Capitalism, Slavery, and Matthew Desmond's Low-Road Contribution to the 1619 Project

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The term *polemic* is derived from the Greek noun *polemos,* meaning "war," and the Greek adjective *polemikos,* meaning "warlike" or "hostile." A polemic is conventionally viewed as contentious, disputative, or combative rhetoric, the intent of which is to espouse or support a particular position and, in so doing, undermine another via bold, categorical, often overstated claims. Some of the most famous works in Western literature are polemical in nature: Luther's *Ninety-Five Theses,* Swift's *Modest Proposal,* and Marx's *Communist Manifesto* come to mind, although it should be noted that some readers would consider Swift's work rather more a burlesque or satire than a polemic per se.

I do not wish to diminish these works by linking them too closely to the 1619 Project overseen by Nikole Hannah-Jones and underwritten by the *New York Times*, but in formal terms 1619, considered in toto, is clearly a polemic (*New York Times Magazine* 2019).[1] The intent of this polemic, on one level, is to dislodge the standard chronology and narrative scaffolding of U.S. history by elevating the importance of

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1. See also the Pulitzer Center's 1619 website at https://pulitzercenter.org/lesson-plan-grouping/1619-project-curriculum.

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racial slavery and what some call "racial capitalism" in explaining both America's past and our predicament today. On another level, somewhat shrouded, 1619 aspires to make the case, if not clinch the deal, for reparations to African Americans, due them not only because of slavery but also because of Jim Crow and decades of state-sponsored discrimination afterward. Indeed, in many ways 1619 can be seen as an anguished, over-the-top extension of and elaboration on Ta-Nehisi Coates's essay "The Case for Reparations," which appeared in the *Atlantic* in 2014 (Coates 2014).

Lest I be considered ungenerous, let me compliment the *New York Times* on the graphic design of the August 18, 2019 issue of its *Sunday Magazine* and for including the usual puzzles and posers in the back. The roll-out of the project was also impressive, particularly in its magnitude. Regarding the content, however, as the great historian of slavery Eugene Genovese might have put it, "così così" (so-so) at best. The pictures and illustrations work well, and the poetry and literary essays are often moving. Some of the essays devoted to historical themes ably summarize and synthesize specialist literature for general audiences. Others are curios—at times interesting but minor—a few are deeply flawed, and one is a train wreck.

To cut to the chase, the principal problems with the most objectionable historical pieces—the introductory essay by Hannah-Jones and the essay by Matthew Desmond—are linked inextricably to and, indeed, grow inexorably out of the motivation for and animating spirit behind the project. Bluntly put, despite the 1619 Project's historical trappings, it is decidedly, even aggressively presentist in orientation, the work largely of journalists and "engaged" scholars hoping both to help to operationalize *NY Times* editor Dean Baquet's "secret" 2019 directive to double down on race with the 2020 election in sight and, as a derivative dividend, to provide support for the growing movement for reparations, as Hannah-Jones, the majordomo of the project, has made clear (Feinberg 2019; Rockett 2019). To me and to other scholars of nonactivist bents, the "spirit" behind the project is as chilling as it is brazen, suggesting nothing so much as the famous party slogan of Orwell's *1984*: "Who controls the past controls the future: who controls the present controls the past."

The same spirit informs the project's research design. Said design, not surprisingly, focuses almost solely on one variable, race, under the erroneous assumption that in so doing the "integument" shrouding American history will be "burst asunder"—I'm using Marxian phraseology intentionally here—thus puncturing our creation myth and exposing at long last America's seamy underside. Hence, the jettisoning of the year 1776 in favor of 1619—a year of little historical moment but one, it is true, in which a small cargo of African indentured servants or slaves was deposited near Port Comfort in the English colony of Virginia (Coclanis 2019). In the modest words of the *Times*, the focus on race and the epiphanous year 1619 will "finally" allow us "to tell our story truthfully" (*New York Times Magazine* 2019, front cover).

Really? I think not. In viewing the complex tapestry of America through one lens and one lens only, that of race or, to be more specific, the racial exploitation of blacks by whites, one misses a lot—even about race, slavery, and exploitation. For example, as Philip D. Morgan's work has demonstrated, there were many more *white* slaves in Europe in the first half of the seventeenth century than there were African slaves in Virginia or in English North America as a whole (2019, 89–91). Morgan's findings may not mean much to those involved in the 1619 Project, but they are consonant with the rich work of scholars as different as Orlando Patterson and Thomas Sowell, who have documented the presence of slavery in virtually every society all over the world until relatively recently (Patterson 1982; Sowell 2019, 219–23). The historian Kevin Bales (2012) argues that there are more slaves living in the world today than there were during the heyday of the Atlantic slave trade. And not to belabor the point, but what about Native American slaves, Native American slaveholders, and African American slaveholders in the United States, the last group numbering more than 3,700 in 1830? Many of the last group, to be sure, were slaveholders in name only, "masters" of family members whom they had paid for in order to keep them in the South. But others were "enslavers" root and branch, including owners of large numbers of slaves, such as the now famous Ellisons of Sumter County, South Carolina, and John C. Stanly of New Bern in Craven County, North Carolina, who in the 1820s owned three plantations and 163 slaves (Schweninger 1990, 104–12; Johnson and Roark 1984). Even the slavery portion of the tapestry, then, is more complicated than the 1619 projectors would have us believe.

The distorted and reductionistic interpretations both of slavery and of American history more generally are related as well to the project's personnel and deployment thereof. Here, I am not questioning the talent and ability of the team assembled, which on the whole is high, but the manner in which the personnel were employed and the uses to which the knowledge and insights on offer were put or, in some cases, not put. The 1619 roster includes many notable academics, artists, and journalists, and editors at the *Times* contend that other highly respected scholars and so on served as consultants for the project. Points taken, but the most glaring interpretive problems with 1619 grow out of the fact that two of the anchor essays—one laying out the interpretive core of 1619 and one on the era of slavery—were written by people with suspect domain expertise regarding the subjects on which they wrote and the fact that in at least one case the sound, accurate advice from one of the historical consultants brought in, Leslie M. Harris of Northwestern, was rejected or disregarded (Harris 2020). As a result, 1619, pace Hannah-Jones's contention, affords us the opportunity not to tell the American story "truthfully" for the first time but to tell it in a deformed and distorted way, defined rather more by the moral failing implied by focusing on 1619 than by the promise of 1776.

Matthew Desmond and the New History of American Capitalism

Slavery figures prominently in a number of essays and mini-essays in the 1619 Project. As suggested earlier, several of these essays have come under strong fire, mostly notably Hannah-Jones's (2019) framing essay and Matthew Desmond's (2019) essay on the economic role and legacy of slavery. Thus far, Hannah-Jones's piece has drawn the most flak, particularly for her dubious contention that "one of the primary reasons the colonists decided to declare their independence from Britain was because they wanted to protect the institution of slavery" (2019, 18). Several very distinguished senior scholars quickly and effectively pushed back against this position, while others called for less insistent versions of Hannah-Jones's claim. The *Times* eventually and begrudgingly qualified the claim, restating it to read "among the various motivations that drove the patriots toward independence was a concern that the British would seek or were already seeking to disrupt in various ways the entrenched system of American slavery" (Silverstein 2020). Since then, the Gray Lady has qualified other statements, albeit rather surreptitiously (Stephens 2020; Wood 2020).

Hannah-Jones's claim regarding the motivation for revolution, however wrong-headed, was at least plausible. And numerous scholars of various political perspectives would actually agree with another controversial claim in her essay: to wit, that Lincoln's positions on racial questions were not particularly enlightened (Magness 2020b, 113–24). Desmond's argument, however, is implausible, and few scholars of slavery, other than those deeply invested in the New History of American Capitalism (NHAC) narrative, can possibly find it convincing, despite the fact that Desmond is a prolific, highly celebrated, and lauded scholar, recipient (seemingly inevitably) of a MacArthur "genius" grant—bestowed, as the foundation puts it in its promotional material, on "creative" people "committed to building a more just, verdant, and peaceful world." He pursues such commitments while firmly ensconced at a prestigious Ivy League school.[2]

At first glance, Desmond, despite the résumé, seems an odd choice for the main essay on slavery in 1619. He is a sociologist rather than a historian, and his principal area of specialization is contemporary urban America, writing in particular on such themes as poverty, housing, inequality, social justice, and the like (see, e.g., Desmond 2016). Early in his career, he also wrote a well-received ethnographic account of wildland firefighters in Arizona (Desmond 2009).

To be fair, though, he has in fact written on race and race relations as well, having coauthored two related books with his University of Wisconsin dissertation adviser, the well-known sociologist Mustafa Emirbayer: one an award-winning scholarly study attempting to lay out a new theoretical framework for the concept of race and the other an undergraduate text on race relations, just out in a second edition. The scholarly study, *The Racial Order* (Desmond and Emirbayer 2015), is not directly concerned with slavery and, not surprisingly, contains only a few scattered references to the institution. Both editions of the undergraduate text, *Race in America* (2016, 2nd ed. 2020), include a brief section—much the same in each—devoted mostly to American slavery. The synthetic discussion therein for the most part is unobjectionable, commonplace stuff, but one line late in the slavery section is at

2. A reworked version of Desmond's original 2019 essay was published in *The 1619 Project: A New Origin Story* (2021). Desmond's reworked essay, entitled "Capitalism," is broader than the 2019 essay treated in this article, but the discussion of the economics of slavery is similar in both.

once illuminating and suggestive: "American slavery emerged to meet the needs of colonial exploitation and capitalist expansion" (Desmond and Emirbayer 2020, 69). It is the conjunction of slavery, exploitation, and capitalism that both the NHAC and Desmond's essay in 1619 are all about.

Indeed, because Desmond relies almost exclusively on NHAC personnel and the NHAC playbook in his essay, it behooves us to touch briefly on this influential movement before turning to Desmond's 1619 essay itself. I have weighed in elsewhere (Coclanis 2018) on both the state of economic history qua field and the NHAC movement and its origins and so won't tarry here. Suffice it to say that the field of economic history, which in the 1960s and 1970s ranked among the hottest fields in history, crashed and burned in the 1980s and 1990s, particularly in history departments but to a lesser extent in economics departments as well. The reasons for the collapse differed in the two disciplines. In economics, increasing mathematization and formal elegance, growing concern for explanatory parsimony and analytical rigor, and soaring interest in contemporary problems and forecasting severely damaged messy, nonaxiomatic, difficult-to-model subfields such as the history of economic thought and economic history—in the case of the history of economic thought rendering it nearly moribund. In history, the decline of economic history had other causes, ranging from the ascent of cultural history in the 1980s to historians' infatuation with postmodernism in the 1980s and 1990s to the changing demographics of the profession. There were deeper reasons as well, however, including historians' discomfort with economic theory and formal methods—sine qua nons in economic history ever since the rise of the so-called new economic history in the 1960s—as well as their growing disdain for quantification and, frankly, their frequent uneasiness with economists themselves (Coclanis and Carlton 2001; Coclanis 2010a).

Surprisingly, though, several developments came together in the oughties to pump new life into economic history. In history departments, interest in postmodern approaches and in cultural history more generally declined, in a relative sense at least, which created openings for other fields, including economic history. At the same time, growing uneasiness in the United States over matters economic—wage stagnation as well as increasing income and wealth inequality in particular—and, toward the end of the decade, problems relating to the Great Recession spurred both historians and economists to think more about our economic history and, more broadly, about capitalism qua system not only in the present but also in the past (Schuessler 2013).

Most economists doing so proceeded under the assumption that the ills mentioned—even those associated with the Great Recession—were episodic and in principle correctible within the framework of the capitalist economic system via more realistic theory, better data, and policy reform. The origins of history departments' new interest in economic history differed dramatically, led as it was for the most part by scholars operating under very different assumptions about capitalism, taking as priors its pernicious nature, bloody origins, illiberal operations, exploitative trajectory, and incapacity for reform. These scholars, associated early on primarily with

Ivy League history departments, such as those at Harvard, Cornell, and Brown, constituted the vanguard, spearheading the development of the movement that has come to be known by the acronym NHAC, the New History of American Capitalism, wherein 1619's Matthew Desmond, author of a celebrated book entitled *Evicted* (2016), has sought shelter, gained entry, and found himself a home (Clegg 2015; Hilt 2017; Coclanis 2018; Magness 2020a; Oakes 2020).

As suggested earlier, then, devotees of the NHAC approach capitalism far differently—and far more disapprovingly—than do most mainstream (neoclassically oriented) economists interested in the past or than did previous generations of historians doing economic history. Whereas the latter groups legitimately can be criticized for paying insufficient attention at times to the history of capitalism, proceeding, as they often did, as though the system was transhistorical, an outgrowth of what Adam Smith referred to as people's natural "propensity to truck, barter, and exchange," and leaving it at that, NHAC scholars purport to do otherwise by contextualizing capitalism—that is to say, by situating capitalism in time, locating it in space, and tying it to specific cultures.

In so doing, they generally view capitalism as an illiberal rather than liberal development, inspired and dominated by Europeans and European Americans and dependent from the get-go on power asymmetries, brute force, exploitation, and expropriation. In the view of Sven Beckert of Harvard, among the most theoretically sophisticated of NHACers, capitalism emerged in the West simultaneously with and largely dependent on slavery and other forms of unfree labor during the early-modern period. Most economic historians have traditionally viewed this period in the West as the age of mercantilism, characterized by considerable state intervention in economic life and the extensive use of political power to facilitate and shape market processes and outcomes. Many Marxist and Marxisant scholars focus on the same characteristics, referring to the period variously as "early capitalism," the "transition to capitalism," or the "era of primitive accumulation." Beckert himself emphasizes the state-sponsored violence, employing the term *war capitalism* as the "covering idea" for the entire era between around 1500 and 1800. In his view—and in the view of most other scholars in the NHAC tradition—slavery was central to capitalism's rise and early expansion and, in fact, was one of its defining characteristics (see, e.g., Beckert 2014), putting the lie to interpretations erroneously (according to the NHACers) viewing capitalism as a liberal process in which land, labor, and capital were increasingly being specified and individuated and constraints on the same were eased.

Not surprisingly, most conventional economic historians view the rise of capitalism as a positive development. Marxists obviously are more ambivalent but, following Marx himself, have traditionally accepted the possibility that capitalism could at once be progressive and liberal *and* lead for a time in some areas to the increased dependence on "archaic" labor systems, whether in the form of the second serfdom in eastern Europe or slavery in the Americas. NHACers, however, are far less comfortable than their brethren on the left with the messy ambiguity that is history and seem to deny the latter possibility, preferring more dichotomous, categorical formulations: liberal or illiberal. In their view, with the mechanisms by which illiberalism is made manifest, *illiberal* capitalism is—from its onset right down to the present day—changing with capitalism's evolving needs but always characterized and punctuated by power asymmetries, brute force, exploitation, and expropriation wherever it rules and reigns.

In the hands and with the key strokes of NHACers, then, capitalism and slavery go hand in glove, with the latter in many ways at once an enabler and signifier of the former—hence the natural affinity between the 1619 Project principals and the NHACers, both of whom tether American history and slavery. Capitalism may or may not have come to America in the first ships, as Carl Degler famously wrote in 1959, but to NHACers its arrival is difficult to deny once the English privateer the *White Lion* dropped off twenty or so Africans—whether intended as servants or, more likely, as slaves—at Port Comfort, Virginia, in August 1619 (Degler 1959, 1; Beckert and Rockman 2016a).

Although scholars working in the NHAC vein can in principle write on many topics and themes, thus far the study of slavery, an institution they view as "indispensable to the economic development of the United States" in the period between the American Revolution and the Civil War, has attracted most of their attention, with aspects of the financial history of the country running a distant second (Beckert and Rockman 2016a, 1). One of the striking and strikingly disturbing features of Matthew Desmond's procrustean essay for the 1619 Project is that he tries to combine the two themes.

As suggested earlier, the New History of American Capitalism emerged fully grown and fully armed not out of Zeus's head but out of the Ivies, Harvard in particular, which provided much of the early institutional support. Among the most well-known members of this constellation are the aforementioned Sven Beckert, author of an important book on the global history of cotton; Edward Baptist of Cornell, author of a high-profile and highly controversial book on slavery; Seth Rockman of Brown, coeditor with Beckert of the NHAC's ur text on slavery, *Slavery's Capitalism: A New History of American Economic Development* (2016); Caitlin Rosenthal, Beckert's former student, now a professor at Berkeley; Walter Johnson, another celebrated scholar at Harvard, who doesn't consider himself officially part of the movement but travels nearby; and historians such as Josh Rothman, Bonnie Martin, and Calvin Schermerhorn (see Rothman 2012; W. Johnson 2013; Baptist 2014; Beckert 2014; Schermerhorn 2015; Beckert and Rothman 2016a, 2016b; Martin 2016; Rosenthal 2018).

Close critical analysis of the NHAC, let alone the constitutive parts thereof, lies beyond the scope of this essay. Fortunately, both the movement and individual works within it have already engendered considerable critical literature, to which I have contributed (see, e.g., Clegg 2015; Olmstead and Rhode 2015, 2018; Hilt 2017; Coclanis 2018; Oakes 2020; Magness 2020a, 2020b; G. Wright 2020). Suffice it to say here that the criticism of the NHAC position on slavery is in part factual, in part interpretive, and in part formal. Many challenge the basic historical facts arrayed by NHAC scholars, particularly when the facts in question involve numbers or even rudimentary quantitative manipulation. Economists have been especially critical regarding NHACers' use of numbers, which is understandable in light of the fact that with a few notable exceptions—Caitlin Rosenthal and Louis Hyman, the latter of whom doesn't study slavery, come to mind—NHACers are in a scholarly sense essentially innumerate.

Other critics zero in on interpretive matters. Exhibit A: the NHAC interpretation of slavery, especially the elevation of its importance in explaining not only early American economic development but also, as in the 1619 Project, the main contours of American history. In some cases, this critical path aligns closely with the path discussed in the previous paragraph: the basic numbers on slavery and on cotton, the South's most important staple in the nineteenth century, just don't support the interpretive weight NHACers bestow upon them. Exhibit B or even A2: for all their concern about capitalism, few NHAC scholars have attempted to define it, which renders squishy and suspect, not to mention nonfalsifiable, many of their assertions about capitalism this and capitalism that.

Still other critics focus on the ungracious and ungenerous tendency of NHAC scholars to pronounce that they "rediscovered" slavery as a topic of inquiry—recovering it from the dustbin of history, as it were; to proceed as though they were among the first to study the relationship between capitalism and slavery, a relationship with which both mainstream and Marxist/Marxisant scholars have been wrestling for generations; and in many cases to decline to engage their critics, instead stonewalling or even attempting to cancel them (Coclanis 2018). These critical foci, one should note, are not necessarily exclusive, with some scholars reproving NHAC work on more than one of these grounds—or on others.

After this brief introduction to the NHAC approach and personnel, it is time to consider Desmond, who is not a historian, let alone a historian of slavery, much less a historian of slavery who has spent time in the archives. His work on and understanding of slavery are thus derivative, subject to and dependent largely on scholarly intermediation. His coauthored text on race relations suggests, however, that he has long been comfortable with a NHAC-like take on North American slavery, and his essay for the 1619 Project at once supports and reflects this proposition. Indeed, he has not merely leaned on NHAC personnel and the NHAC playbook, but, seemingly channeling Sheryl Sandberg, has leaned *in* with a vengeance. How else can one characterize an author who, invoking NHAC claims, attempts to establish direct links between Southern planters in the antebellum period and the Great Recession, union busting, gig jobs, and even Martin Shkreli!

To Desmond, the conceptual link among all of these things is "low-road capitalism"—Wisconsin sociologist Joel Rogers's term—a contemptible form of capitalism purportedly pioneered by preternatural Southern planters on their antebellum plantations, the first "big businesses" in America (E. Wright and Rogers 2015, 216–44).

When a capitalist society "goes low," according to Desmond, "wages are depressed as businesses compete over the price, not the quality of goods; so-called unskilled workers are typically incentivized through punishments, not promotions; inequality reigns and poverty spreads" (2019, 32). For evidence that the South's so-called enslavers not merely fit but cast the mold for "low-road capitalism," Desmond relies almost exclusively on NHAC concepts and claims as well as on its errors and misconceptions.

To summarize his position: Enslavers and their enablers in banking and finance created large modern "slave-labor camps," a.k.a. plantations, in the South. These "camps" were central to the American economy, in particular those whose enslaved workforce grew cotton for export because cotton constituted the lifeblood of the antebellum American economy. In order to maximize returns, the enslavers, along with middle managers in the camps, a.k.a. overseers, worked slaves mercilessly and overspecialized in cotton. In so doing, they consistently pushed enslaved workers to labor harder, to pick more cotton, and so on, and, utilizing management tools ranging from surveillance to the lash, they tried along the way "to squeeze as much as possible out of enslaved workers" (Desmond 2019).

Desmond, following the NHAC position again, believes that the enslavers consistently demonstrated their managerial bona fides via closely calibrated coercion and, even more, through the meticulous accounts they kept and the accounting methods and tools they employed, including relatively sophisticated accounting concepts—most notably, the concept of depreciation. Enslavers' fixation on accounting was of a piece with their involvement in the most advanced precincts of banking and finance at the time. Indeed, processes and procedures developed in the course of financing slave sales and especially the cotton export trade led to innovations that at once anticipated and helped to bring about modern banking and finance. Such innovations clearly helped to enrich enslavers and the Southern economy and ipso facto helped the U.S. economy to grow but rendered the South and the nation susceptible to bouts of overspeculation and financial peculation, leading to routine bank failures and intermittent financial panics and collapses—as, of course, is also true today. In his essay "In Order to Understand the Brutality of American Capitalism, You Have to Start on the Plantation" (2019), Desmond focuses on the Panic of 1837, which in his (and the NHACer) view was nothing if not analogous to our own Great Recession, both of them caused, in large part, by "low-road" financial chicanery, lack of regulation and oversight, and the like.

The Problems with Desmond's Essay and the NHAC's Interpretation of Slavery

Desmond's melodramatic narrative, like that of the 1619 Project generally, is as tendentious as it is thinly sourced. Except for a one-off nod in the direction of the distinguished economic historian of slavery Stanley Engerman (2000, 480), virtually every authority invoked and assertion made in Desmond's piece are associated with the New History of American Capitalism movement and its take on slavery and capitalism. Indeed, although the piece is not footnoted, most of it seems to have been drawn from a single text—*Slavery's Capitalism*, edited by Beckert and Rockman (2016b)—supplemented by a sidewise glance at Walter Johnson's *River of Dark Dreams* (2013). To be sure, an author has the right to his or her own path, but in a publication intended for a broad, nonspecialist audience, doesn't every author also have an obligation to point out that there are other paths and that the path depicted has its critics and detractors? If Desmond opted for complete transparency, he might even have pointed out that almost every serious economic historian of slavery has rejected the basic NHAC positions he lays out in his essay, in most instances to devastating effect.

Numerous critics of the NHAC narrative have written convincing rebuttals to various parts of their narrative, but two highly respected economic historians of agriculture, Alan Olmstead of the University of California at Davis and Paul Rhode of the University of Michigan, should be singled out for the breadth, analytical rigor, and degree of empirical support behind their dismantlement—some would say, evisceration—of the NHAC line on the Cotton South. It is in fact difficult to overstate how convincingly Olmstead and Rhode made the economic case against NHAC assertions in the widely read essay they published in the journal *Explorations in Economic History* in 2018. In "Cotton, Slavery, and the New History of Capitalism," aiming their critical fire at the primi inter pares behind (or at least associated with) the movement—Beckert, Johnson, and especially Baptist—Olmstead and Rhode methodically destroy the principal economic contentions of each.

Concerning the NHAC talking points integral to Desmond's 1619 piece, Olmstead and Rhode, backed by other economic historians, counter with a much less extreme and much more balanced picture. The South, relatively speaking, was a wealthy region in the antebellum period, and its economy was both dynamic and growing at the time of the Civil War. Slave plantations were central to the region's economy and important to the U.S. economy as a whole. Large plantations, which constituted a small share of the region's total stock of agricultural units, grew a number of staples for export, the most important of which was cotton. The importance of export staples notwithstanding, most parts of the region were self-sufficient in the production of foodstuffs, and corn, not cotton, was the most valuable crop grown in the region. Although cotton was the leading U.S. export throughout the antebellum period, it was nowhere near as important to the U.S. economy as NHACers, basing their position on Baptist, assert, actually constituting "less than 5 percent" of gross domestic product (GDP) over most of the antebellum period and never more than 7 percent (Hansen 2014; Olmstead and Rhode 2018, 12; Magness 2020b, 7–14, 31–36, 55–67; G. Wright 2020, 373–78).

Slave-based agriculture was profitable and viable for most slave owners but did not necessarily benefit nonslaveholders living in the region or promote the long-term development of the region as a whole. Whether slavery reflected a "low-road" form of capitalism or not, it is clear that slave labor was not cheap but expensive, much more so than labor in other cotton-producing areas such as India in the nineteenth century. Slavery was a moral enormity and was based on unconscionable exploitation, but there is little evidence for what Baptist refers to as the "pushing system" in cotton picking. Although daily picking rates, generally speaking, rose dramatically over the course of the antebellum period, that rise was not due mainly to the systematic "ratcheting up" of labor requirements, much less the creation of a labor regime "whose bottom gear was torture," but rather to westward movement onto better cotton lands and to a series of mechanical, organizational, and, most importantly, biological innovations in cotton cultivation that together over time increased the total cotton in each boll and on each plant, total cotton output, and output per worker (Olmstead and Rhode 2008, 2018; Hansen 2014; Magness 2020b; G. Wright 2020).

However important cotton was to the South and to the United States in the antebellum period—and it was important—it was not indispensable to American economic development and did not serve as the model or prototype for American capitalism as it developed after slavery's demise. Indeed, the type of agricultural regime that came to characterize the South in the postslavery era—low wage, low skill, and labor intensive—differed significantly both from the much more capital-intensive, scientific agricultural system emerging in other parts of the country and, obviously, from the nation's growing industrial economy, particularly in the manufacturing belt (Coclanis 2000, 2020). One additional reason for the NHAC mischaracterization: its proponents make the mistake, as Gavin Wright has recently noted (2020, 367–73), of equating the role, nature, and economic importance of cotton in the antebellum United States with those of sugar in the small islands in the British Caribbean in the eighteenth century, a monumental interpretive error.

Much of the preceding discussion relates to the NHAC/Desmond position on slavery and agriculture. In his piece, however, Desmond also adopts and extends the NHAC position on finance and banking and, in so doing, links slavery not just to American financial and banking innovation in the nineteenth century but also to phenomena well beyond that century, including present-day neoliberal policies, financialization, and, as we have seen, even the infamous incarcerated pharmaceutical executive Martin Shkreli.

With such concerns in mind, a few words on Desmond's over-the-top take on slavery, banking, and finance are in order. As was the case with agriculture, Desmond depends almost solely on NHAC claims in making the absurd links mentioned earlier. He relies on the work of five NHAC scholars in particular—Bonnie Martin, Ed Baptist, Calvin Schermerhorn, Josh Rothman, and Caitlin Rosenthal. Martin's work and Baptist's work are used to demonstrate the importance of slaves as collateral for mortgages of one type or another in the antebellum South and in international finance; Schermerhorn's to show the importance of the slave trade in the development of U.S. debt and financial instruments; Rothman's to illustrate the "speculatory fever" that engulfed the South intermittently, no time more so than in the mid-1830s in Mississippi; Rosenthal's to document planters' accounts or, more to the point, the advanced and sophisticated nature of those accounts. Let us take up these purported harbingers of financialization one by one.

First, mortgages in slaves. Desmond somehow argues that utilizing slaves—a legal class of assets constituting almost half of Southern wealth and 19 percent of U.S. wealth in 1860—as collateral for securing debt is prima facie evidence that the financialization of the U.S. economy began not in the "reckless speculation of the 1920s" or with Bretton Woods or even with the gutting of Glass-Steagall late in the twentieth century, but in the antebellum South. To Desmond, "the story begins with slavery" (2019, 37; see also G. Wright 2006, 60, and Williamson and Cain 2020).

Had Desmond bothered to explore more carefully the history of mortgages (including chattel mortgages), the use of collateral, hypothecation, and so on over time and across space, he would soon have found that mortgages have been around since classical times and that there was little new or particularly innovative about their use in the antebellum South. Throughout American history, items of value—in particular items that retained value, were easy to liquidate, and were fungible—were used as collateral to secure loans and debts. Among the items employed in the United States in the antebellum period were land (especially when cleared), crops, livestock, trade merchandise, tools and fixed capital, urban real estate, household goods, stock certificates, life-insurance policies, and *slaves* (Murphy 2005, 619–20, and 2017, 6; Kilbourne 2006).

The last category of assets was used with great frequency in the South, as one would expect of an asset constituting so large a portion of regional wealth, but slave collateral did have certain disadvantages from the creditor's point of view: the value of slaves fluctuated; slaves did not retain value over time; their fungibility was not unlimited. At one point in his piece, Desmond deigns to admit that "[e]nslavers were not the first ones to securitize assets and debts in America" (2019, 37), but he nonetheless tries to tether slaveholders to collateralized debt obligations, financial engineering, and financial chicanery on Wall Street today. Post hoc ergo propter hoc, anyone?

And talk about straining credulity. Don't slavery and slaveholders have enough to answer for without tracing the genealogy of Dick Fuld, Hank Greenberg, and Angelo Mozilo directly back to antebellum Alabama? How about spending a little time looking at the more obvious case of northern financiers during the Gilded Age, maybe by reviewing the complicated financial scams and schemes, mainly the work of nonsoutherners, treated at length in works by Richard White, such as *Railroaded* (2011) and *The Republic for Which It Stands* (2017)? It's OK to do so, by the way, for White has published in NHACer collections. And what about Wall Street during the 1920s? None of this will do for the NHACers, however, for, in the words of Beckert and Rockman (words Desmond quotes approvingly), "American slavery is necessarily imprinted on the DNA of American capitalism" (Beckert and Rockman 2016, 3; qtd. in Desmond 2019, 33), establishing the genetic markers that purportedly explain the subprime crisis. Who knew?

Closely related to the argument regarding the purported importance of slavery in creating U.S. mortgage markets is Desmond's contention, based in large part on Schermerhorn's work, that slavery was central to the development of debt instruments of various kinds (including bills of exchange), international credit chains, and banking in the United States. The problem with this line of reasoning is that slavery or, more precisely, financing and investing in slaves and the slave trade were subsets of much broader sets: financing and investing in production, infrastructure (in particular transportation infrastructure), and trade in British North America and later the United States. Merchants and the investment community—supported by evolving law, legal protocols, and practices—developed a wide variety of tools, instruments, and institutions over time that rendered short-term lending and long-term investment more efficient and often, but not always, safer. These tools, instruments, and institutions ranged from promissory notes to bills of exchange, from bills of credit to paper currency and stocks and bonds, and from private commercial banks to state banks to U.S. banks (Lamoreaux 1991; Bodenhorn 2000; R. Wright 2001, 2002; Sylla 2002; Kilbourne 2006).

To be sure, the South was involved in international trade, especially in cotton, and thus was deeply enmeshed in this financial and credit system as it evolved. But few of the practices and institutions regarding debt targeted by Schermerhorn and thus by Desmond were particular to the South, much less originated there, with the one notable exception of the introduction of short-lived plantation banks in the Lower South in the late 1820s and 1830s (Schermerhorn 2015, 95–123; Murphy 2017). Generally speaking, much the same debt and credit practices and institutions employed in cotton characterized the trade of flax seed from colonial New York to England, of Pennsylvania wheat destined for southern Europe, and of U.S. imports of Delftware, Chinese goods, and chinoiserie. Similarly, long-term international investment in U.S. infrastructure, canals and railroads especially, in the antebellum period looked much the same whether in the North or in the South. And crucially, bills of credit, paper money, the discounting of bills of exchange, commercial banks, life insurance, credit reporting, and so on were developed earlier and in more sophisticated ways in the North than in the South (Doerflinger 1986; R. Wright 2001, 2002; Sylla 2002; Olegario 2006; Murphy 2010). Indeed, such financial innovations—and others—help to explain how and why the economy of the North came to surpass that of the South in the antebellum period.

A third part of Desmond's financialization thesis centers on speculation or, more to the point, a precocious South's purported ability to corner the market on speculation, as it were. Connecting the dots again, Desmond is basing his assertions here largely on NHACer Josh Rothman's work, both an article by Rothman in *Slavery's Capitalism* and, to a lesser extent, Rothman's earlier monograph *Flush Times and Fever Dreams: A History of Capitalism and Slavery in the Age of Jackson* (2012). According to Rothman, I mean Desmond, Southern planters—"arrogant, strutting, quarrelsome kinglets," Du Bois called them (qtd. in Desmond 2019, 38)—thinking themselves “invincible” and “able to bend the laws of finance to their will,” were shameless profiteers, prone to speculation, and oblivious to risk (Desmond 2019, 38). Such (group) character traits rendered the Southern economy inherently unstable, subject to booms and busts, with no bust more calamitous than the one beginning in the mid-1830s, generally known as the Panic of 1837. Desmond sees this panic as being strikingly similar to the financial crisis of 2008 (2019, 40) and readily accepts Rothman’s proclamation that during slavery “Americans built a culture of speculation unique in its abandon” (Rothman 2016, 126). Really? Desmond then goes on to link this culture to, among other things, union busting and gig jobs today. But rather than speculate about those rather tenuous claims, let’s spend a little time on the concept of speculation and on the antebellum period itself.

Neither Rothman nor Desmond, it is clear, much likes capitalism or at least the culture thereof and go out of their way to try to meld together capitalism, speculation, gambling, and even criminality into one combustible mix. In order to make their position seem plausible, they focus on one economic phenomenon—the Panic of 1837—and imply that this phenomenon was standard or normative of slavery, the South, capitalism, what have you. The problem is that it wasn’t.

To be sure, capitalism, including Southern capitalism, historically has been subject to periodic bouts of instability—shocks, recessions, panics, and, less frequently, depressions—but over time it has always bounced back and generally facilitated sustained economic growth wherever it has been planted and nurtured, including in the antebellum American South. The Southern economy, as suggested earlier, was one of the most dynamic economies in the world in the period between 1800 and 1860, enjoying a growth rate that few other societies at the time experienced. The standard of living of the free population on balance was also very high and improving pretty much across the board, as Robert A. Margo’s work has demonstrated. According to Margo, between 1820 and 1860 the annual growth rate of real wages of common laborers was 0.97 percent in the South Atlantic census region and 0.85 percent in the South Central census region. The rates for artisans were somewhat lower and for white-collar workers somewhat higher, but annual growth of 0.9 percent, when compounded over forty years, results in an increase of 43 percent, extremely rapid for the time (Margo 2000, 51, table 3.3). This increase occurred despite the rough patch during part of the 1830s—and a few other rough patches as well. To focus solely on and then extrapolate from one atypical subperiod—the Panic of 1837—to the history of the South between 1800 and 1860 is methodologically shoddy, an instance at the very least of confirmation bias writ large.

Before I move on, one more point: Desmond’s loose and inaccurate use of the term *speculation*. Both Desmond and his scholarly alter ego Rothman misuse the term and demonstrate little sense that they understand it economically. Contrary to the insinuations in Desmond’s essay, speculation and speculators are neither good nor bad but rather efficient or inefficient, for both the practice and the practitioners play necessary roles in markets of all types—including financial markets as well as markets for art, wine, land, slaves, and so on.

Briefly put, speculators buy or sell assets hoping to gain from changes in their prices. Speculators often have short-term time horizons, but some prefer holding assets for medium- and long- term periods. In efficient financial markets, their role is at once to absorb excess risk and to provide liquidity when necessary, while other participants—hedgers, arbitrageurs, and normal investors—perform other functions. In a sense, speculators, if effective, help to render more efficient the intertemporal distribution of resources under conditions of uncertainty, as no one knows what the future will hold. They can screw up, and when they do, both individual speculators and, in some cases, society as a whole can pay the price. But speculators, like scholars and journalists, perform certain necessary social functions. In America, not just in the South, some individuals have stepped up to perform such speculatory functions from the get-go (Coclanis 2015), and I for one am glad that many were successful in so doing.

The fourth part of Desmond's argument regarding slavery and financialization rests almost entirely on the work of Caitlin Rosenthal (2016, 2018), one NHACer who is in fact comfortable with numbers and familiar with the tools, methods, and practices of economics. Rosenthal is particularly interested in the management practices of large cotton planters in the antebellum period, offering the provocative argument that the practices of such planters were marked and even characterized by a striking concern for systematic measurement and surveillance. In her view, their business practices were extremely advanced for the time, rivaling those of the railroads, and certainly far more sophisticated than those of their agricultural brethren in the North.

Rosenthal's single most talked-about finding relates to planters' bookkeeping practices. Basing her argument largely on cotton planters' use of the blank plantation record and account books prepared, published, and distributed by Thomas Affleck of Mississippi during the antebellum period, Rosenthal (2016, 2018) contends that cotton planters were avid measurers, whose "scientific" managerial/bookkeeping practices incorporated the concept of depreciation and approached modern cost accounting. In so doing, they were quite innovative, anticipating much later developments normally associated in America with scientific management, F. W. Taylor, and so on. Rosenthal's principal evidence, again, is the Affleck account books, which commonly included fifteen blank forms (forms A through O) for cotton planters, some of which, if filled out completely and properly, would allow for calculation of income and expenses as well as the calculation of capital appreciation and depreciation regarding slaves, livestock, tools, and the like. To Rosenthal, the availability and use of Affleck's record and account books demonstrate, among other things, planters' interest in agricultural improvement and business innovation as well as their capitalist mentalités. Desmond, as is his wont, goes much further, though, employing Rosenthal's findings to link slavery's capitalism to the financialization of the U.S.

economy in recent decades and to various and sundry forms of worker exploitation, surveillance tools, and financial chicanery said to embody capitalism today.

Although in general I am a fan of Rosenthal and appreciate her overall body of work, her use of Affleck is questionable, and Desmond's is completely off the mark. Rosenthal herself in fact offers sotto voce some cautionary notes regarding both Affleck and his record and account books. As well she should. Affleck was not a native Southerner, but a Scot. He was in fact a bookkeeper for the Bank of Scotland before immigrating to the United States in 1832. During his first decade in the United States, he worked as a clerk, a merchant, and an agricultural editor in New York City, Pennsylvania, Ohio, and Indiana before showing up in Mississippi in 1842. Regarding his blank preformed record and account books, Rosenthal points out that only a tiny minority of Southern cotton farmers possessed them, and, when used, the books were used "unevenly" and only "partially completed" (2018, 91–92, 94, 101). Olmstead and Rhode made the same points earlier in an excellent essay in 2015, where they punctured the notion that Southern plantations were "factories in the fields" (269–72). Furthermore, in her well-regarded book *Every Farm a Factory: The Industrial Ideal in American Agriculture* (2003), Deborah Fitzgerald pointed out that as late as World War I few farmers anywhere in the United States kept systematic accounts, much less practiced cost accounting (33–57).

A recent study by a young scholar teaching at the University of Louisiana at Lafayette, Ian Beamish, qualifies the use of the Affleck books even more. In an impressive paper, which appeared in the journal *Agricultural History*, Beamish (2021) subjects to close textual analysis all sixty-five of the filled-in Affleck account books known to exist for cotton plantations. The principal takeaway from Beamish's study is that the filled-in Affleck books were used almost exclusively as conventional agricultural record books and in a manner similar to records kept in the eighteenth-century South. Virtually no user (whether an owner or an overseer) filled in forms M and N—those needed for cost accounting—and few were interested systematically in appreciation or depreciation. Rather, the books, which were often filled in incompletely, haphazardly, or incorrectly, were generally concerned with recording daily numbers and events—cotton picked by day and by slave, other labor performed, slave births and deaths, and so on. In his view, the books in and of themselves tell us little about the relationship between slavery and capitalism—or, I might add, between slavery in the antebellum South and "financialization" in the United States today.

Moreover, it is unfortunate that Desmond, in his haste to look forward, didn't spend at least a bit of time looking back, not merely or even necessarily on agriculture in the eighteenth-century South but also on the genealogy of capitalism itself. Instead of pressing to link slavery with present-day financialization, he would have been better served by telling us what he means by capitalism and by placing the antebellum South in the context of the evolution of this economic system in the West.

Desmond's reluctance to do so is not altogether surprising. As stated previously, scholars working under the NHAC umbrella are loathe to get into specifics about capitalism old or new. For example, in their introduction to the important NHAC collection *Slavery's Capitalism*, Beckert and Rockman (2016a) manage to resist the temptation to define precisely what they mean by capitalism—a point mentioned by many critics—and Desmond follows suit. In this, the NHACers may be following the example set by Louis Armstrong, who, when asked about the definition of jazz, famously retorted, "If you gotta ask, you'll never know." But Armstrong, to his credit, never tried to link jazz with financialization.

To be fair, NHACers, however reluctant to define capitalism, have suggested that the system or concept needs to be approached more broadly than "it" (whatever "it" is) has been in the past. Thus, they have tended to emphasize topics *sometimes* given relatively short shrift by earlier scholars—war, violence, race, the law, and so on—in their analyses. Note that I say *sometimes* because it is in fact possible (if one at all tries) to find plenty of earlier scholars of capitalism who have looked at each of these topics in detail. Be that as it may, we have recently seen the publication by an NHAC-related scholar, the aforementioned Caitlin Rosenthal, that includes a real definition of capitalism or at least an explanation of how the author is using the term. In this piece, Rosenthal offers a succinct definition of capitalism, which is based, as she puts it, on "(1) the commodification of labor, as it results from, (2) the accumulation of capital" (2020, 301). She doesn't historicize the development of said features or go into the motive forces behind their development, but her definition is a start.

At some point, it would be nice, however, if NHAC scholars weighed in on this issue as well as on others, such as the question of whether capitalism evolved slowly over centuries or emerged relatively rapidly; whether we should emphasize changes in production or in exchange or changes in other realms; where capitalism emerged first and how it spread; the features necessary and sufficient to classify an economy as capitalist; and so on. It might take a while before we see any moves by the NHAC group into these issues, however, because, first, they would have to "rediscover" the fact that countless scholars thought about such matters before the NHACers came onto the scene and analyzed capitalism with a degree of rigor that the NHAC constellation will for a long time have a hard time emulating (Coclanis 2018; Clegg 2020).

An Alternative View of Capitalism and Slavery

To put my money where my mouth is, so to speak, I have long viewed the development of capitalism in evolutionary terms as part of a long-term socioeconomic and cultural process relating to the proper/prescribed/sanctioned manner of organizing production and material life more generally, a process that began in parts of Europe in the medieval period. The process "expressed" at different rates and unevenly in geographic terms over time and was characterized, broadly speaking, by a growing sense among some individuals and groups of what today we conventionally call "factors of production"—land, labor, capital, and sometimes entrepreneurship (distinct from capital)—and by the progressive, if often distinctive, paths toward the individuation, articulation, and commercialization of each factor.

This process cannot be assessed and evaluated solely on the basis of one consideration—for example, the presence or absence of free labor and wage relations as the dominant means of organizing and directing labor—but must be examined on an intricate axis involving these considerations and others as well: to wit, the degree of commercialization of other productive factors; a reasonable degree of competition; the alienability and transferability of property and credible state commitments regarding the protection of property rights; commodity production; the development and employment of increasingly sophisticated instruments and institutions relating to trade and exchange; rationality of spirit/market mentalité; and accumulation. This approach, which perforce entails a prominent role for *Verstehen,* or interpretive understanding, is hardly parsimonious, but at the end of the day I am a historian, not an economist (see, e.g., Coclanis 1989, 48–63).

When judged by the criteria outlined in the previous two paragraphs, parts of the American South—and various other parts of British America—can be said to have been informed relatively early on by principles and institutions necessary and sufficient to be labeled capitalist economies and market-based societies. This was the case well before the antebellum period, the purported market revolution, and all that. This label is appropriate, despite or perhaps because of the prominence of slavery in some of these areas—the Chesapeake colonies, the Lower South, and the British West Indies. The idea of slavery's capitalism, then, works for me, but a good bit earlier than is the case argued by the New Historians of American Capitalism.

If the forced link between antebellum slavery and financialization, not to mention with Martin Shkereli, is spurious, what can we say about slavery's role in the antebellum South and, indeed, in the antebellum United States more generally? Plenty, I would submit. First, regarding broad patterns: Only about a quarter of free families in the South held slaves. Of such families, the modal number of slaves held around 1850 was one. Only about one of eight slaveholding families, or a little more than 3 percent of free families in toto, would be considered "planter" families under what is arguably the most common definition—that is, holding twenty or more slaves (G. Wright 1978, 24–37; Oakes 1982, 37–68, 245–50; Bourne 2008; Olmstead and Rhode 2018). If we use another common definition for denoting planter status—the holding of twenty or more working hands—the proportion of planter families in the antebellum South shrinks accordingly.

Second, I would stress, with William H. Freehling (1990, 9–36), Lacy K. Ford (2009), and others, that there was not one South but many Souths, in some of which slavery was unimportant, in others by 1860 dying out. I would also point out that one of the most eminent experts on slavery and the slave trade, the late Philip D. Curtin, felt slavery insufficiently important in North America as to include the

South in either edition of his classic work *The Rise and Fall of the Plantation Complex* (1990, 2nd ed. 1998). In Curtin's view, the U.S. South as a region was rather more a society with slaves than a true slave society, much less a plantation society (1998, 108–10).

On top of these points, however, I would be quick to add that I don't buy Curtin's argument regarding the South and believe that the region, despite the small percentage of planters, should be considered a slave society controlled largely by planters (and their commercial and legal allies). Power, in other words, cannot be reduced to numbers and percentages alone.

Moreover, I would argue, as we saw just a bit earlier, that the Southern economy was organized for the most part along capitalist lines and that the presence of slavery should not be viewed as evidence that the South was precapitalist. Rather, the institution, like the second serfdom in eastern Europe, should be seen as an expression of an emerging capitalism, related to the mentalités of powerful interests and to the discrete labor conditions and needs in certain areas. The same "liberal" dimensions of early capitalism that led to freer and freer labor forms in some areas contrarily led to other labor forms in some cases.

In parts of British America in the early-modern period, especially the West Indies, the Chesapeake, and the Lower South (South Carolina and Georgia primarily), the market-driven desire of those Europeans and European Americans who sought to organize production of staple crops for export—sugar, tobacco, rice, and indigo primarily—led them in many, if not most, cases to favor enslaved African/African American laborers and to establish and defend the self-serving institutional structure needed to sustain this labor system. Why? For several reasons. It was difficult in the Western Hemisphere, which was land abundant and labor scarce, to secure labor and retain it in place, particularly for onerous jobs in unhealthy climates. After various trials and experiments with other groups, European and European American agricultural entrepreneurs (settler capitalists?) and their commercial allies found that African and African American laborers constituted the best fit for their labor needs. Africans were in many cases already familiar with routinized agricultural work and in some cases may have possessed useful proprietary knowledge about certain crops (especially rice); they had some natural and inherited immunities to certain mosquito-borne diseases (malaria and yellow fever, most notably) that struck down higher proportions of other groups working in these areas; they were "others" ethnically, racially, religiously, culturally and, as such, were assumed to possess fewer natural rights, privileges, and immunities that needed be respected by those who deployed them.

Slavery, however immoral from our point of view, was thus seen by powerful groups as the labor form that made the most economic sense in some areas, provided the supply of African slaves was sufficient to meet labor needs and their prices were sufficiently reasonable. For the most part, these requirements were met. Note, though, that the prices of slaves, generally speaking, were not low, but relatively high. Acquiring and deploying slaves were thus not based mainly on low-cost premises but, as Gavin Wright, among others, has shown, on the bundle of property rights associated with slavery, which allowed those who "owned" slaves to position them wherever they wanted to (even in unhealthy places); to work them hard and long, even mercilessly; and to retain them (and their progeny) as long as desired, even for life. These rights did not obtain to anywhere near the same degree with other labor forms, even with indentured and bonded labor, the closest analogues. Thus, slavery emerged in various capitalist societies in British America and was prevalent in some (G. Wright 2006, 48–122; Olmstead and Rhode 2018, 5). The fact that the slave template or pattern for labor relations endured even after some of the early reasons for its preference were no longer so relevant—most areas of the South were healthier than the low country of South Carolina and Georgia or the sugar parishes of southeastern Louisiana, whites could and did grow cotton without slaves, and so on—suggests a case for path dependence or, less insistently, path inflection or influence.

I would go on to argue that many deemed slavery vital to the South's growth from the period between the late seventeenth century—not, mind you, from 1619 or even 1650 or 1660—until the time of the Civil War. Slaves were deployed throughout the economy but were especially important as agricultural laborers producing subsistence crops as well as staples for export. The most important of such staples in the antebellum period was cotton. Again, though, remember that corn rather than cotton was the most valuable Southern crop in terms of value and that cotton, the leading export in the United States by far, nonetheless still constituted a small share of GDP, usually around 5 or 6 percent (Olmstead and Rhode 2018; G. Wright 2020, 373–78).

The NHAC view, which assumes cotton totally dominated the U.S. economy in the antebellum period, making up as much as 40 percent or even more of U.S. GDP, is grossly exaggerated and based largely on compatriot Ed Baptist's unfamiliarity with standard national-income-accounting methods, particularly regarding the manner in which estimates of GDP are constructed. Such unfamiliarity led Baptist (2014) to double and sometimes triple count in estimating the size of the cotton economy by adding to the value of cotton production the value of all inputs used in its production, when, according to national-income-accounting protocols, these inputs are already subsumed in the sale price of cotton. This is grievous measurement error, one that would earn an undergraduate economics student a failing grade. But this error has not been admitted by Baptist and has gone unremarked upon by NHACers, who continue to use Baptist's figures, despite their repudiation by measurement experts (see, e.g., Olmstead and Rhode 2018).

I would also point out that in relative terms the Southern economy performed well in many ways in the antebellum period and that the South, if severed from the rest of the United States and considered a stand-alone economy, would have been one of the wealthiest parts of the world in 1860 (Fogel and Engerman 1974, 1:247–57). The region's wealth was based largely on its agricultural economy, particularly upon that part of the sector deploying slave labor to produce staples for export, either internationally or extraregionally. The region's manufacturing sector was not inconsequential, particularly for the age, but the South was clearly not urbanizing or industrializing nearly as rapidly as the North, preferring to pursue policies predicated on the continued push westward of its staple export economy and, in so doing, expanding, as Drew McCoy (1980) put it long ago, across space rather than through time. The planters, merchants, bankers, and politicians who led the push westward were more or less forward looking and "modern" in their thinking, but they hardly represented the capitalist vanguard in the Western world at the time.

If mean income and wealth of the free population in the South rose significantly over the course of the period, the region was nevertheless home to many poor people and was marked by considerable inequality, even excluding the 35–40 percent of the population that was enslaved. With this point in mind, logic would seem to dictate that we ask: Who benefited from slavery? (Coclanis 2010b, 495–502). Not the slaves themselves, obviously, and much of the free population in the region probably didn't gain much either, although certainly some did via economic links and connections to the slave-labor-based agricultural economy. How about the region qua region, though?

This is a difficult question to answer because the trajectory of the Southern economy was first disrupted by and then irrevocably changed with the Civil War, but I have argued at length elsewhere, along with many other scholars, that although the Southern economy was growing in the antebellum period, the growth path taken was not necessarily conducive to long-term economic development. Like other plantation economies around the world, that of the South was unbalanced and overly specialized, marked by relatively low levels of urbanization (especially in the interior), a rudimentary "conveyer-belt" transportation system designed to facilitate exporting/importing rather than to knit together the region as a whole, and low levels of investment in human capital. Few plantation economies anywhere in the world have ever developed into modern high-performance economies—none based primarily on slave labor has—and numerous studies have demonstrated the long-term negative effects of plantation-based slavery on those parts of the South where it took firm hold. So slavery or slavery's capitalism almost certainly did not promote the economic well-being of the region over the long run. (See Genovese 1965, 13–39; G. Wright 1978, 107–27; Coclanis 1989, 111–58, and 2020; Sokoloff and Engerman 2000; Mitchener and McLean 2003; Nunn 2008; Majewski 2016; R. Wright 2017.)

Consumers of agricultural products produced by Southern slaves likely paid a bit less—whether in the South, the North, Europe, or elsewhere—than they would have had these products been produced by free labor. But since cotton constituted only about 5 percent of U.S. output, this gain would have been fairly small, especially since free labor was able to produce cotton at a low cost, as shown after emancipation. Similarly, residents of nonslave states probably paid a little less in taxes than they would have because a significant part of the U.S. government's revenue came from duties on imported goods financed directly or indirectly by exports of slave-produced cotton, rice, and so on. Again, though, the tax gain from slave-labor exports was small since taxes were only about 2 percent of GDP. To be sure, it is true that some merchants, bankers, and manufacturers within and without the South benefited in various ways from their involvement in the slave system. Assessing the degree to which discrete individuals and individual firms benefited is difficult, however, because little as yet is known regarding the opportunity costs they would have incurred by foregoing involvement in the slave economy (DeLong 2007; Coclanis 2010b, 495–502).

One thing seems clear, though. The U.S. economy—unlike the Southern economy—was not based on slavery in the nineteenth century. Although cotton produced in the South was important early on to the textile industry in the Northeast, in the larger scheme of things the most important economic developments of the century—urbanization and industrialization in the northeastern quadrant of the United States (the area north of the Ohio River and east of the Mississippi) as well as the creation of the dynamic agroindustrial complex in the Middle West—owed relatively little (if anything) to slavery (Page and Walker 1991). Cotton, one recalls, became much more important in the South after the Civil War, emancipation, and the demise of slavery than it ever was before the war—cotton production in the region did not peak until the late 1920s—and cotton's importance to the American textiles industry followed the same pattern.

Indeed, it is more accurate to say that slavery distorted rather than directed capitalist development in America. Slavery constituted an illiberal expression of early capitalism in certain contexts in labor-scarce, land-abundant areas during the so-called primitive accumulation. The principal thrust—the major theme, as it were—of capitalism was liberal and progressive, resulting in greater economic freedom. The forces unleashed by capitalism that brought slavery to British America and sustained slavery for a period thereafter later led to the rise among some, then among many, of what Thomas Haskell (1985) has famously called a "humanitarian sensibility" that led Great Britain and the United States to abolish slavery relatively early in the modern period, far earlier than in many other parts of the world, particularly in Africa and the Middle East.

Slavery in the American South was an abomination, but Matthew Desmond, taking his cues from the New Historians of American Capitalism, grossly misrepresents it in order to render modern financialization its lineal descendent. Clearly, Desmond would do well to look elsewhere for the answer to who or what begat Martin Shkereli.

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