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Thesis In spite of extreme violence and violation of human rights experienced by millions of black people, slavery was a ‘necessary evil’ which became a driven force of economic development.

A. Plan of Investigation.

In American history, slavery was one of the most important and controversial periods which had a great impact on economic and social development of the nation. The



investigation assesses the impact of slavery on economic conditions and its role in economic development of America. The investigation evaluates influence of slavery on agriculture and manufacturing. Economic analyses and participation of slave labor force in economic development are used to analyze the impact and role of slave labor in development of American economy. Two of the sources used in the essay are G.S. Merriam *The Negro and the Nation: A History of American Slavery and Enfranchisement* and H.F. Williamson *The Growth of the American Economy*. Both of these sources are evaluated for their objectivity, origins and limitations for the study.

The investigation does not assess cultural and social changes, but it sees economic development as an engine of social and cultural progress¹.

B. Summary of Evidence

Before the period of slavery, American nation had slow economic growth rates in contrast to European countries². The productive capacity of the American Colonies was

¹ Aptheker, H. American Negro Slave Revolts. (International Publishers, 1993) 5-6.

² Williamson, H.F. The Growth of the American Economy. (Prentice-Hall, 1951) 7.2.

materially affected by the power of the labor market. Because of the scarcity of labor, particularly of skilled workmen, this market favored the laborer rather than the employer.

Colonial workmen commanded wages from 30 to 100 per cent higher than the wages of contemporary English laboring men. Economic nationalism entered into the problem of the labor market as well as other problems of economic enterprise, and created a policy marked by sharp contradictions. Colonies were favored, but at the same time an effort was made to maintain a large labor supply at home in order to assure low wages and manufacturing costs. The home authorities sought to encourage early colonization. Master guildsmen and merchants sponsored the settlement of Virginia³. Another problem was that many immigrants from the South returned England or migrated to urban areas which proposed greater opportunities and higher wages. The economic crisis affected agriculture which could not survive without labor force, because machinery had not been invented yet⁴.



Although, new land for cultivation had to be reclaimed from virgin forest and grassland, and although the difficulties and costs of clearing were great, efforts to maintain soil fertility were considered uneconomical by most settlers. On new land planting of the same crop was generally repeated until the inevitable

decline in production was so great that the profitability of continued cultivation of the field was questionable. The process of exhaustion might take twenty years; it sometimes occurred in five. Declining productivity encouraged migration to the fresh lands of the West. As an

³ Williamson, H.F. The Growth of the American Economy. (Prentice-Hall, 1951) 24.

⁴ *ibid.* 19-20.

alternative to migration, methods aimed at renewing soil fertility were adopted by some farmers in many of the affected areas ⁵

In the Colonial and Revolutionary periods, three stages of manufacturing existed side by side: household manufacturing, the prevailing system; the domestic or putting-out system, well entrenched by the middle of the eighteenth century; and the factory, developed under the stress of Revolutionary conditions. For goods produced mainly for local consumption and not requiring elaborate equipment, household manufactures or workshop crafts prevailed. On the other hand, these productions required greater skill and hands. With the development of manufacturing facilities and machinery, these industries required more labor in order to expend production. Slavery was the cheapest labor which allowed agriculture and manufacturing to save costs and invest them into production⁶. Without cheap labor these industries would fail to meet changing social conditions and economic demands. Once entered into the lists of gradual emancipation experiments, manufacturing was naturally subjected to scrutiny. In economic terms, early years of increased profit were explained away as a contextual coincidence. The experiment had begun at a low point in West Indian profits, and manufacturing benefited by the generally favorable market of the late 1780s when slave labor entered these industries ⁷

C. Evaluation of Sources.

The sources used for analysis are based on theoretical background and economic data analysis. Both of them are academic sources written from historical and economic perspectives. The main advantage of the book *The Negro and the Nation: A History of*

⁵ *ibid.* 134.

⁶ Bontemps, A. *The Punished Self: Surviving Slavery in the Colonial South* (Cornell University Press, 2001), 139.

⁷ Merriam, G.S. *The Negro and the Nation: A History of American Slavery and Enfranchisement.* (Haskell House, 1970) 379-380.

American Slavery and Enfranchisement is that it gives substantial analysis of the causes of slavery, lives of slaves and their role in national economic and social development. The book *The Growth of the American Economy* is based on economic data analysis which includes driven forces of economic development, changes in modes of production, new trade relations and growth of manufacturing sector. The main limitation of this source is that it does not include deep analysis of slavery seeing it a part of economic development only. Thus, both sources allow me to identify the main trends in historical development and economic environment which supported and favored the institution of slavery.

D. Analysis

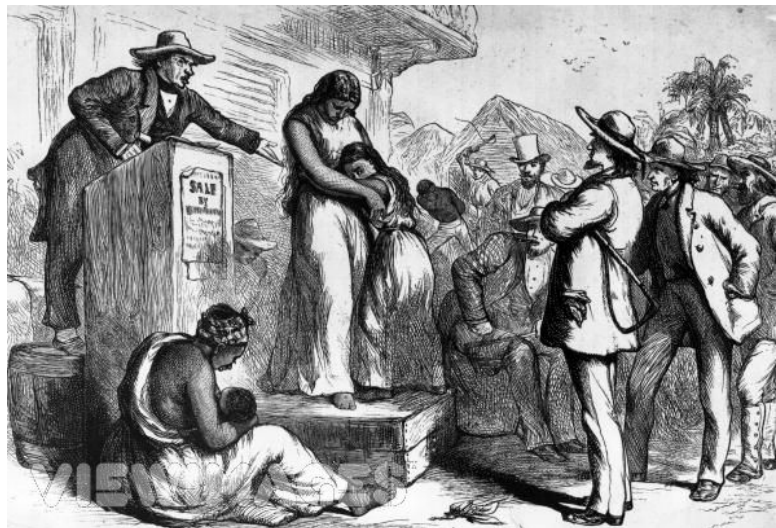
Many historians (Whitman, 2004; Bontemps, 2001) view slavery as a wrong and evil; they looked hopefully for its early extinction; they recognized great difficulties in adapting the negro to conditions of freedom; and they were in general too much absorbed in other and pressing problems to direct much practical effort toward emancipation. Slaves were generally first landed at the West Indies and seasoned before being sold in the mainland colonies. By the end of the seventeenth century, the slave population had rapidly mounted. They were confined in the main to employment in the Southern plantation economy. While the bulk of them were used for field and household labor, others were trained in a variety of trades and often farmed out by their masters. Following Merriam (1970):

The stream of slavery moved mainly according to economic conditions. Soil and climate in the Northern States made the labor of the indolent and unthrifty slave unprofitable, but in the warm and fertile South, developing plantations of tobacco, rice, and indigo, the negro toiler supplied the needed element for great profits. The church's part in the business was mainly to find excuse”⁸

⁸ Merriam, G.S. *The Negro and the Nation: A History of American Slavery and Enfranchisement*. (Haskell House, 1970)

The skilled Negro artisan was, therefore, a serious threat to the free Southern workman in such towns as Charleston. Ultimately he entirely replaced the free workman in the supply of skilled labor in the South. The increase in rice and indigo production in the South boosted the price of slaves: The average price in 1650 was £20 a head, in 1700 £25, and by the eve of the Revolution between £50 and £80. Economic data shows that since the beginning of slavery American experienced rapid economic growth in all spheres of economy: sugar and cotton production, steel and gold mining. Great volumes of currency were invested in production facilities and technological innovations, which replaced old methods of agriculture and modes of production. Similar to the factories of the industrial

towns were the somewhat smaller works set up on numerous plantations in the Southern Colonies. Gradually Negro workers were trained to replace white artisans in that enterprise. When the depression of the 1750's and 1760's forced



many planters to produce such other staples as wheat, corn, rye, and barley, Carter engaged in milling on an ambitious scale. He built a grain mill designed to grind 25,000 bushels of wheat a year and requiring £5,000 annually for its operation; in his two ovens 100 pounds of flour could be baked at one time. So wide a variety of occupations throws out of perspective the traditional picture of the planter solely dependent upon the vagaries of the tobacco market for the livelihood of family and workmen. With a baseline of some of the worst years in plantation profits during the American Revolution, every planter's situation improved after 1783 when slavery was introduced in all states. For one thing, it should be noted that the

spread and growth of these industries are closely linked to the growth of agriculture, from which they stem. Agricultural changes necessarily bring changes in the agricultural processing industries (Najar 2004). A shift from tobacco growing to wheat growing helped to build up Richmond as a milling center with the help of slave labor only⁹

From social perspective, whites and blacks could easily observe one another on the farms and plantations and in the small towns they inhabited, in the face- to -face world that existed, necessarily, even in a place like Charleston, which was until relatively late in the colonial era the only real town of any size and cultural and economic significance in the entire region. Not only did blacks and whites work together and in many instances live together in the same structures, the range of their social interaction in other contexts was substantial. Statistical data shows that: “By 1840, the South grew 60 percent of the world's cotton and provided some 70 percent of the cotton consumed by the British textile industry. Thus slavery paid for a substantial share of the capital, iron, and manufactured good that laid the basis for American economic growth”¹⁰

The economic changes that followed the Revolutionary War were of two sorts: those that affected general activity and those that affected the distribution of wealth and income among various groups of the population. The first type of change operated in both domestic and foreign trade increased because of rapid growth of slave labor and production facilities. The wartime depreciation of the currency and the inflationary rise in prices were followed by a sharp deflation in the post-war period, particularly in 1785 and 1786. Also, “Berlin distinguishes between North American "societies with slaves," in which slave labor stood at

⁹ Merriam, G.S. *The Negro and the Nation: A History of American Slavery and Enfranchisement*. (Haskell House, 1970), 22-28.

¹⁰ Was slavery the engine of economic growth? 2006.
www.digitalhistory.uh.edu/historyonline/con_economic.cfm

the margins of the economy, and "slave societies," where slave labor proved central to the politics and economy of the society"¹¹.

E. Conclusion

The facts and economic data show that slavery was one of the most important engines which created new opportunities for agriculture and industry. The development of the Western farmlands and Southern agriculture was associated with the labor supply. The rise of nonagricultural population also established a market for the ever-mounting volume of farm products. Manufacturing experienced a most favorable reaction, since it was necessary to supplant the imported goods that were cut off. In these circumstances, slavery was the only possible way to improve production facilities and save costs for further development and growth. Without slave trade and cheap labor, America was not able to establish high rates of industrial growth in all spheres of economy and compete with foreign suppliers from Europe.

¹¹ Fett, S.M. Many Thousands Gone: The First Two Centuries of Slavery in North America. Michigan Historical Review, (Vol. 26, 2000) 149.

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