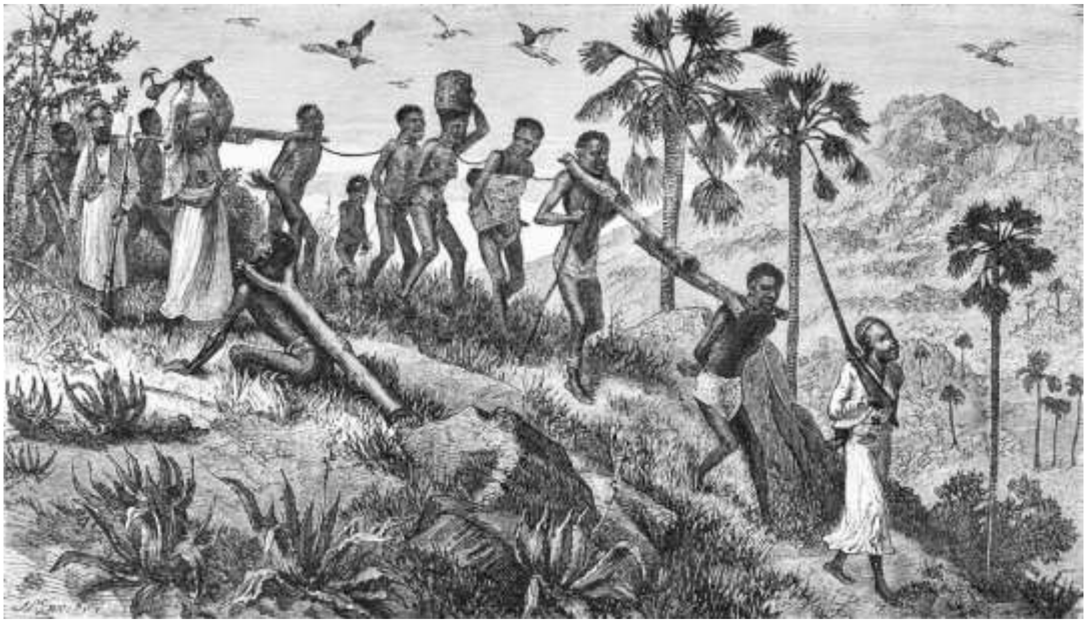

Could Thomas Jefferson Have Ended Slavery?

An Economic Analysis

by Ben Branch

Peer Reviewed

Dr. Branch is a Professor of Finance at the Isenberg School of Management at the University of Massachusetts-Amherst. He is an expert in bankruptcy investing, bankruptcy management, and valuing distressed assets. He has managed the estates for several large bankruptcies, including the bankruptcies of banks and other corporations and has been a director on several corporate boards. He is the author of several books on bankruptcy management and investing. He is widely published in professional journals. A member of the Academic Advisory Council of the Turnaround Management Association, he is the past President and current Trustee of the Eastern Finance Association.

Abstract

Could slavery have ended early on without a civil war? That is the counterfactual question considered herein. More specifically, could Thomas Jefferson, a slaveholder himself, have convinced the young American nation to use the value of the land of the Louisiana Purchase to purchase freedom for the slaves? Exploring this matter, raises a number of related issues. How much would freeing the slaves have cost? How much was the Louisiana Purchase land worth? What were the social and political obstacles to a peaceful end to slavery? How would the economy of the slaveholding states look with only a free workforce? How did the estimated cost of purchasing freedom for the slaves compare with the Civil War's cost? Each of these questions are considered herein. To cut to chase, the economics of freeing the slaves with funds derived from the Louisiana Purchase would have been feasible even though the sums are large. The nation would have been much better off if this route had been taken. The social/political obstacles were, however, likely to have been insurmountable.

Introduction

In the Declaration of Independence in 1776, Jefferson declared that "all men are created equal". Nonetheless, slavery did not end until 89 years later. And it took the bloodiest war in our history to make it happen. The abolitionists were only slowly able to focus the North's attention on slavery's evils. Lincoln was a minority president (receiving about 40% of the popular vote) and even he did not run on an abolitionist platform. Moreover, not a single slave state was ready for emancipation when the Civil War began.[i] Only a minority of southerners held slaves. And yet the majority of voting southerners continued to elect pro-slavery governments.[ii] As long as slaves commanded a positive price, uncompensated abolition would have resulted in a loss to slave owners. Moreover, as long as the southern economy was heavily dependent on slave-produced cotton, the southern political structure appeared likely to remain pro-slavery.

Lincoln's election led to the South's attempt to secede, which in turn led to the Civil War.[iii] Could this tragedy have been avoided? Consider the following: After the Louisiana Purchase, Jefferson proposed to use the western lands, purchased at a steep discount, to bring about an end to slavery.[iv] Could such a proposal have led to a dialogue that resulted in a peaceful end to slavery?[v]

This was not a crazy idea. James Madison, who followed Jefferson as president, actually proposed raising $600,000,000 by selling 200 million acres of land at $3 an acre or 300 million acres at $2 an acre. These funds would have been used to free the slaves. The further part of his plan would have transported the freed slaves back to Africa. (Feldman, p. 609). Also, note that early on, our young nation took some tentative steps to restrict the growth of slavery. In particular, Constitution Art. I, sec. 9, para. 1st, reads: "The migration or importation of such persons as any of the states now existing shall think proper to admit, shall not be prohibited by the Congress prior to the year one thousand eight hundred and eight, but a tax or duty may be imposed on such importation, not exceeding ten dollars for each person." (https://www.law.cornell.edu/constitution/articlei#section9)

In order to implement the above provision of the constitution, the first section of the federal statute enacted March 2, 1807 and effective January 1, 1808, which was signed by President Jefferson reads: "Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [Section 1] That from and after the first day of January, one thousand eight hundred and eight, it shall not be lawful to import or bring into the United States or the territories thereof from any foreign kingdom, place, or country, any negro, mulatto, or person of colour, with intent to hold, sell, or dispose of such negro, mulatto, or person of colour, as a slave, or to be held to service or labour." Public Law 9-22; 2 Stat. 426. (http://legisworks.org/sal/2/stats/STATUTE-2-Pg426.pdf)

While Jefferson was President (1801-09), slavery was largely confined to the Eastern seaboard states from Delaware to Georgia plus Kentucky and Tennessee. Alabama and Mississippi were not yet states and what later became Louisiana, Arkansas and Missouri were part of the just purchased Louisiana territory. Florida and Texas were still Spanish. Seeking to end or to begin ending slavery at this early date might well have been less difficult than it became later when the South's cotton economy was flourishing.

One can only speculate whether Jefferson, (a slaveholder himself) with all his political skills and immense reputation, could have maneuvered the nation into such an historical compromise. *But what if he had*? Would we have been too busy sorting out this matter to bother with the War of 1812? Would Texas still have attained its independence and the Mexican War followed? Would this compromise have accelerated or slowed the settling of the West? Would the South have been quicker to industrialize? Without the pressures of the Civil War, would the North have been as quick to industrialize? The questions go on and on.

In what follows, whether the young nation could have devised a cost-effective means of ending slavery short of war is explored. To free the slaves peacefully would almost certainly have required compensating the slaveholders. Accordingly, crucial questions are: what was the market value of the U.S slave population, could a comparable sum have been raised, and could the slaveholders and the political structure which they controlled have been convinced to accept an exchange?[vi]

In no way should this discussion of Thomas Jefferson and slavery be taken as an endorsement or even tolerance of slavery. Slavery as practiced in the pre-Civil War South (and elsewhere at similar and other times) both before and after the establishment of the United States was an immoral, evil system.

Some people believe racism, misogyny, and income and wealth inequality today are related the existence of slavery in the past. Slavery's economic aspects are relevant and indeed central to addressing the questions posed above. According to Coclanis (2010), "Writing on the economics of slavery is in some ways an impossibly difficult task, for the subject's limits and bounds are viewed by many as virtually coterminous with those of slavery itself" (Colanis, 2010, p. 1).

Estimating the Market Value of the U.S. Slave Population[vii]

In order to estimate the cost of purchasing freedom for the slaves we need to estimate the market value of the U.S. slave population. To do so one needs to know the market prices for male and female slaves of various ages as well as the size of the slave population by age and gender.[viii] Prices of what are termed prime (male) field hands (defined as young, healthy, adult males) from 1802 to 1860 have been compiled. Other data relate the relative prices of males and female slaves of various ages. We can use these data to compute an average slave price that corresponds to that of prime field hands. Then the total market value as the product of this average slave price and the total slave population can be estimated. Tadman cites data (pp. 287-288) for the market values of male and female slaves of various ages (Table 1). Presumably, these data correspond to 1820.

These relationship data are no more than one opinion on relative slave prices for a particular region at a particular time. Still they do appear to have been derived from experience and to be consistent with other relevant information.[ix] If one is to use what is available (estimated market prices for the prime field hands through time) to estimate what we seek to know (market value for the entire slave population in 1805 and 1860), some sort of relationship data such as these need to be utilized. These data allow us to derive the following relationships:

Table 1: Relative Market Values of Male and Female Slaves of Various Ages

Age	Male	Female
0-13	$325	$277
14-25	$725	$520
20-44	$525	$320
45+	$175	$90

Additional data cited by Tadman (p. 241) allow the computation of corresponding slave population relationship as of 1820 shown below in Table 2.

Table 2: Relative 1820 Slave Population Distribution by Age and Gender

Age	Male	Female
0-13	22.6%	21.3%
14-25	12.9%	12.7%
26-44	10.5%	9.8%
45+	5.3%	4.9%

These two data sets make it possible to estimate this population distribution's average market price for a slave to be $392. This average slave price corresponds to

43.6% of that of the prime field-hand ($900, for the year 1820). To estimate the total value of the slave population at any point we would first multiply the prime field hand price by the factor .436 to obtain the average slave price and then multiply that average by the total slave population. This approach assumes that: 1. The estimated price-age-gender relationships are accurate and hold through time; 2. The relative age-gender distribution reported for 1820 is accurate and representative thorough time and 3. The reported prime field hand prices (New Orleans Market Data) are representative throughout the various regional markets.[x]

Presumably, any value that the slave population had vis-à-vis reproducing itself would be impounded into the market prices of female slaves of childbearing age or younger. The above data imply that the market values of female slaves 44 or younger accounted for about 44% of the total. According to Conrad and Meyer in Woodman (p. 81), female slaves were viewed as one-half to two-thirds as productive as male field workers. Using a different methodology, Goldin (p. 85) finds the “breeding rights” of the 1860 slave population to equal about 7.2% of the total slave population’s market value. Fogel and Engerman’s (pp. 80-82) results are similar. In a more recent update, Fogel, this time joined by Galentine and Manning, attempted to answer the question: “How much more would a fecund slave woman be worth than a sterile woman?” (Fogel et. al., p. 325) Their analysis estimated the difference to be about 8%. This result implies that the ability of slaves to reproduce themselves may have added as little as 4% to the total market value of the slave population.

The U.S. slave population (excluding the small number of slaves held in northern states) was 897,448 in 1800 and 1,059,165 in 1810. Conrad and Meyer report that prime (male) field hands sold for an average of $600 (Woodman, p. 91) in 1805. The analysis provided here suggests that the average slave price was 43.6% of this sum or $262. Applying Fogel and Engerman’s 15% reduction, the estimated average slave price was $223. This adjusted data is used throughout this study. With an overall slave population of about one million, the estimated market value of the U.S. slave population in 1805 at $223 million with 8% ($16 million) of the value allocable to the ability of slaves to reproduce. Note that this sum is less than half of, but still in the same order of magnitude as Madison’s $600 million figure. Madison was, however, considering the matter at a later date and had in mind the cost of transporting the freed persons to Africa.

To put the $223 million number (for purchasing all the slaves at their market values) for 1805 into perspective, consider the following: We bought the Louisiana territory from France for $15 million. The U.S. national debt in 1805 stood at $82 million, and annual 1801-1810 federal tax collections averaged $13 million. Gold and silver bullion coin in circulation in 1805 totaled $16 million, while bank notes totaled $15 million. Clearly, $223 million represented a huge sum in 1805. Borrowing enough money to pay the slave-holders the market value of their slaves would have increased the national debt by about 300%.[xi] A tax increase of about $13.4 million (more than the then current tax revenue rate) would have been required just to service the sum borrowed (at 6%).

On the other hand, a $16 million payment to purchase freedom for the unborn, who would otherwise have been born into slavery, would have been much more manageable for the 1805 economy. At this time, the federal government was generating an annual surplus of about four million dollars. At 6%, debt service on another $16 million would have simply cut the surplus in half. By 1812 (just before the War of 1812 began) the U.S. national debt had declined from an 1804 high of $86 million to $45 million. Thus a $16 million expenditure (a little more than what was paid for Louisiana) even if in cash, seems to have been well within the capabilities of the 1805 federal government.

By 1860, the slave population had risen to about four million and the average prime field hand price to $1,800. This corresponds to an average slave price of about $667 (.436 x $1,800 x 0.85) and a total slave population market valuation of about $2.67 billion. The 1860 census placed a $2.4 billion market value on the South's slave population (Ball, p. 301). Goldin (p. 85) estimates the market value at $2.91 billion. Solton (Fogel et al. p. 397) also arrives at a similar number to Goldin's ($2.898 billion).

The Cost of the Civil War

One interesting comparison is between the cost of the Civil War and the market value of the slave population just before the war began (1860). As was the case for many wars, the cost of fighting the Civil War was greater than the economic value of the issue in contention.

Goldin and Lewis estimate the cost of the Civil War at $14.7 billion. Their computation is well within our estimated cost of the Civil War, which is between $9 and $24 billion, based on different sources of information. See Table 3 below.

Table 3: Estimated Cost of the Civil War

Federal Direct Costs	$ 2.93B (a)	- $ 3.03B (Long)
Confederate Direct Costs	$ 0.52B (Sellers)	- $ 1.45B (Long)
Physical Damage	$ 2.75B (Ball)	- $10.00B (Goldin)
Post War Military Costs	$ 0.49B (b)	- $ 3.00B (Long)
Casualties	$ 2.20B (c)	- $ 6.60B (c)
Total	$ 8.89B	- $24.08B

Some relevant data:

a: U.S. military spending for 1851-60 averaged $28 million per year compared to $613 million for 1861-1865, (an increase of $585 million). Applying this increased military spending to five years of the Civil War (1861-65) yields a direct military cost estimate of $2.925 billion for the federal government.

b: The Civil War's aftermath appears to have increased annual military expenditures by at least $97 million for five years or a total of $485 million. No doubt some of the Civil War related costs continued well beyond 1870.

c: Some value estimate for the 623,026 lives lost and 471,427 non-fatal wounded by the war (1.1 million casualties) is needed.[xii] If casualties are valued at $2,000 each (which roughly corresponds to the $1,800 average 1860 market price for prime field hand slaves) then the Civil War casualties are valued at $2.2 billion. The wage rate for unskilled free (non-slave white) labor in the South was about three times the rental rate for slaves (Starobin, p. 158). On that basis, one might triple the number resulting in a loss estimate of $6,000 per casualty or $6.6 billion.

Thus, the Civil War appears to have cost the nation a minimum of almost nine billion dollars (and perhaps as much $24 billion) compared with an estimated market value of the slave population of about three billion dollars.[xiii] This implies that the nation would have been far better off financially to have purchased and freed the slaves for less than three billion dollars (the estimated market value of the slave population in 1860) than nine billion dollars (or more) on a war that resulted in their freedom. Moreover, the above analysis does not even consider the cost of reconstruction after the Civil War's end.

In an earlier analysis, Goldin (pp. 66-85) reaches the same conclusion: Emancipation with compensation would have been a far better choice than war. She considers various approaches to emancipation in 1860 involving the possibility of colonizing the freed former slaves (presumably to Liberia) as an additional cost.

The case for a peaceful resolution is much more favorable than simply comparing a 2.67 versus a nine (or higher) billion dollar expenditure. Paying 2.67 billion dollars to purchase the slaves' freedom would have transferred that sum from the nation to a subgroup within the nation leaving net national wealth unchanged. Ownership of the former slaves would have passed to the former slaves themselves. The sum paid to the former slaveholders would have added the same amount to their net worth as the increase in the debt of the nation as a whole. The estimated nine billion-dollar (or more) cost incurred because of the Civil War was, in contrast, largely lost to the economy. Very little of the money spent or other costs incurred because of the Civil War created anything of lasting value.[xiv] The sums incurred because of the Civil War were largely "consumed" thereby reducing net national wealth.

If paying the slaveholders for the slaves' freedom made more economic sense than waging a Civil War in 1860, then doing that same thing in 1805 would almost certainly have also been attractive. Slavery was restricted to a much smaller area, was less entrenched, and the Federal government had much more unallocated land available for exchange in 1805 than in 1860.

The Value of Louisiana Land

Could the value represented by the land from the Louisiana Purchase have been used to buy freedom for the slaves? The Louisiana Purchase added about 450 million acres to the United States. The federal government, subject to claims of the Native Americans[15], initially owned title to almost all of the land. Additional government land was held in the areas that later became the states of Mississippi and Alabama. The $15 million dollar price that France placed on the Louisiana Territory suggests a very low value (around 3¢ an acre) in 1803. France, however, needed money for its own war effort and had no effective way of defending the territory from Britain. Clearly, the U.S. got a fantastic bargain in this purchase. Pierre de Lausset (the French colonial official in charge of the transfer of Louisiana from Spain to France) wrote France that the U.S. would “have given $50,000,000 rather than not possess it” (Davis, p. 139).

How much were individual parcels of land worth around 1805? One data point (Genovese) indicates that cleared land suitable for cotton farming was worth $35-$40 an acre and that clearing costs represented some $20-$30 an acre (around 1830-1840). Subtracting the cost of clearing from the value of cleared land suggests that un-cleared land may have been worth between $5 and $20 an acre in 1835. At $5 an acre, 50 million acres (or about 9% of the Louisiana territory) could have been exchanged for the estimated $223 million market value of the 1805 slave population. Such a figure ($5 an acre) is, however, probably optimistic.

On the other hand, the cost of compensating the slaveholders for giving up their ownership “rights” to their slaves’ children, would have been much less. At one dollar an acre (half of the $2 an acre that the government was charging) 16 million acres (less than 4% of the Louisiana Territory) would have been sufficient. At the time of the Louisiana Purchase (1803) a uniform price of $2 an acre was set payable in species or evidence of the government’s indebtedness (Chambers, p. 331). Purchases were to be in a minimum of 320-acre plots. Liberal credit was granted so that by 1820 more than $22 million was owed to the government from land sales. Thereafter the price was reduced to $1.25 an acre and the minimum purchase size reduced to 80 acres (Chambers, p. 332). Still later, the idea of free homesteads emerged. According to Poole, the reservation prices for the public lands were as shown on Table 4 below:

Table 4: Prices Charged for U.S. Land

1785 640 Acres Min., $1 per Acre, Cash
1796 640 Acres Min., $2 per Acre, 1 year to pay
1800 320 Acres Min., $2 per Acre, 4 years to pay
1804 160 Acres Min., $1.64 Cash or $2.00, 4 years to pay
1820 80 Acres Min., $1.25 Cash
1830 80 Acres Min., $1.25 Cash

One may legitimately ask whether the land value would have been lower without slavery. In other words, did the ability to use slaves to clear and farm the land make the land in the slave-holding states worth more than it would have been had a wage system been in place? We do know that land in the free states of the North was successfully farmed as well as being traded for per acre prices that were often as high as or higher than otherwise similar land in the South. Moreover, to the extent that land, capital and labor were substitutes, a rise in the cost of labor would have tended to increase the market value for the other inputs including land. On the other hand, if land and labor were complementary inputs, a rise in the cost of labor would have tended to decrease its market value. Thus, the answer largely turns on whether southern lands could have been farmed successfully in the 1800's without slavery.

The Cost to Operate the Typical Southern Cotton Plantation with Wage Earners As Opposed to Slave Labor

While the issue has been debated extensively, the evidence seems quite clear on certain points. Large southern cotton plantations operated with slaves were generally quite successful businesses in economic terms. They produced most of the southern cotton crop and tended to expand relative to the small farms operated without slaves (Woodman, pp. 30-35; Fogel and Engerman pp. 59-109). Indeed Fogel and Engerman estimate the average return of 10% on an "investment" in slaves. A ten percent return compares favorably with other investment opportunities of the time. Few, if any, examples of large pre-Civil War cotton plantations operated with wage earners seem to exist. Fogel and Engerman report that smaller cotton farmers operating without slaves were substantially less efficient than the larger cotton plantations that used slaves. These two stylized facts strongly suggest that the southern cotton plantation could more profitably and efficiently be operated with a slave rather than with a paid (free) workforce.

While slaves were utilized in non-cotton agriculture (e.g. sugar, rice, hemp and tobacco) and to some extent in other ways (domestics, craftspeople, and even in factories, mines and on railroads), the slave system does not seem to have been as suited to most other uses. Slavery disappeared in the North and failed in Kansas and Nebraska, areas where little or no cotton was grown. The slave system was only able to expand into areas where cheap labor was not otherwise available. In particular, slavery was never established in the Rio Grande Valley (Woodman, p. 101) where cheap Mexican labor offset the advantage of slave labor.

Slaves were hired out for annual rentals that varied form 12% to 20% of their market values. Thus a market system of sorts did exist for the labor that slaves produced (Starobin, p. 155). No doubt a similar market would have developed for the labor of the emancipated slaves. Note, however, that renting a slave is very different from purchasing the services of a free person. In particular, the slaveholders could discipline a slave (owned or rented) in ways that were unavailable (e.g. whipping) to a free person's employer. Thus, a work force of former slaves that had to be paid, rather than maintained, would differ in more than just the form of compensation.

One of the "values" of the slave system to slaveholders was their ability to "breed" slaves and sell the "surplus". Indeed the eastern seaboard states, particularly Maryland, Virginia, and the Carolinas and to a lesser extent Kentucky, Tennessee, and Georgia were important exporters of slaves to states further west. Accordingly, ending slavery would not only have ended the slave system's method of providing cheap labor, but also the profitable business of selling off unneeded slaves (Woodman, pp. 75-89; Tadman, pp. 121-132).

However, according to Fogel and Engerman, the vast majority of these transfers were a result of owners moving west, rather than sales into the market (Fogel and Engerman, pp. 44-52). In Fogel and Engerman's view "slave breeding" was a minor factor in the slave system's overall profitability. Gutman and Sutch, however, take a very critical view of Fogel and Engerman's conclusion (David, et al., pp. 94-134). Also note that by 1860; most of the land suitable for cotton farming had been brought under cultivation. Sooner or later, the opportunity to export slaves to new lands would have ended.

Cotton farming as practiced by the southern plantation farmer had very nearly reached its natural geographic limit by 1860. Kansas and Nebraska were not receptive, nor was West Texas. California had voted against slavery by 1850. Had the Civil War and emancipation not occurred, the market for surplus eastern slaves may have begun to soften as its expansion into new western territories trailed off. Thus, the "profits" that were being made by "slave breeders" might have declined and perhaps eventually ceased (Woodman, pp. 97-106). Fogel and Engerman, however, argue that even within the geographic limit, the demand for slaves would have continued to grow, as additional land in the existing slave states was farmed (Fogel and Engerman, pp. 94-106).[xv]

Upon their emancipation, most of the former slaves would probably have had very limited opportunities. Many would have been employed to do the same tasks that they had done as slaves. A small number of free blacks resided in southern states, particularly Maryland, Virginia and Louisiana (where a few were themselves slaveholders). Similarly, some non-landowning whites did earn a living as wage earners in the pre-Civil War South. Still the pre-Civil War southern labor-for-hire market was quite thin. Most former slaves would probably have entered the for-hire work force at the lowest rung. Accordingly, had slavery ended in 1805, most of the freed slaves would have needed to continue to work on the plantations just about as much as the plantations would have needed them.

Many of the former slaves would have continued to live and work on the plantations, receiving food, and clothing, lodging and medical care from their former masters in exchange for their labor. Perhaps the workers would have been paid in scrip that they could have used to purchase necessities from a type of plantation (i.e. company) store. Quite possibly the plantations' owners would have kept accounts that sought to keep their workers permanently in debt to the plantation. Under such a system, the former slaveholders would have continued to operate their plantations much as they had with a slave system, at least in the short-run. Alternatively, a share cropping economy might have developed with former slaves allowed to work the land of their former masters for a share of the crops. In either case, the land would have continued to be used with much of the same labor, as was the case under slavery. Yet some important things would have changed.

Emancipation would have restricted, if not ended, the overseer's use of force. In addition, the former slaveholders could no longer sell their surplus workers. Emancipation would probably have reduced the plantations' net income. On the other hand, compensating the former slaveholders for the economic value of their former slaves would have offset a major portion of the lost income resulting from operating with wage earners rather than unpaid slaves. Thus a peaceful end to slavery could have been structured to purchase freedom for the slaves, while allowing the plantation owners to maintain much (probably most) of their wealth.

A second major change would have been the new opportunity for former slaves to be bid away from their former owners by more attractive situations. Under a slave system, labor mobility was accomplished by buying, selling, and renting out slave workers. In addition, the slave-holders themselves could move, taking their slaves with them. In a free labor market, the mechanism of labor mobility involves attracting labor with higher wages and better working conditions. Over time, the former slaves would have found a competitive job market open up for them. The Southeast with a surplus of labor would have seen its former slaves tending to move west where opportunities were greater. As time passed, some former slaves would have been able to make the move up from laborer to small landowner. In time, the old cotton plantation system would have tended to give way to a more modern system. Fogel and Engerman argue that a type of labor system that was possible under slavery (and very productive for the slave-holder) was not feasible under a wage system. Cotton plantations used a "gang system" that could only work effectively if force was used:

> "With respect to field labor, the various hands were formed into gangs or teams in which the interdependence of labor was crucial element. During the planting period the interdependence arose largely from within each gang… The intensity of the pace of these gangs was maintained in three ways:
>
> First, by choosing as the plowmen and harrowers who led off the planting operation the strongest and ablest hands.
>
> Second, by the interdependence of each type of hand on the other. (For as on an assembly line, this interdependence generated a pressure on all those who worked in the gang to keep up with the pace of the leaders.)
>
> Third, by assigning drivers of foreman who exhort the leaders, threatened the laggards. And did whatever necessary to ensure both the pace and the quality of each gang's labor.
>
> …This feature of plantation life- the organization of slaves into highly disciplined, interdependent teams capable of maintaining a steady and intense rhythm of work-appears to be the crux of the superior efficiency of large-scale operations on plantations, at least as far as fieldwork was concerned. It is certainly the factor which slaveowners themselves frequently singled out as the key to the superiority

of the plantation system organization." (Fogel and Engerman, pp. 205-209)

Small white farmers in the South never combined into larger plantations and never worked in gangs notwithstanding the estimated 35% efficiency increase (Fogel and Engerman) that was available. Nor did the post-Civil War emancipated former slaves agree to work in gangs even at substantially higher incomes than they could earn as sharecroppers. Only slaves could be forced to work in these gangs. Accordingly, the end of slavery probably meant the end of the gang system, which produced (at a substantial cost to the slave workers) much of the efficiencies of plantation cotton farming.[xvi]

Evaluating Emancipation's Impact on Production Costs and It's Incidence

The end of slavery and its gang system would very likely have increased production costs for southern plantations. Could some of that increased cost have been shifted to consumers, or other stages of the production process? That question turns to a large degree on the relative importance of southern cotton in the world market. According to McHenry (p. 61), the South produced 48 million cotton bales in 1801 out of a total output of 551 million bales (9%). By 1811, the South's production had grown to 80 million bales out of a world output of 556 million (15%). Such a small share of the world market suggests that an increase in U.S. production costs would probably not have had much effect on the world price of cotton.

The invention of the Cotton Gin led to a dramatic increase in the quantity and quality of the cotton produced in the Southern U.S. This in turn made the South much more dependent on the slave system. Some have reasoned that without the cotton gin, slavery would have died out on its own. Clearly, that did not happen. The South's share of the world market increased to 66% in 1851. Thus, in these later years the South's market share was so large that the U.S. probably did have the ability to shift a meaningful portion of any production cost increase forward to the purchasers of cotton and cotton products. Fogel and Engerman (p. 245) estimate that in 1850 cotton consumers saved $14 million annually from of the greater "efficiencies" of the slave system. Thus, a wage system would probably have meant higher prices for consumers.

. The collapse of U.S. cotton exports during the Civil War was slowly made up by an increase in supply from India, Egypt, Brazil, and elsewhere but this cotton was higher cost and lower quality. By 1878-79, however, U.S. production had regained its pre-Civil War share of the market (Ball, p. 6). The recovery of the South's cotton exports is even more impressive in light of the corresponding appreciation of the dollar (which made U.S. exports more expensive to foreign buyers) at this time (Aldrich, p. 401). Clearly, cotton farming was well suited to the South's climate and soil. Had slavery ended earlier, the South would almost certainly have been able to remain competitive in cotton production. If the need to pay labor rather than to maintain slaves had caused production costs to rise, much of that cost increase would have probably been passed on to the consumers of cotton products.

Most of the South's cotton was shipped to Great Britain, where it was spun into cotton thread, processed into cloth, and then made into garments and other items. Typical of many final goods, the raw material cost was only a relatively small part of the total price. That southern cotton agriculture was able to compete successfully in the post-slavery world market of the 1870's strongly suggests that the South and indeed the southern plantation system with free (rather than slave) wage earing labor could have operated successfully in 1860 and probably in 1805 as well.

A rise in the cost of producing cotton in the U.S. South would have probably led to some rise in the world price of cotton. The U.S. share of the world cotton market might have declined somewhat. U.S. shipping and finance interests (based on the North) could have seen some decline in their revenues. According to Genovese (pp. 157-180), the antebellum South can be viewed as in colonial bondage to the North. Thus, revenues from the South's exports (arguably) facilitated this result. This argument suggests that a portion of any increase in production costs resulting in the abolition of slavery could have been passed on to business interests in the North.

The above analysis also suggests that an end to slavery may not have had much of a negative impact on the market value of land in the South. If cotton could have been produced successfully in the South without slavery (as it was in the post-Civil War era), then southern land capable of being farmed would have had substantial value with or without slavery.

Non-Economic Factors

Even if ending slavery was feasible economically, it may not have been politically feasible. Ultimately, a constitutional amendment was required to end slavery. Enacting such an amendment in 1805 would have required the votes of at least half of the slaveholding states (assuming all of the non-slaveholding states were to ratify). Virginia would have been the key to this political process. Recall how important Virginia was to the early United States. Four of the first five Presidents were Virginians (Washington, Jefferson, Madison and Monroe) Washington was the leader of the Revolutionary Army, the father of our country, and our first President. Jefferson was the author of the Declaration of Independence. Madison was the author of the Constitution. Monroe gave us the Monroe Doctrine. Each of these presidents served two terms. John Adams was the only non-Virginian among our first five, and he lost to Jefferson when he ran for reelection. If Jefferson could have convinced his own state to support the plan, Maryland, Delaware, Kentucky and Tennessee might well have followed. That would only leave the Carolinas and Georgia as potential holdouts. With thirteen of sixteen states in favor, the amendment would have become law. Secession by these isolated holdout states would have been possible, but difficult to accomplish without the other slave states going with them.

Convincing the political structure of enough southern states to favor such a proposal would almost certainly have required persuading those states' economic power structure. In other words, to end slavery peacefully, the slave-holders (especially the powerful large plantation owners) themselves would have needed to be convinced. Would the plantation owners have been willing to give up the system that they knew in exchange for western lands whose values they could only imagine? Those western lands did have immense value. Perhaps a formula could have been fashioned that would have given enough land of sufficient quality to offset fully any economic loss that the slaveholder would have suffered. So for example, perhaps the bounty for slave-holders could have been set at twice or three times the amount of their economic loss. The objective would be to make them as financially well off as they were before. That much should have been doable.

Genovese, however, argues that quite apart from the economics of the situation, slaveholders (most of whom held very racist views of their Black slaves) saw the continuation of slavery as necessary to their survival as their states' ruling class. As such, this ruling class would not and could not be bought off (Genovese, pp. 243-274). Similarly, Phillips (pp. 151-165) argues that slavery was so accepted and supported by non-slaveholders in the South because the then current (white supremacist) southern viewpoint considered it necessary for "race control". Many also feared that the addition of newly freed slaves in the labor force would drive down wage rates for non-slave-holding whites.

Along with Goldin, we have demonstrated that emancipation with compensation was far preferable to the Civil War from an economic point of view. The obvious implication is that non-economic factors (i.e. fear of a large newly freed population of former slaves) and an inaccurate expectation of how long the war would last, how much it would cost, and who would win, may have led to the actual result (notwithstanding the economic advantages that would have resulted from avoiding the war by emancipation plus compensation).

If in fact~~,~~ the power structure of the South was unwilling to accept any reasonable plan to end slavery, even gradually and with full compensation, were other options possible? The above analysis has demonstrated that ending slavery gradually by ending the practice of classifying children born to slave mothers as slaves and having the nation as a whole compensate the slaveholders for their economic loss was economically feasible in both 1805 and 1860. Indeed the value represented in the Louisiana Purchase would have been sufficient to cover the 1805 costs (market value of the slave population). Moreover, cotton could have been grown quite profitably in the South with wage labor. From the 1870's forward it was. Accordingly, if the South could somehow, short of war, been enticed toward emancipation by a careful but persistent policy, almost everyone would have been better off. Could a political solution have been implemented?

Delaware came very close to ending slavery on its own in the early 1800's. Also, note that the slave and free state balance was maintained until the Compromise of 1850 admitted California as a free state. Thus, the slave states needed Delaware's support to maintain their leverage in the Senate. Had Delaware been shifted to the Free State column, the South's political power would have diminished. One wonders why nearby New Jersey with a slave population of 5.9% in 1800 and 2.7% in 1820 followed an abolitionist path when Delaware, whose slave population was 3% in 1840, did not.[xvii]

A Plan to Abolish Slavery

The slave states of 1805 were all net exporters of slaves by the decade of 1850-1859 and Delaware, Maryland, the District of Columbia (which was not a state), Virginia, and North Carolina were already net exporters by the 1800-1809 decade. For these states (and D. C.) at least, many slave-holders would have been willing to sell significant numbers of slaves to the highest bidder. Suppose that the highest bidder for young girls and women of childbearing age had been the U.S. Government. These people could have been set free to live among the population of already free blacks living in Virginia, Maryland, and Delaware.

Such a program would have had several effects. First, it would have accelerated the process of converting the black slave population into free blacks. Second, it may have restricted the supply of new slaves and thereby driven up their prices.[xviii] The impact would have been greatest for the more western slave importing states.[xix]

Slavery survived in the U.S. for as long as it did at least in part because the South had sufficient political power within Congress to resist unfriendly legislation. Under the commerce clause, Congress could have imposed a tax on (or even banned) interstate commerce in slaves and banned slavery in all of the territories (as it did in the Northwest Territories and parts of the Louisiana Territory). The British Empire banned inter-island transport of slaves well before emancipation. Clearly, an anti-slavery policy at the national level could have made the slave system difficult to maintain even within those states where it was established, to say nothing of the territories where it was later established.

That the slave importing states provided a ready market for these states having a surplus also helped maintain the system. Without that expansion of the slave system, the original slave states would have become increasingly isolated. Moreover, without the profits from selling surplus slaves, the economics of a slave-based economy would have diminished.

So if a policy of having the federal government purchase freedom for female slaves of childbearing and younger ages would have led us toward a peaceful emancipation, could such a policy have been implemented politically? Any plan to begin the process of emancipation, even a voluntary plan, would have been difficult to sell to the power structure. Still, a voluntary plan would have had some important advantages. Rather than a constitutional amendment, a plan to purchase freedom for some female slaves over time would have only required Congressional appropriation and some degree of cooperation from the states involved (and not all slave states would have needed to cooperate). While not easy, these approvals would have been a lot easier to obtain than would a constitutional amendment.

One thing in such a plan's favor would have been the economic interest of the slave selling slave-holders. The plan would have added to the demand for their surplus slaves. Any slave-holder wishing to sell some or all of his or her slaves should have been primarily concerned with obtaining the best price. If the purchase program offered a higher price than the slave traders, why not sell to them? Thus, we return to the question: Could a plan of purchased freedom for potential childbearing slaves have been implemented politically? This question breaks down into two sub-questions. First, could Congress have been induced to pass the necessary legislation? Second, would the relevant states have been willing to allow the policy to proceed?

Put in somewhat different terms, the first question becomes: Could a strong push by a popular President (i.e. Jefferson) have pressured Congress into adopting such a plan? The argument could have been cast as follows: We agreed, "all men are created equal" when we declared our independence. Let us now begin moving in the direction of making *all* men free. We all believe in property rights and fair compensation. We all believe that owners should be able to sell their property to whoever offers the best price. I propose that we use the government's property (i.e. the land acquired in the Louisiana Purchase) to purchase freedom for some of the slave population. Some states now have a surplus of slaves. Let the federal government pay a fair price for the less productive girls and women and then set them free. We already have communities of free blacks. These newly freed blacks would simply add to that population. This plan will help maintain the market value for slaves by absorbing the surplus while not forcing anyone to sell any more slaves than he or she wants.

What about the individual states? Those states like North Carolina that restricted emancipation would have presented a problem. Slaves could have been purchased there and transported to more receptive areas but only if the states (like Virginia and Maryland) that allowed communities of freed blacks to exist did not pass laws against their importation. Moreover, any state could have passed its own set of laws designed to thwart a federal policy of purchasing female slaves for freedom. At least some states might have resisted. Still if the plan could have been implemented in at least a few states (particularly Virginia, Maryland and Delaware), it would have gone a long way towards restricting the availability of slaves to populate the more western states. Once again, Virginia would have been key.

A few political facts need to be kept in mind. Many of the founding fathers, while slaveholders themselves, were at least philosophically opposed to slavery. In particular, the first four Virginia presidents, Washington, Jefferson, Madison and Monroe all expressed a desire to see the practice end. Washington freed his own slaves in his will while Jefferson and Madison each devised plans to end slavery gradually (Mellon).[xx] In addition, early in U.S. history (just after the Revolution) the U.S. Congress voted to ban slavery in the Northwest Territories and came within one vote of banning it in the territory that later became the states of Kentucky, Tennessee, Mississippi and Alabama. Jefferson himself was very disappointed by this result. However, for a single vote, slavery might well have been restricted to the eastern seaboard from Delaware to Georgia (Mellon, p. 115). Finally, the further importation of slaves was banned after 1808 (although the ban was not effectively enforced for some years thereafter). If Congress had the will to ban slavery north of the Ohio River and prohibit further importation after 1808, perhaps it could have been induced to set up a system for purchasing freedom for some southern slaves with an eye toward eventual total emancipation.

Would the slave states have gone along? Georgia and the Carolinas might have prohibited the freeing of slaves within their borders and the export of slaves to states where they could be freed. On the other hand, Virginia actually facilitated a limited amount of emancipation during this period. According to McColley (p. 141), Virginia's free black population expanded from 3,000 to 30,000 from 1780 to 1810 through voluntary emancipation. Accordingly, Virginia might have been willing to cooperate. If so, Maryland, DC, and Delaware would have almost certainly gone along. By 1860 Maryland's population of free Blacks almost equaled its slave population while Delaware had three times as many free Blacks as slaves. What Kentucky and Tennessee would have done is difficult to predict.

To be acceptable to the South, any plan to move towards emancipation would need to have been gradual. As we have seen, Virginia was willing to accept a small amount of voluntary emancipation in the post-Revolutionary War period. Free Blacks were also a significant part of the populations of Maryland, Delaware, Louisiana and Washington DC. Voluntary emancipation was happening in the pre-Civil War South. Only a relatively small percentage of the freed blacks returned to Africa.

Quite possibly some of the southern states could have been persuaded to allow somewhat larger numbers of slaves to be freed by voluntary purchase and emancipation. Such a program would have needed to satisfy the white South on two points. First, their safety could not be compromised. Slave revolts were an ever-present fear. Nat Turner's uprising and John Brown's raid were examples of what could happen (as was the experience of Haiti). All of these events involved violence in which slaves participated and whites were victims. Second, the slave-holders would not want to see their labor force disappear. Only a relatively gradual plan could have met these tests. On the other hand, gradual emancipation was frequently followed by a sudden, complete and non-compensated emancipation within a short number of years in the countries and states where it was implemented. This phenomenon may help explain the stubbornness of many slave-holders to any plan to end slavery gradually, even if such plan included full compensation. With hindsight, we can see that the freed slaves would have remained available as laborers. Black migration out of the South was very slow until the First World War.

The safety issue is a tougher one. Blacks were in the majority in many southern counties. White (racist) southerners effort to control the black population (KKK, lynching) and thereby "protect" the white population was a reality until recent times. Jim Crow laws and white primaries were manifestations of an attitude that continued well into the Twentieth Century. Any realistic gradual emancipation plan should have anticipated other methods of "race control" as slavery gave way to emancipation. Political equality for Blacks would have been very slow to follow emancipation (as indeed it was in the post-Civil War South). Still, had emancipation begun sooner, progress toward true political equality might well have been quicker.

A voluntary birth-into-freedom policy would have faced some further questions. Freeing women and girls would have created gender imbalance in both the slave and free black communities. Single women and younger girls would have presented a problem of family break up but an effective policy would have required a more aggressive purchase program. Would freedom for the wives and daughters of families be viewed as an improvement by those freed or those left behind?

Finally, we come to the big question: Could a voluntary purchase program have led to the end of slavery within a meaningful period? Only a relatively small percentage of the slave population came onto the market in a given year. A program that sought to purchase the available females would have at best been a very slow way of ending slavery.

Conclusion

Could sale proceeds from our western land have been used to purchase freedom for the slaves and thereby have led to a peaceful emancipation? This complex question breaks into two important sub-questions. First, could the nation have afforded the cost of the purchase? Second, would the South (and particularly its power structure) have been willing to agree to the transaction?

Our analysis finds that the 1805 slave population had an estimated total market value of $223 million, $16 million of which may be attributed to the “reproductive value” of the slave population. Given the size of the 1805 economy and the then current value of the government held lands, $200 million or more represented a staggering sum. A proposal to raise and pay such a sum for ending slavery was unlikely to have been taken seriously, especially in light of the limited government attitude of the times. As valuable as the Louisiana Territory land was, few if any 1805 slaveholders would have been willing to accept a value for that land that would have been needed to use a land-for-slave exchange to end slavery. Any other source for financing a slave buyout in the $200 million plus range is equally difficult to envision. Borrowing the funds for the Louisiana Purchase was itself a bit of stretch for the young nation. Issuing bonds to purchase the slaves’ freedom raises another set of problems (debt service, inflation, and market value discount).

Thomas Jefferson was well aware of the impossibility of financing a complete emancipation plan:

“There are in the United States a million and a half of people of color in slavery. To send off the whole of these at once, nobody conceives to be practicable for us, or expedient for them. Let us take twenty-five years for its accomplishment, within which time they will be doubled. Their estimated value as property, in the first place, (for actual property has been lawfully vested in that form, and who can lawfully take it from the possessors?) at an average of two hundred dollars each, young and old, would amount to six hundred millions of dollars, which must be paid or lost by somebody. To this, add the cost of their transportation by land and sea to Mesurado, a year's provision of food and clothing, implements of husbandry and of their trades, which will amount to three hundred millions more, making thirty-six millions of dollars a year for twenty-five years, with insurance of peace all that time, and it is impossible to look at the question a second time. I am aware that at the end of about sixteen years, a gradual detraction from this sum will commence, from the gradual diminution of breeders, and go on during the remaining nine years. Calculate this deduction, and it is still impossible to look at the enterprise a second time. I do not say this to induce an inference that the getting rid of them is forever impossible. For that is neither my opinion nor my hope. But only that it cannot be done in this way.”[xxi]

The $16 million estimate for purchasing freedom for the unborn slaves of 1805 was, in contrast, a much more manageable figure. The land value of the Louisiana Purchase was clearly well in excess of that sum. Similarly, the 1805 federal government probably did have the capacity to borrow such a sum and service the debt.

A plan to end the practice of classifying babies of slave mothers as slaves themselves would, if implemented in 1805, have largely eliminated slavery by 1860. A policy of apprenticing newborns to the slave mother’s owners until a certain age (e.g. 18) could have dealt effectively with the issue of care for the infants.

A gradual emancipation of the slave population could have allowed time for a wage system to develop in the South. An end to the gang system would have increased production costs (ignoring the non-pecuniary costs to the slaves) but cotton would still have been a profitable southern crop. The increased production costs from such a non-gang wage system would have been borne by three basic groups: the former slave-holders, northern business interests, and consumers of the cotton production. Compensation to the former slaveholders would have offset much of the adverse economic impact for that group. Thus, the answer to the first question appears to be “yes,” the young nation could have afforded that cost of purchasing freedom of at least the newborn slaves from 1805 forward.

Jefferson’s gradual emancipation plan, sketched in 1824 but already envisioned on “Notes to Virginia” considered the emancipation of the after-born:

“…leaving them, on due compensation, with their mothers, until their services are worth their maintenance, and then putting them to industrious occupations, until a proper age for deportation. This was the result of my reflections on the subject five and forty years ago, and I have never yet been able to conceive any other practicable plan. It was sketched in the Notes on Virginia, under the fourteenth query. The estimated value of the new-born infant is so low, (say twelve dollars and fifty cents,) that it would probably be yielded by the owner gratis, and would thus reduce the six hundred millions of dollars, the first head of expense, to thirty-seven millions and a half; leaving only the expense of nourishment while with the mother, and of transportation."[xxii]

Jefferson considered financing the plan selling land:

"…And from what fund are these expenses to be furnished? Why not from that of the lands which have been ceded by the very States now needing this relief? And ceded on no consideration, for the most part, but that of the general good of the whole. These cessions already constitute one fourth of the States of the Union. It may be said that these lands have been sold; are now the property of the citizens composing those States; and the money long ago received and expended. But an equivalent of lands in the territories since acquired, may be appropriated to that object, or so much, at least, as may be sufficient; and the object, although more important to the slave States, is highly so to the others also, if they were serious in their arguments on the Missouri question. The slave States, too, if more interested, would also contribute more by their gratuitous liberation, thus taking on themselves alone the first and heaviest item of expense."[xxiii]

Would the South's power structure have accepted the compromise? Genovese argues persuasively that the South would not because it would have ended the "southern way of life" for the ruling plantation class. Similarly, Phillips argues that the non-slaveholding white southerners supported slavery as a means of "race control". Indeed Jefferson himself wanted to end slavery (gradually and with compensation and colonization) but chose not to propose his plan because of his fear that it would be soundly rejected and thereby set back the cause. While we cannot know for certain, the writings of contemporaries imply that non-economic factors would have made any attempt to end slavery through economic compensation very difficult.

Economists are very reluctant to accept the proposition that no level of economic incentives could have succeeded in enticing slaveholders to support a gradual emancipation plan. Perhaps a generous above market value bonus would have been sufficient inducement to obtain support from the slave-holders raised from the entire population. On the other hand, the higher the premium, the less likely~~,~~ the rest of the nation would have been to support the plan. Quite possibly any level of premium that would have obtained the slaveholder's support would have been so high that it would have lost the support of the rest of the nation. Perhaps the Civil War was inevitable even though a peaceful alternative was economically feasible.

References

Aldrich, Mark, "Flexible Exchange Rates, Northern Expansion, and the Market for Southern Cotton: 1866-1879," *Journal of Economic History* XXXIII (June, 1973): 399-416.

Ball, Douglas. *Financial Failure and Confederate Defeat*. Chicago: University of Illinois Press, 1991.

Bassett, John Spencer. *Slavery in the State of North Carolina*, Baltimore: The John Hopkins Press, 1899. Reprinted in *Slavery in the States: Selected Essays*. New York: Negro University Press, 1969.

Butler, Kathleen Mary. *The Economics of Emancipation: Jamaica and Barbados, 1823-1843*. Chapel Hill: The University of North Carolina Press, 1995.

Coclanis, Peter, *The Economics of Slavery,* In: The Oxford Handbook of Slavery in The
Americas, ed. Robert L. Paquette and Mark Smith.Oxford and New York: Oxford Univer sity
Press, 2010.

Conrad, Alfred, and Meyer, John. "The Economics of Slavery in the Ante Bellum South," *Journal of Political Economy*, LXVI (April, 1958), 95-130. Reprinted by Woodman, Harold D. *Slavery and the Southern Economy, Sources and Readings*. New York: Harcourt, Brace and World, 1966, pp 66-97.

Cooley, Henry Scofield. *A Study of Slavery in New Jersey*, Baltimore: The John Hopkins Press, 1896. Reprinted in *Slavery in the States: Selected Essays*. New York: Negro University Press, 1969.

Curtin, Philip D. *The Rise and Fall of the Plantation Complex*. Cambridge: Cambridge University Press, 1990.

Chambers, Henry E. *Mississippi Valley Beginnings*. New York: The Knickerbocker Press, 1922.

David, Paul; Gutman, Herbert; Sutch, Richard; Temin, Peter; and Wright, Gavin. *Reckoning with Slavery*. New York: Oxford University Press, 1976.

Davis, Edwin Adams. *Louisiana, The Pelican State*. Baton Rouge: Louisiana State University Press, 1961.

Feldman, Noah, *The Three Lives of James Madison*, New York, Random House, 2017.

Fogel, Robert William, and Engerman, Stanley L. *Time on the Cross*. Boston: Little, Brown and Company, 1974.

Fogel, Robert W., Ralph A. Galentine and Richard L. Manning, *Without Consent or Contract: The Rise and Fall of American Slavery*, Norton, New York, 1992.

Genovese, Eugene. *The Slave Economies, Volumes I and II*. New York: John Wiley and Sons, 1973.

Goldin, Claudia Dale. "The Economics of Emancipation." *Journal of Economic History* XXXIII (March, 1973): 66-85.

Goldin, C. and F. Lewis, “The Economic Cost of the American Civil War: Estimates and Implications,” *The Journal of Economic History*, June 1975, pp. 299-326.

Goldin, C. and F. Lewis, “The Post Bellum Recovery of the South and the Cost of the Civil War: Comment,” *The Journal of Economic History*, June 1978, pp.487-492.

Johnston, William Dawson. *Slavery in Rhode Island, 1775-1776*. Reprinted in *Slavery in the States: Selected Essays*. New York: Negro University Press, 1969.

Lombardi, John V. *The Decline and Abolition of Negro Slavery in Venezuela, 1820-1854*. Westport: Greenwood Publishing Corporation, 1971.

Long, E. B. *The Civil War Day by Day, An Almanac 1861-1865*. New York: DoubleDay and Company, 1971.

McColley, Robert. *Slavery and Jeffersonian Virginia*. Urbana: University of Illinois Press, 1964.

McHenry, George. *The Cotton Trade: Its Bearing upon the Prosperity of Great Britain and Commerce of the American Republics*. New York: Negro University Press, 1969. Originally published in 1863 by Saunders, Otley and Co, London.

Mellon, Mathew T. *Early American Views on Negro Slavery*. New York: Bergman Publishers, 1934.

Nunn, N. “Slavery, Inequality and Economic Development in the Americas: An Examination of the Engerman-Sokoloff Hypothesis”, unpublished manuscript, Harvard University, October, 2007.

Oates, Stephen B. *The Approaching Fury, Voices of the Storm, 1820-1861*. New York: HarperCollins Publishers, 1997.

Phillips, Ulrich Bonnell. *Life and Labor in the Old South*. Boston, 1935.

Phillips, Ulrich Bonnell. *The Course of the South to Secession*. New York: D. Appleton-Century, 1939.

Poole, Keith T. (Web Home Page, 1197): k7moa.gsia.cmu.edu/topic5.htm

Rogers, Jeffrey. “Deadweight and the American Civil War: The Political Economy of Slavery, Secession and Emancipation,” San Jose State University, October, 2012.

Sellers, James, “An Interpretation of Civil War Finance.” *American Historical Review* 30 (October 1924, July 1925): 282-297.

Starobin, Robert S. *Industrial Slavery in the Old South*. New York: Oxford University Press, 1970.

Steiner, Bernard. History of Slavery in Connecticut. Baltimore: The Johns Hopkins Press, 1893. Reprinted in *Slavery in the States: Selected essays*. New York: Negro University Press, 1969.

Tadman, Michael. *Speculators and Slaves: Masters, Traders, and Slaves in the Old South*. Madison: The University of Wisconsin Press, 1989.

Temin, P., “The Post-Bellum Recovery of the South and the Cost of the Civil War,” *The Journal of Economic History*, December 1976, pp. 898-907.

The American Revolution, “The Letters of Thomas Jefferson: 1743-1826, A Plan of Emancipation,” 1999, odur.let.rug.nl.

U.S. Bureau of the Census. *Census of 1800, 1810, and 1820*. Washington D.C.

Williams, William H. *Slavery and Freedom in Delaware, 1639-1865*. Wilmington: Scholarly Resources Books, 1996.

Woodman, Harold D. *Slavery and the Southern Economy, Sources and Readings*. New York: Harcourt, Brace and World, 1966.

Wright, Gavin. “Slavery and American Agricultural History”, Stanford University, unpublished manuscript, April, 2003, (Paper originally presented as the presidential address at the annual meeting of the Agricultural History Society in Memphis, Tennessee, April 5, 2003).

End Notes

* I would like particularly to thank my former student Urbi Garay, whose extensive help on this project was invaluable. I would also like to thank Stephen Oates, Gerald Friedman, Jenny Wahl, two anonymous reviewers and seminar participants at the University of Massachusetts for their helpful comments. Any remaining errors are mine alone.

[i] Delaware (1840 slave population of 3%), never seriously considered secession (in contrast to Maryland, Kentucky and Missouri) as the Civil War approached. If any slave state was ready for emancipation, it was Delaware with slaves only constituting 3% of its population. And, yet, as of 1860, Delaware continued to allow slavery.

[ii] Only about one fourth of southerners owned slaves in 1860 and most of these were small farmers with one or a few slaves. The large plantation slaveholders constituted a very small fraction of the southern population.

[iii] The relative importance of slavery as a cause for the Civil War (as opposed to other factors such as state’s rights and tariff policy) has long been debated. For the purpose of this analysis, we assume that while slavery was not the only causative factor leading to civil war, without it as an issue, the Civil War could almost certainly have been avoided.

[iv] These are actually two propositions. The first concerns abolition with compensation. The second involves the means of financing. We will see later that Jefferson actually envisioned an Emancipation Plan that also considered its financing as did Madison.

[v] We chose the Louisiana Purchase as a possible vehicle for abolishing slavery not only because of the implicit and substantial surplus that the government obtained in the deal, but also because Jefferson was President at the time and the abolitionist movement had gained momentum at the beginning of the nineteenth century. Whether this would have been an optimal time to implement a plan to end slavery is beyond the scope of this study.

[vi] These issues have already been analyzed by Goldin. Our analysis differs from hers mainly on that we obtain estimates for the year 1805, and in our political economy study of an emancipation with compensation scheme.

[vii] This analysis involves consideration of concepts such as the market value of the slave population, the pricing of various categories of slaves, slave breeding, investing in slaves, race control, etc. Nothing in this analysis should be interpreted as suggesting that anyone associated with this project in any way defends any aspect of the system. Still, to conduct this analysis, one must deal with such concepts.

[viii] Prices of prime field hands are taken from U.B. Phillips (p. 177) as presented in Conrad and Meyer and reprinted in Woodman (pp. 91-92).

[ix] They appear to be approximately consistent with Fogel and Engerman analysis (Fogel and Engerman, p. 76).

[x] Fogel and Engerman criticize these data as being biased upward by about 15%. If we assume Fogel and Engerman's bias estimate applies uniformly across genders and ages, all market values for the slave population should be reduced by 15%.

[xi] While the government could have issued its own bonds to the slaveholders, such bonds would almost certainly have traded at a steep discount and been extremely inflationary.

[xii] These are military casualty numbers. Civilian casualties would add to the total.

[xiii] In theory one should take the present value of the costs associated with the Civil War as they were incurred at various times after 1860.

[xiv] The Civil War did stimulate the development of ironclad ships, repeating rifles, and railroad technology.

[15] Ironically, the proposed use of the Louisiana Purchase land to free black slaves would have required largely forcefully displacing the Native Americans from that land. In addition, causing the deaths of many of these same Native Americans. One can logically ask why one ethnic group should have to suffer so that another could be freed. Historically, however, the land was not used to buy the slaves freedom and the Native Americans were displaced and many killed, nonetheless.

[xv] In addition, see Genovese (pp. 243-274) who argues that opportunities for slavery's expansion existed beyond the slave states if one consider their use in non-cotton production (e.g. mining, grain framing, industrial uses, etc.). On the other hand, he concludes that slaveholders would have been very reluctant to take slaves into territory that might ultimately vote to abolish slavery. Thus, he gets to about the same place. Slavery had probably almost reached the limits of its potential expansion by 1860. Incidentally, according to Wright (2003) there is no obvious or clear way to separate the effects of geography from the effects of slavery as an institution.

[xvi] The supposed superior economies of scale of the slave plantation that Fogel and Engerman brought into the forefront of the debate is still controversial. See the work by Rogers (2012, Chapter 5) for a comprehensive review of this issue. See also the paper by Nunn (2007) for more on this issue.

[xvii] Goldin presents a good review of different slavery emancipation experiences in the U.S. and abroad.

[xviii] Ending slavery piecemeal does raise the question: who is responsible for the children born of slave mothers? In a slave system the slaveholders bore the net cost of these children's maintenance. Slave children were however, put to work at an early age. Any birth-into freedom plan would have needed to provide for their maintenance prior to their reaching the point of self-sufficiency. Such children could be apprenticed to the mother's owner until some age such as eighteen. The age at which the children of slave mothers become free of apprenticeship is a key factor in determining the compensation required to offset the slaveholder's loss. At one extreme, the slaveholder could be made responsible for maintenance but totally compensated by apprenticeship. Under this plan, any child born of a slave mother might be apprenticed well into adulthood (raising the issue of maintenance for the children of apprentices). Alternatively, the mother's owner could be made responsible for maintaining the slave mother's children without any apprenticeship rights. Such an approach would probably encourage neglect of the child's needs (or even, infanticide). Clearly, the economic loss to the slaveholders of birth into freedom would be far less under the former than under the latter approach. A middle ground assumes an apprenticeship sufficiently long to compensate the slaveholder partially and a buyout large enough to cover that part of the maintenance cost not offset by the apprenticeship.

[xix] A plan to begin emancipation in 1805 would have probably ended any incentive to import additional slaves (whose importation's was prohibited after 1808). Still to be consistent with the objective of ending slavery, a plan to do so in 1805 would also probably have needed to prohibit importation of slaves as of 1805.

[xx] The biggest problem for these people seems to have been their desire to maintain a lifestyle that was based on slave/property. They needed a means of ending slavery without ending the source of their power and standing within their communities.

[xxi] The American Revolution, pp 1-2.

[xxii] The American Revolution, p. 2.

[xxiii] The American Revolution, p. 2.

Source of drawing of slaves: https://commons.wikimedia.org/w/index.php?curid=1785701 It portrays Portuguese slavers in Africa taking captives to be sold as slaves. One of the captives is being killed because he is unable to keep up. Because they were being taken to an east coast port, this drawing isn't one of people likely to have been taken to America.

Source of the photo of Jefferson's home: Wikimedia Commons.

1996 B>Quest BUSINESS QUEST 2018