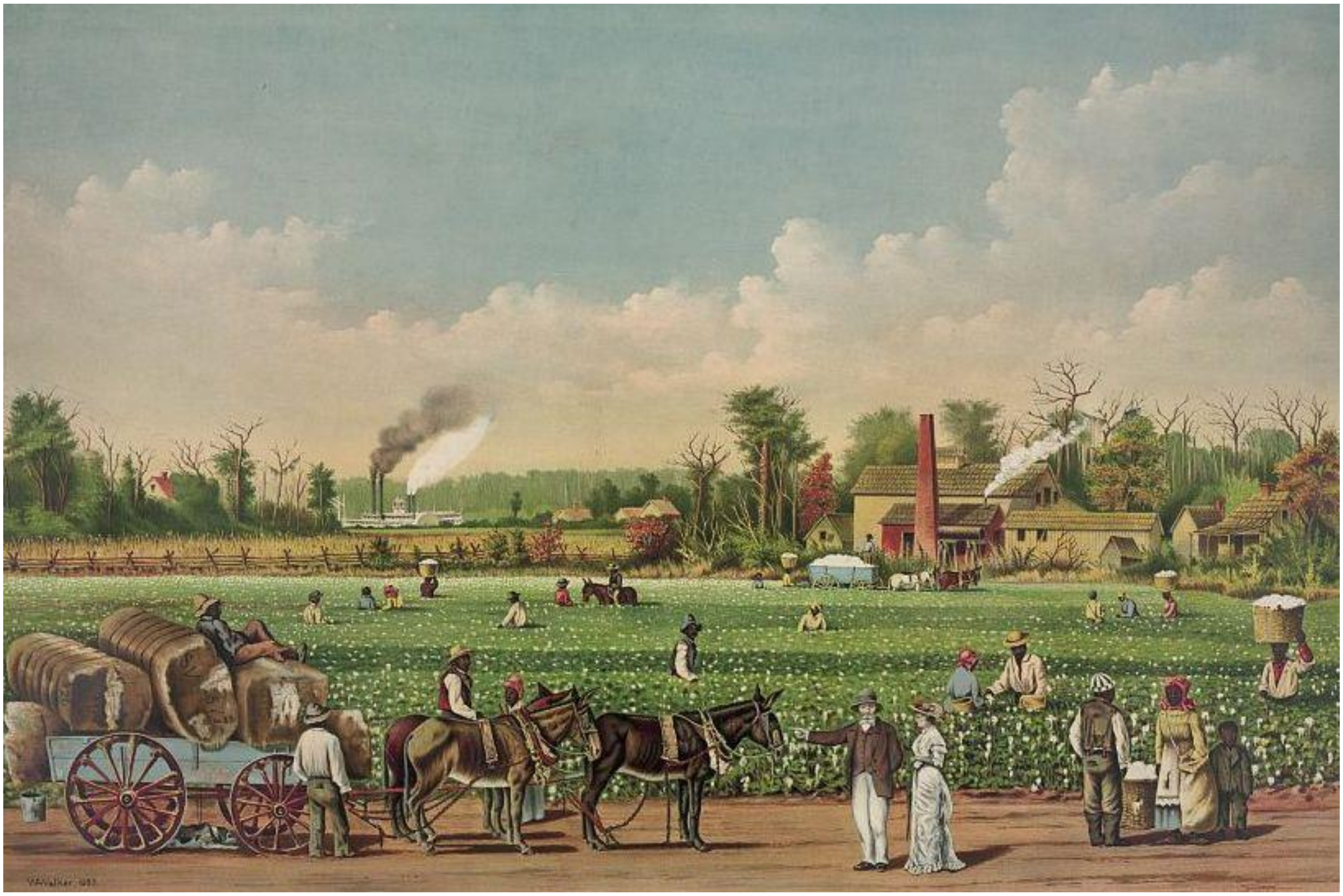
The domestic slave trade offered many economic opportunities for white men. Between 1790 and 1859, slaveholders in Virginia sold more than half a million enslaved laborers. The phrase "to be sold down the river," used by **Harriet Beecher Stowe** in her 1852 novel ***Uncle Tom's Cabin***, refers to this forced migration from the upper southern states to the Deep South, lower on the Mississippi, to grow cotton. Since the conditions of slavery—as well as chances of escape—got progressively worse farther south, slaveholders in the Upper South wielded the notion of being "sold down the river" as a threat to keep their slaves in line. All told, the movement of slaves from the Upper South to the Deep South made up one of the largest forced internal migrations in the United States.



A slave auction in the Upper South. Image credit: [Wikimedia Commons]

Economic inequality in the "slavocracy"
The South prospered, but its wealth was very unequally distributed. Upward social mobility did not exist for the millions of enslaved people who produced a substantial portion of the nation's wealth, while poor southern whites envisioned a day when they might rise enough in the world to own enslaved laborers of their own. Because of the cotton boom, there were more millionaires per capita in the Mississippi River Valley by 1860 than anywhere else in the United States.
However, in that same year, only three percent of white people owned more than 50 enslaved people, and two-thirds of white households in the South did not own any slaves at all. Distribution of wealth become more and more concentrated at the top; fewer white people owned enslaved laborers in 1860 than in 1840.

Despite this unequal distribution of wealth, non-slaveholding white people, many of them called **yeoman farmers**, shared with white planters a common set of values, most notably a belief in white supremacy. Whites, whether rich or poor, were bound together by racism. The institution of race-based slavery defused class tensions among whites because no matter how poor they were, white southerners had race in common with the mighty plantation owners. Significantly, all white southerners were also bound together by the constant, prevailing fear of **slave uprisings**.
During the antebellum years, wealthy southern planters formed an elite master class that wielded most of the economic and political power of the region. They created their own standards of gentility and honor, shaping the culture of the South. To defend the system of forced labor on which their economic survival and genteel lifestyles depended, elite southerners would develop a **proslavery economic argument**, rendering the South completely dependent on slavery for the region's international market scope.


A cotton plantation in Mississippi. Image credit: Wikimedia Commons

What do you think?

Do you think the slave economy increased sectional tension in the antebellum period? How so?

How did the industrial revolution affect the slave economy and vice versa? How would you describe the relationship between the two?

Why did economically disadvantaged white people not see a common cause with enslaved people?