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THE ECONOMICS OF SLAVERY IN THE ANTE BELLUM SOUTH: ANOTHER COMMENT[1]

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THIS paper takes issue with Messrs. Conrad and Meyer's statement that "*economic forces* may often work toward the continuation of a slave system."[2] Historic evidence is generally contrary to this assertion, except insofar as the slave supply can be cheaply replenished from external sources. The authors mention the case of Rome,[3] where slavery declined when the Pax Romana was established and the major external sources of slave supply had dried up. But they are wrong in saying that slavery in Rome declined because the slave population could not reproduce itself. Slavery in Rome declined as a result of widespread manumission. Profitable deals could be made with the slave or with the freedman, who could be and usually was obligated to render services to his former master. A freedman often continued in the same employment or else was set up in business with funds supplied by the master, or, on the land, was given part of the estate to work as a tenant. Hence the slave in fact bought his own freedom, either by being given the opportunity to accumulate savings of his own, the "peculium," or afterward as a freedman, having received his freedom, so to speak, on credit. This system was to the advantage of the owner because it gave the slave an incentive to work well and in general to make himself agreeable to his master. Thus, while the owner did not (immediately) appropriate the entire surplus that the slave earned over and above the cost of his maintenance, he still got greater economic benefits in the long run.[4] And it should be emphasized that this occurred in a period in which slave prices were rising.[5] Therefore we should be leery of the notion that economic considerations are contrary to voluntary emancipation when slave prices are high and on the increase. Rather, the opposite is true: the most highly valued

[1] I am indebted to Gordon Tullock and to my graduate students for stimulating discussion of the subject.

[2] *Journal of Political Economy*, LXVI (April, 1958), 122 (italics mine).

[3] *Ibid.*, pp. 111–12.

[4] See, for instance, A. M. Duff, *Freedmen in the Early Roman Empire* (Oxford, 1928), especially chaps. i and ii. It may be pointed out here that in the history of slavery the Roman Empire occupies a unique place in that it is the only case in which chattel slavery achieved an economic importance comparable to its importance in the New World. The fact that the relatively minor significance of slavery in other societies usually had nothing to do with ethical considerations does in itself strongly support my contention that slavery is not an efficient economic system. The size of the slave labor force has always been in balance between extensive manumission or excessive mortality on one side and fresh outside supplies on the other. In Greece, for instance, the advantages of manumission were no less realized than in Rome, and the practice was as widespread. According to Westermann, manumission prices were in excess of the usual market prices for slaves. See William L. Westermann, *The Slave Systems of Greek and Roman Antiquity* (Philadelphia, 1955), p. 36. Also Duff, *op. cit.*, p. 14.

[5] The recorded slave prices which have survived do not give a conclusive indication of a trend: they are not numerous, individual differences between the slaves were important, and we do not know enough about changes in the price level. Nevertheless there is general agreement in the literature that during the Empire slaves were more valuable than during the heyday of slavery in the time of the Republic, an opinion which is based upon evidence indicating that in the later period slaves were regarded as valuable assets, and treated accordingly, whereas under the Republic they were recklessly exploited. See, for instance, Westermann, *op. cit.*, pp. 72, 76–77; and R. H. Barrow, *Slavery in the Roman Empire* (London, 1928), pp. 54, 83. Barrow contains a list of references to passages dealing with slavery by ancient authors.

slaves were the most likely to be freed, for the full benefit of their talents could not be obtained under the whiplash but only by giving them the positive incentive of immediate or ultimate freedom. And, if this is so, the idea that slavery is profitable (and therefore likely to be maintained) when slave prices are high does not stand up against the modern notion of opportunity cost but is the result of overlooking the most relevant alternative opportunity: that of allowing the slave to buy himself. No doubt slaves would have been less valuable in Rome if this opportunity had not existed. Without freedom in the offing the slave could be made to produce more than his keep and hence would have commanded a price representing the capitalized value of these surplus earnings, but this would have been less than he was able and willing to pay for his own person. In a cynical vein we could say that, as a rule, the slave was able to outbid anyone else because he had a sentimental attachment to his person.

It is true that slaves in Rome were often highly skilled, and the discrepancy between a person's productivity when free and when a slave may be greater in such a case than if the person is an unskilled laborer required to perform routine operations. However, free labor largely replaced slave labor in Rome not only among the skilled occupations but also on the large estates. During the late Republic these "latifundia" were worked by slave gangs, but in imperial times, when the large influx of captive slaves ceased and slave prices rose, they were converted into conglomerations of free tenant holdings.[6]

[6] See, e.g., Barrow, *op. cit.*, pp. 89–90; Tenney Frank, *An Economic History of Rome* (2d ed.; Baltimore, 1927), pp. 327, 436–39; Duff, *op. cit.*, pp. 93, 199. To avoid misunderstanding, it may be pointed out that, while slavery during the prolonged period of peaceful and orderly conditions of the early empire became economically insignificant, it never disappeared completely. Later, when the Empire began to crumble and border warfare was resumed on a large scale, it became more important again, and the remnants of this late Roman slavery were carried over into early medieval Europe.

This is not to suggest that in the South slavery was disappearing or would inevitably have disappeared in due time as a result of manumission by self-purchase. Self-purchase of slaves in the ante bellum period was not a movement of quantitative significance relative to the natural increase of the slave population—that much should be made clear at the outset of any discussion of the subject. I shall offer a tentative explanation of this fact later, but first we should gain an impression of the phenomenon as it occurred in the American setting.

Most cases of self-purchase occurred in urban areas, where certain industrial plants that owned or hired slaves, for instance the Tredegar Iron Works in Richmond, recognized the advantage of giving the slave the incentive of eventual liberty and operated in such a way "as to encourage slaves who wished to buy their freedom."[7] Slaves were sometimes hired out by their masters against a stipulated rent, and employers made it a practice to pay the slave for extra work or satisfactory performance so that he was able to accumulate savings and, if his master agreed, purchase his freedom. One tobacco manufacturer said that in his plant almost every slave made at least $5.00 a month for himself, while some made up to $28.00.[8] In other factories skilled workers might receive even more: Emanuel Quivers, a foreman at the Tredegar Iron Works, was paid $1.25 a day, enabling him to purchase himself, his wife, and four children within four years.[9] There was, moreover, a practice of hiring out slaves to themselves. This was done in the case of artisans who could not be supervised when plying their trade. The practice persisted in spite of the fact that white laborers who resented the competition of the Negro, whether slave or free, everywhere succeeded in having laws enacted to

[7] Sumner Eliot Matison, "Manumission by Purchase," *Journal of Negro History*, XXXIII (April, 1948), 162. This article gives many interesting details regarding the manumission of slaves by self-purchase in the South.

[8] *Ibid.*, pp. 161–62.

[9] *Ibid.*, pp. 160–61.

prevent it. A contemporary newspaper article in Athens, Georgia, says: "Everyone who is at all acquainted with the character of the slave race knows that they have great ideas of liberty, and in order to get the enjoyment of it *they make large offers for their time*" (italics mine). Since self-hire enabled the slave to accumulate savings, self-purchase might be the result if the master was willing to co-operate.[10] One master even permitted his slave to go to California to mine gold, from where the slave soon sent back $1,500 to pay for his freedom. There are also instances of slaves being given their freedom on credit. Alexander Hays, who had been bought by his master for $300, paid $550 plus interest after seven years of freedom.[11]

On plantations, also, slaves were sometimes given the opportunity to buy themselves: a Mississippi planter arranged a plan whereby his slaves could do so on instalments.[12] Outstanding among the examples Phillips cites is the case of John McDonogh, a well-known philanthropist, and, at the same time, a very thrifty man,[13] who concluded a collective agreement with his entire slave force under which they were to earn their freedom and passage to Liberia. The slaves were given the Saturday afternoon to work for themselves, and they were enabled to purchase more of their time as they accumulated savings, until it was all their own. The plan was carried out according to schedule, and in 1842 some eighty slaves sailed for Liberia, followed by more later.[14] This action earned McDonogh the gratitude of his slaves as well as a great deal of extra income that he could not have obtained in any other way. Writing of his experience, he says:

> I will further observe that since the day on which I made the agreement with them (notwithstanding they had at all times previous thereto been well-disposed and orderly people), an entire change appeared to come over them; they were apparently no longer the same people; a sedateness, a care, an economy, an industry, took possession of them to which there seemed to be no bounds but in their physical strength. . . . The result of my experiment, in a pecuniary point of view, is not one of the least surprising of its features, and is this: that in the space of about sixteen years which these people served me, since making the agreement with them they have gained for me, in addition to performing more and better labor than slaves ordinarily perform in the usual time of laboring, a sum of money (including the sum they appear to have paid me in the purchase of their time) which will enable me to go to Virginia or Carolina and purchase double the number of those I sent away.[15]

These individual instances of manumission by self-purchase in the South suggest that the liberation of slaves was as profitable to those owners who seized the opportunity as it had been in Rome, where this type of manumission became so general that slavery virtually disappeared when external supplies dried up as a result of peaceful conditions. And yet, although there were thousands of cases,[16] self-purchase by slaves in the South remained a very minor affair relative to the size of the slave force and its natural increase. To give an explanation of

[10] See U. B. Phillips, *American Negro Slavery* (New York, 1918), pp. 412–14.

[11] Matison, *op. cit.*, p. 157.

[12] *Ibid.*, p. 162.

[13] In his will McDonogh states that from early boyhood his soul had been filled with a desire to acquire a fortune, which after his death was to be used for the education of the poor. See William Allan, *Life and Work of John McDonogh* (Baltimore, 1886).

[14] The details are recorded *ibid.*, chap. iv.

[15] *Ibid.*, p. 49.

[16] Data upon which a justifiable over-all estimate could be based are not available. Matison gives the following partial figures: out of approximately 12,000 persons sent to Africa by the American Colonization Society, 344 had purchased their own freedom, 5,957 had been given their freedom, and 4,541 had been born free; on the basis of a census in two separate districts in Cincinnati taken in 1835, it was estimated that out of 1,129 persons who had been in slavery 476 had purchased themselves; a poll made among the 18,768 colored people of Philadelphia in 1837 revealed that 250 persons had purchased their own freedom; in two counties of Maryland at least 281 slaves became free by purchase prior to 1826. Benevolent Negro slaveholding, a device explained below, must also be considered, for self-purchase often took this form. See Matison, *op. cit.*, pp. 166–67.

this is difficult and leads outside the realm of an economist's special competence, but some suggestions may be attempted. Racial prejudice and concern with white supremacy undoubtedly were basic underlying factors. The fact that masters and slaves belonged to different races and that the race of the slaves was considered inferior was an element in the American situation that was largely absent in antiquity, and it may be taken as a starting point for our considerations.

Free Negroes were looked upon as a most undesirable element in the population. Harsh political measures were adopted in every slave state to perpetuate slavery and to rid the individual states of newly freed Negroes: laws restricting the freedom of the masters to manumit their slaves, and laws requiring that manumitted slaves be removed from the state in which they had been freed.[17] In the 1850's this legislation culminated in the absolute prohibition of manumission in Louisiana, Arkansas, and Maryland. Moreover, it is well known that everywhere free Negroes were in a very precarious legal and social situation: they might be subjected to all kinds of harassment and lived in constant danger of losing their liberty.[18]

If they had been rigorously enforced, these laws alone would be sufficient to explain the low rate of manumission in the ante bellum South. However, exemptions from their provisions were sometimes granted by the state legislatures, and in some cases the laws were openly ignored. In addition, the device of benevolent Negro slaveholding developed under which a slave who wished to purchase his freedom gave the money to a free Negro he trusted, who then nominally held him as a slave.[19] Thus the laws that tended to restrict manumission were not in their effect absolutely prohibitive, but they were not innocuous either. The adoption of such a precarious device as benevolent slaveholding, which not only made a person completely dependent upon the good will and honesty of someone else but could lead to serious legal complications (especially in the case of inheritance, since slaves could not legally own property and hence not inherit), is evidence that the anti-manumission laws did in many instances constitute a serious hindrance to the realization of a slave's liberty.

In addition to racial prejudice and the resistance among white laborers to Negro competition, there was a strong reaction against the agitation of northern abolitionists, which in later years led the South to acclaim slavery as something positively virtuous. It may be thought that under such circumstances the pressure of public opinion would effectively prevent any freeing of Negro slaves by making manumission unprofitable in real terms to the slaveowner (because of unfavorable repercussions on his business, his career, his social life, etc.); in addition the attitude toward free Negroes might reduce the attractiveness of freedom to a slave. Migration to Liberia might be a solution in some cases, but it can hardly be imagined that all slaves were interested in going there unless perhaps they could go in a large group that included all their friends and relatives. Few slaveowners were as systematic as McDonogh or owned as many slaves as he did, so there were few slaves who had this opportunity. We must therefore conclude that these considerations are relevant, but at the same time we must guard against attaching an exaggerated importance to them. For, while free Negroes did not have a very enviable status, they were, on the whole, tolerated and sometimes even achieved considerable success in their occupations or in business, compelling the esteem of their white co-citizens. Conditions varied widely among places and individuals (there are instances of free Negroes voluntarily seeking slave status to be safeguarded against the tribulations they were subject to

[17] See Lewis C. Gray, *History of Agriculture in the Southern United States to 1860* (Washington, 1933), I, 524–26; Matison, *op. cit.*, pp. 146–56.

[18] Phillips, *op. cit.*, chap. **xxi**.

[19] Matison, *op. cit.*, pp. 152–53.

when free);[20] there is, naturally, no way of estimating the importance of the preventive effect of the fear of social disapprobation. On the other hand, there are few indications that the manumissions actually consummated led to unfavorable repercussions for master or slave,[21] and, as we have seen, the "slave race" continued to entertain great ideas of liberty.[22] It appears, therefore, that many slaveowners refrained from freeing their slaves, not so much because of outward circumstances or because it would not have been profitable to do so, but because they themselves did not approve of such action or simply did not see the opportunity of financial gain that it offered. Their thinking was conditioned by the intellectual climate of their environment, and in such a climate it probably took uncommon perception to see a profitable opportunity in the freeing of one's slaves. To the average slaveowner it must have appeared that there were no good reasons for such action other than in the case of blood relationship, faithful service rendered, etc.

The relative inefficiency of the slave without the prospect of freedom[23] would have become more marked with the progress of time as a result of the greater diversification of the southern economy in agriculture and industry, for it is generally granted that the slave did best in the cultivation of staple crops with its repetitive routine operations. The production of these crops has, of course, declined in relative importance, and hence it would have become necessary to employ more slaves in occupations requiring initiative and positive co-operation. We have seen that where such conditions were present in the ante bellum period, notably in the towns and in industry, there already existed an unmistakable awareness of the advantage of making arrangements that gave the slave considerable freedom. However, it is by no means certain that voluntary manumission could have gone very far without eliciting increasing opposition, perhaps leading to violence. Which side would then have gained the upper hand is a moot question. In this context it is interesting to note that in Rome also there was resistance to the manumission of slaves and that laws were enacted tending to restrict the practice. But the feeling was probably not so strong, because racially the slaves were hardly distinctive.

[20] Phillips, *op. cit.*, pp. 446–47.

[21] Gray, however, does cite a case in North Carolina, where, after the Declaration of Independence, many Quakers emancipated their slaves. This led to violent opposition and repressive action by the legislature. See Gray, *op. cit.*, I, 525–26.

[22] This is emphasized throughout in Kenneth M. Stamp, *The Peculiar Institution* (New York, 1956).

[23] It should perhaps be stressed that, in evaluating a master's opportunity of making financial gain in providing his slaves with the freedom motive, the relevant comparison is not that between the productivity of a free man and a slave but between the productivity of a slave with and without the hope of freedom. It does not seem unreasonable to suppose that such a slave would work harder than a free man ordinarily does. And, of course, a slaveowner interested in maximizing his gain might exact more than the slave's market value, since he held absolute monopoly power in the matter of freedom or bondage.

REPLY

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PROFESSOR MOES raises an interesting but somewhat peripheral issue relating to our original discussion of the economics of slavery in the American South. Our main concern was to test the hypothesis that slavery *as it existed* in the ante bellum American South was profitable according to the private-enterprise standards of the period. We asserted that slavery in the ante bellum South was economically viable