

## How to get Labor?

Readings: Walton and Rockoff, Chapter 2.

Galenson, "Labor Market Institutions", pp 153 – 169, also skim "Population Growth", pp 169 - 181 in The Cambridge Economic History of the United States: Vol. 1, the Colonial Era

### I. We Have Exports products, Governance, & Land Institutions. Now

#### We Need Labor

##### A. What did the Spanish do?

- Relied on native labor ... luck of Geography ...
- Encomiendas and later peonage: Laborers attached to land

##### B. English colonies, Early 1600's

- Landed in areas with a smaller native population
- Headright system
- Very high labor productivity in colonies (we need labor!)
- Cost of passage £9 to £10, More than avg. yearly income
- Folks couldn't pay their way
- Lenders would not take the risk to lend to them
- Employers wouldn't pay their way unless there was some guarantee of a return

##### C. Not quite a solution: VA company pays cost of passage. In return, worker works as part of a gang for X years.

⇒ Poor work incentives for laborers

##### D. Still not quite a solution: VA company pays cost of passage. In return, worker agrees to work for X years to whomever VA Co. contacts with. VA Co. "rents" workers to planters for one year terms.

⇒ Poor work incentives for laborers

⇒ Poor incentives for planters to preserve labor ... 1 year rental

##### E. Solution: Indentured Servitude

- Ex. 1) Alex signs a contract with Mr. X. Alex agrees to work for 4 years in VA in exchange for passage, food, clothing and shelter, and a few tools and land upon completing her contract. Most

terms (length of contract) are subject to negotiation. Some (physical treatment, what the servant gets at the end) are specified by law.

2) Mr. X's agent ships Alex to Jamestown.

3) Mr. X's agent sells Alex's contract to Planter Patrick

4) Alex works for planter Pat until his contract is up

5) Planter Pat usually gives Alex something at the end ⇒ incentive for alex to work hard

- 1618: First Contract
- To 1775: ≅ 500,000 (European) immigrants, 350,000 + of which were indentured servants

##### F. Market Forces and Indentured Servitude

- Typically: 3 to 7 years

Some land or tools at the end

- Keys to graphing this:

1) Labor is item being bought and sold

2) the price of labor is  $\frac{\text{passage}}{\text{years of labor}}$  ... or  $\frac{\text{\$}'s}{\text{years of labor}}$

- Women: ←S ⇒ better terms for worker (high  $\frac{\text{passage}}{\text{years of labor}}$ )
- Skilled: ←S and →D ⇒ better terms for worker
- Germans: ←D ⇒ worse terms

##### G. The decline of indentured servitude

- Natural increase of colonists ⇒ → S of free labor
- Slavery? More likely the causation goes:  
↓Indentured Servants ⇒ ↑Slave Imports
- Drumroll Please!

Rising real incomes & falling costs of voyage ⇒ ↓Indentureds

### II. Slavery, Another Labor Source

#### A. Why slavery?

Slaves were very expensive

- Indentured servant market eventually shrank
- Europeans had trouble in southern climes (MD south)
  - deaths ... and Europeans had a choice
  - ~~compensating differential (low  $S_{Labor}$ )~~

B. Why mostly the South? A first attempt.

1. The Culture of the Founders? Different groups founded different areas. Each left their cultural mark.

a. ex Albion's Seed. 1989. by David Hackett Fischer

Below is a review of Albion's Seed by Nelson Rosit, from the Journal of Historical Review. ([http://www.ihr.org/jhr/v12/v12p114\\_Rosit.html](http://www.ihr.org/jhr/v12/v12p114_Rosit.html). Retrieved 2008.) The **highlights** are mine. No, I'm not talking about the natural grey highlights in my hair. I'm talking about the highlighted material below.

ALBION'S SEED: FOUR BRITISH FOLKWAYS IN AMERICA by David Hackett Fischer. New York: Oxford University Press, 1989, hardbound, 948.

Reviewed by Nelson Rosit

David Hackett Fischer has performed several notable services in writing *Albion's Seed*. First, he has brought to American historiography the approach of the French school of the *Annales* begun by Georges Dumezil and developed further by Fernand Braudel. French social historians have been concerned with both continuity and change over long periods of time. American historians of the 20th century have written history that is almost exclusively concerned with the new.

Second, Fischer has sought to write a total or unified social history rather than a historical fragment. As the author explains in the preface:

Instead of becoming a synthesizing discipline it [U.S. social history] disintegrated into many special fields; women's history, labor history, environmental history, the history of aging, the history of child abuse, and even gay history -- in which the work became increasingly shrill and polemical. (p. ix).

This book is a comprehensive, almost encyclopedic, guide to the origins of colonial American culture.

The third achievement of *Albion's Seed* is that it "searches for a way beyond reductive materialist models" for causality in history. Professor Fischer, though of German Lutheran stock, teaches at Brandeis. Predictably, he disavows any racial determinist theories.

Fourth, **Fischer brings back from recent oblivion the colorful regional stereotypes of American history.** New Englanders really were puritanical; Southern gentlemen genuine aristocrats; Quakers were very pious; and Southern highland clans feuded as they had in the old country.

Fischer's basic thesis is that although less than 20% of the present U.S. population has British antecedents, our British genesis is still the dominant factor determining our culture. This formative British culture, however, was not monolithic. America still reflects the regional, religious, and class divisions of 17th and 18th century Britain.

**According to Fischer, the foundation of American culture was formed from four mass emigrations from four different regions of Britain by four different socio-religious groups. New England's constitutional period occurred between 1629 and 1640 when Puritans, most from East Anglia, settled there. The next mass migration**

**was of southern English cavaliers and their servants to the Chesapeake Bay region between 1640 and 1675. Then, between 1675 and 1725 thousands of Quakers, led by William Penn settled the Delaware Valley. Finally, English, Scots, and Irish from the borderlands settled in Appalachia between 1717 and 1775. Each of these migrations produced a distinct regional culture which can still be seen in America today.**

The plotting of cultural continuities of long duration inevitably leads to the question of causality. As stated above, Fischer discounts race as a factor in such continuity. He does so in a very brief and completely unconvincing discussion. Of course there is overwhelming historical evidence for race being one very important factor in determining culture. For example, racial change within a society inevitably brings about fundamental and lasting cultural change.

Although Fischer disallows the racial factor there is still much of interest for the student of race in *Albion's Seed*. The book for instance, lends weight to those who see a Teutonic/Celtic split between the American North and South. The theory is that the Puritans and Quakers came from the areas of England with heavy Anglo-Saxon and Scandinavian influences while the cavaliers and southern high-landers originated from the more Celtic areas. East Anglia, as its name implies, was the home of the Angles, the regions where the epic *Beowulf* originated and after became part of Danelaw. The North Midlands, the Quaker stronghold, has a heavy concentration of Scandinavian place names. "From the Norsemen came the custom of moots, or assemblies in the open at a standing-stone or hilltop grave, which may have influenced the Quakers' love for such meeting places," quotes Fischer from another historian (p. 446). Instead of the town meetings of the Puritans or the Friends meetings of the Quakers, Southerners, whether cavaliers or highlanders, tended to be less communal and more individualistic; less collective and more libertarian.

The Nordic aesthetic is not totally neglected either. The author relates the story of a "Latin adventurer named Francisco de Miranda" who visited America in 1784. While here he attended a Quaker meeting which he describes in his journal:

I entertained myself ... by examining slowly the dress and the countenance of the female concourse and I can assure you with all ingenuousness that neither more simplicity, cleanliness and taste in the first nor natural and simple beauty in the second can be imagined. I am firmly persuaded that the coloring of Rubens and the carnations of Titian can never imitate what nature offers her in the hue and complexion of simple Quaker women who have not a grain of powder or drop of oil on their persons. (p. 551).

**As Fischer wrote his conclusion in 1988 he saw the continued dominance in America of cultural values and institutions originating in Britain.**

The author supposes that if Anglo-American culture can remain pre-eminent while the British ethnic component sinks to less than 20% such a culture can survive any manner of racial change. Unfortunately, there are several factors the author does not consider.

While America is less than 20% British, it is still 60% northern European. The main reason America has remained so British culturally is because the millions of German, Irish, Scandinavians, Dutch, and other Europeans who came to these shores, along with their descendants were close enough racially to assimilate culturally. Millions of Americans who are not ethnically Anglo-Saxon are culturally Anglo-Saxon.

To make his point Fischer has somewhat overstated his case for the continuity of British culture in America. Certainly the formative or constitutional period of America was overwhelmingly the work of British peoples. Many of their values and institutions remain. But how much of mass culture; the products of the entertainment industry and the mass media, can still trace its origins to 17th and 18th century England? Perhaps the last volume (*Albion's Seed* is the first of a five volume cultural history of America) will deal with these concerns.

Whether or not Professor Fischer provides the right answers, he has asked the right questions. To finish enumerating the accomplishments of the book, probably the work's greatest asset is that it asks the right questions. The author asks, "Where do we come from? Who are we? Where are we going?" To be useful, history should ask the big questions, the questions of collective identity and purpose. Asking the right questions is half the battle.

- b. So was a slavery a southern phenomena because the moral puritans and Quakers landed in the north and the less moral, more money loving, more wealthy Cavaliers landed in the South (and all the Irish and Scottish border drunks who were too poor and unrefined to set up plantations settled in the Middle Appalachians)?
- c. Some exceptions to this cultural determinism: Puritans and Northerners gone bad ... when it pays.
- Georgia ... originally founded by Oglethorpe as a haven for debtors becomes a slave/plantation colony pretty quickly.
  - Governor Winthrop's sons at times ran slaves
  - Providence Island – founded by an offshoot of Plymouth colonies, off the coast of Nicaragua, turned to slaves within a few years.
  - Slave owners can bring slaves into Illinois territory and keep them as slaves as long as the slave signs a “registered servant” agreement. Offspring of registered servants can be kept by owners until 30 (men) or 28 (women).
  - 1824 constitutional convention to change the (good state of) Illinois state constitution to allow slavery barely fails (43% yes, 57% nay)

C. Why mostly the South? Our 2<sup>nd</sup> Attempt. Look at the decision makers as out for profits regardless of culture.

0. The model. Supply and demand for slaves in each region.

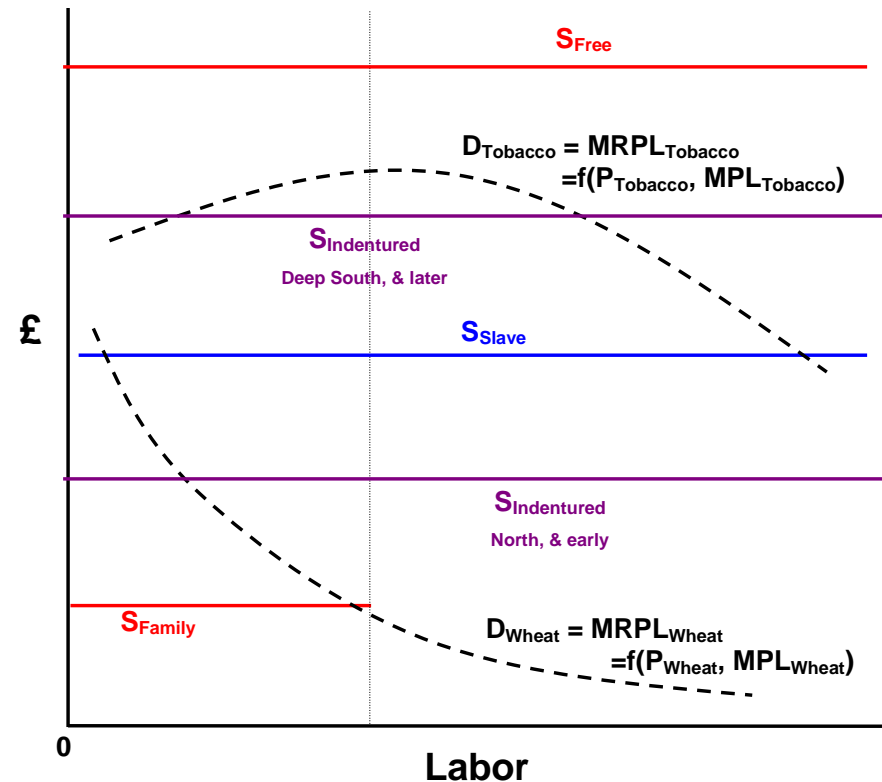
1. **Demand:** Slaves were very expensive. Highly profitable Southern “staples” could bear the costs (more later in course).

**Aside:** Slave labor used on Missouri wheat farms on the Missouri river in decades when the price of wheat was high (little Dixie).

**Aside:** Slave labor used on wheat farms in VA's Shenandoah valley.

**Aside:** Gavin Wright (more later) argues the U.S. was lucky that wheat (& other grain) prices were low when Midwestern

states were admitted or there might have been more slave states. The U.S. was unlucky regarding Kentucky.



2. **Demand:** ?? Southern climate could use slave labor all year long ...

but (more later) Gavin Wright argues slave labor was a “good” way to ensure hands will be there come wheat harvest time. i.e. **Slaves insured a reliable supply of labor during the harvest and other times of peak demand for labor? The planter did not run the risk of losing much of his crop due to insufficient labor demand.**

3. **Demand:** ?? Southern staples subject to economies of scale (EOS) high MES. Family labor couldn't handle it.

- rice (grown in lowlands)
- indigo (highlands: complementary to rice)

- tobacco ?
  - cotton (? EOS de-emphasized in recent years)
  - sugar (Caribbean) ... very much subject to EOS
- 4. Supply: ??** Southern climates (ex. Yellow Fever & Malaria – Sickle Cell gene) more suitable to West Africans, less to West Europeans?
- 5. Supply:** Southern climates less healthy, more fatal?  
Europeans won't freely go there, at least not unless the wage is very, very, high. African slaves have no choice.
- 6. Demand:** Primogeniture more common (legally & culturally) in the south ⇒ Big farms ⇒ Family labor won't do.  
Remaining question: How much was primogeniture a cause, how much was it a result?  
Multigeniture: land is split  
Southern thing.
- 7. Hmmm?** Why no large #'s of slaves in manufacturing?  
Manufa. was not a colonial export staple.  
Manufa, ex. shipbuilding, required highly skilled labor  
Manufa. took place in climes Europeans would freely go

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### Study problems

1. About half a million from the British Isles and other parts of Europe immigrated to the English colonies in North America prior to 1750. How the heck did most of these Europeans get over here?
  - a. Explain the economic problems faced by labor wanting to go to the colonies, and potential users of labor in the colonies. In particular, if going to the new world could be a win-win for both the worker and whoever in the new world hires him or her, why were there any problems getting people over.

Note: I'm looking for more than just high passage costs. New world incomes were high enough relative to passage costs to make immigration a good "investment" or you wouldn't have had people wanting to emigrate and planters wanting to hire them.

- b. What methods of overcoming this problem were tried, but were ultimately not successful? Why did they fail? What system ultimately succeeded at getting European labor to the new world? Explain why this method succeeded whereas others failed.
- \*2.** Tell me about indentured servitude in the colonial period. In particular:
- a. Did this system respond to economic conditions in the much the same way an efficiently operating private market would? Or was this system more correctly characterized as a non-market system? Explain.
  - b. How long did this system last? What factors caused it to become more or less common?
- \*3.** It's 1975. Johnny Lovett is learning American History at Ozark, Missouri elementary school. Right after practicing "Duck and Cover" exercises (in case Soviet aircraft bomb Ozark, a high priority target), he learns some American history. He is taught that slavery became a Southern, but not Northern institution because of cultural differences the colonial founders had. In particular, founders of the southern colonies were typically: 1) mostly interested in making money, and 2) "Cavaliers" (i.e. not Puritans). The Northern colonies were founded by those more interested in God and moral living, i.e. the Puritans.
- How polar, in terms of slave versus non-slave, were the northern and southern colonies in reality? When did the regions become polar?
  - Would a modern economic historian tend to agree with what Johnny Lovett was taught in 1975? If not, explain why some regions became slave regions and some free?
- 4.** It is often thought that slavery worked well with certain crops and not others.
- Why would slavery tend to work better with some crops and not others? Use examples to illustrate your arguments.
  - Might there be some myths regarding slavery and its compatibility with certain crops? In particular, discuss whether wheat production was or was not compatible with slavery.
- 5.** Consider the colonial regions that became slave owning areas. There are many economic reasons which explain why these regions became slave colonies. Of these reasons, which one most speaks to the fact that slavery was involuntary bondage? Why?