CHAPTER TWO

Slavery and Colonization

When the elder Hakluyt published his promotional tract for the North American colonies in 1585, he painted a picture of a thriving trade in colonial products (wood, oil, wine, hops, salt, flax, hemp, pitch, tar, clapboards, wainscot, fish, fur, meat, hides, marble, granite, sugar), exchanging for British goods (woolens, hats, bonnets, knives, fishhooks, copper kettles, beads, looking glasses, and a thousand wrought wares), lowering British unemployment, promoting manufacturing, and providing advantages to church, crown, and national security. This would require the migration of thirty-one different kinds of skilled workers to America.

If Hakluyt saw any difficulties in achieving this happy state of affairs, a propaganda tract was not the place to mention them. Certainly, Adam Smith would have seen none. Two centuries later he wrote, "The colony of a civilized nation which takes possession either of a waste country, or of one so thinly inhabited, that the natives easily give place to the new settlers, advances more rapidly to wealth and greatness than any other society."[1] Yet from the day Hakluyt wrote until almost the middle of the eighteenth century, economic growth and progress were barely discernible in the colonies, and the North Atlantic economy was of negligible importance. It did not develop automatically or in the manner Hakluyt and Smith envisaged.

In the first section, "Slavery Made the Atlantic Trading System," I argue that firm and enduring trade links between Europe and America were not forged without and until the introduction of slavery; that the eras of privateering, chartered companies, and the early staple trades were not preludes to development, but rather unpromising beginnings leading to stagnation; and that colonial development was strongly associated with slavery. Voluntary labor was slow to immigrate; capital was hard to attract or generate; promising export crops were slow to emerge; and when they did, free labor was reluctant to grow them. African slaves provided much of colonial America's labor, attracted a large share of capital investment, accounted for most of the colonial export crops, and (compared with free labor) conferred wealth and income in greater measure on those places and times where slavery was established.

In the second section, "Colonization Where Land Is Abundant," I argue that this pattern of development is not adventitious but is explained by the difficulties inherent in colonizing regions where land is relatively cheap and abundant.[2] Placing colonial history in the context of "free" land has a long history. It provides that conceptual framework for the period whose absence is so often deplored by historians. And, as a conceptual framework, it has substantial advantages over the available alternatives, whether older ones like the Imperial School of Charles M. Andrews or contemporary ones suggested by John M. McCusker and Russell R. Menard, Bernard Bailyn, or Jack P. Greene and J. R. Pole.

Slavery Made the Atlantic Trading System

To those who saw colonial development as the inexorable working of the Divine Hand of Providence or the only slightly less Divine Hand of Comparative Advantage, the early period just represented stages of growth, and the repeated failures of colonizing attempts were attributed to ad hoc circumstances. Seeing development as foreordained, and Elizabethan sea dogs and Roanoke as stages in an inevitable process, begs the question of providing a conceptual framework that seeks systematically to account for the timing and pattern of growth.

The privateering attacks on Spain, launched by the French, English, and Dutch from the early sixteenth century, have been portrayed as the first stage in developing the Atlantic system and as the opening battle in a war for command of the seas in order to exploit the new discoveries of the western hemisphere. This is an exaggerated Atlantic-centric view. It has been shown that such an interpretation, for example, of the Anglo-Spanish wars, pales before Philip II's interest in crushing heresy and rebellion in northern Europe.[3]

Privateering is better understood less as a prelude to colonization than as an alternative to it. Privateering robs Peter to pay Paul: Whatever the Dutch or French or English gained, the Spanish lost. Worse than a zero-sum game, privateering invites retaliation, increases risk, and discourages settlement and economic activity, which depend upon security from international lawlessness. More plausibly, English governmental policy in the Caribbean turned from encouraging privateering to opposing it when settlement began to promise dividends.

With the notable exception of Massachusetts Bay, chartered companies—Dutch, French, English—failed to found settlements in the Americas. To treat these failures as due to "adverse winds," to having settlers "not of the right stuff," "lack of tenacity," "poor leadership," or "lack of supplies," is to miss the essential difficulties of providing men and capital for colonies under the prevailing economic conditions, which persistence and leadership could not easily overcome. The success of the Massachusetts Bay Colony rested on the strength of its noneconomic motives. The "lack of initiative and vitality" explanation of French colonization does not go far to explain the failure in Canada and the success in the French West Indies.

It is hard to accept that English chartered companies fared badly in America for lack of know-how and entrepreneurial skill when they were demonstrably successful in trading to the Baltic, the North Sea, and the Mediterranean. Here, with abundant land, no labor supply, and no export crop, there would be no surplus for the company. Neither governments nor capitalists were willing indefinitely to invest large sums in colonies under these conditions. The history of failed settlements may thus be more instructive than the history of successes. "Only a small fraction of white immigrants reached the New World under the aegis and at the expense of chartered companies. . . . The age of company-promoted white emigration from Europe was short, over with a few exceptions by the middle of the sixteenth century."[4]

Thus, voluntary settlement for economic reasons was not forthcoming on a large scale in the English colonies or, for that matter, in those of Spain, Portugal, France, or Holland. If settlers came for noneconomic reasons, their progress would be strongly affected by their ability to develop exports and attract capital. But where European demand for American exports was forthcoming—for fish, fur, tobacco, and timber—colonial settlement was scarcely more successful.

McCusker and Menard give an excellent description of the theory that holds that colonial growth was grounded in the export of certain staple commodities. It is worth quoting at length.[5] "Colonization begins with an increase in demand for staples in the metropolis. . . . Given the limited metropolitan supply of natural resources, burgeoning demand produces a sharp jump in staple prices. Those higher prices absorb the high costs of colonial enterprise, raise the rate of return, overcome fears, and increase the incentive to colonize. Capital and labor migrate to the new region, the staple commodity is produced, and trade begins. The metropolis imports the staple and exports manufactures to satisfy the needs of the emigrants. It also exports still more capital and labor to further increase supplies of the commodity."

In McCusker and Menard's version of the theory, equilibrium states are followed by repeated growth cycles, based on new demand shifts or discovery of new staples, thereby continually increasing the size of the colonial economy.

The staple theory story depends upon shifts and elasticity of demand and on the production characteristics of the staple. The European demand for fur and tobacco was inelastic, for timber limited, and the production characteristics of fur and fish made them the enemies, not the progenitors, of settlement.

Overproduction crises plagued tobacco production from the first. Colonial tobacco had to be protected by banning cultivation in Europe. Neither the British nor the French West Indies prospered in the tobacco era, and supply restrictions were enacted well before the middle of the seventeenth century. As Governor Culpeper of Virginia wrote in 1681, "Our thriving is our undoing."[6] The period of growing tobacco exclusively with free labor ended after 1680.

When the demand for tobacco rose after some decades of stagnation, it came not from England but from the continent. Colonial production for this reexport trade responded extraordinarily; it is associated with the spread of slave labor and large plantations. Toward midcentury, tobacco lost its dominance as both great planters and small producers began to diversify into wheat and cattle. Tobacco, which once accounted for almost all the exports of the Lower South, fell to less than 75 percent well before the end of the eighteenth century. As a share of total agricultural production, it was even lower. This staple was weak; with a free labor force it was even weaker.

Fur also suffered from inelastic demand. Before the end of the seventeenth century, beaver flooded Europe in quantities that could not be absorbed at the going price. Quite independent of the state of demand, the fur trade represented the antithesis of settlement. Beaver is not highly re-productive and does not migrate. Once the beaver was exhausted in a locality, the hunters had to move on. Although furs were important to the Pilgrims and Puritans and the early settlers of Virginia, gradually the area east of the Appalachians became denuded of furs. Canadian fur interests reached the Pacific well before the end of the eighteenth century. The fur trade represented dispersion par excellence. In fact, the fur trade drew men away from farming and settled agriculture.

So long as easy prey were available, fur "production" was carried on by hunter-gatherer techniques, not in settled societies. The Hudson's Bay Company, a profitable enterprise over the long run, exemplifies trade without settlement in the clearest way. The company consisted of a handful of Scots and English in stockade forts, who dealt with the Indians, served a tour of duty, and rotated back home. The French too understood that, left alone, fur trading would never result in settlement. It was this conviction that impelled the French minister Colbert to adopt a policy of subsidizing colonization by granting monopolies in return for the promise to colonize. French companies conducted a losing struggle to centralize fur trading at Montreal and Quebec—only then could they collect the revenue to repay the crown for their privilege and make a profit. The traders, of course, wanted freedom to find the best market—it was hard to squeeze monopoly profits out of them without coercion.

Fisheries are another unlikely candidate for initiating settlement. The fishermen of England's West Country managed the industry without settlement and opposed it bitterly. As in the French case, the early colonizing interests were courtiers who sought proprietary monopolies. They could get returns on their investment only by licensing and taxing fishermen. Of course, fishermen would not volunteer for that. Without coercion they would not form settled colonies any more than the coureur de bois would. Only a few thousand people lived in Newfoundland in the eighteenth century; until then there was some doubt about whether it was, strictly speaking, an English colony. Newfoundland had no Anglican church until 1701, no justice of the peace until 1729, and no grammar school until 1799. "The settlement existed largely to serve vessels that came from Europe to buy fish, and became completely dependent on New England for its rum and provisions."[7] If settlers already were established, fish could be an important staple if indeed there was a market for it.

The abundance of timber in America was an important colonial resource. Wood was an especially valuable raw material in preindustrial economies, but American timber products failed to become a major export to Europe because of heavy transport costs. These products benefited from the English wartime demand for ships and masts; generally, however, Baltic supplies dominated the market. American wood products, including ships, faced the same problem fisheries did—there were strict limits on direct trade to Europe because of cheaper alternative European sources of supply. As we shall see, given a closer market, these products (and the services ships could provide) would enter trade on a much larger scale.

Thus neither brigands nor merchants succeeded in founding a permanent colonial economy, and the existence of staple crops was not a sufficient condition for development—though, as McCusker and Menard have persuasively shown, perhaps it can be regarded as necessary for rapid growth.

The reluctance of Europeans to migrate to the western hemisphere is well documented. David Ellis has estimated that down to about 1820, four or perhaps even five Africans were brought here for every European who came, and not until 1840, did European arrivals permanently surpass African. In terms of immigration, Ellis remarks, the Americas were an extension of Africa rather than Europe until the late nineteenth century.[8]

Building on the work of Gemery and Galenson, Stanley Engerman notes that in British North America, two slaves arrived for each white immigrant before the American Revolution. The mainland colonies below the Mason-Dixon Line received two-thirds of all mainland white immigrants and nineteen-twentieths of all mainland black slaves. Two-thirds of these southern white immigrants came as indentured laborers.[9] The flow of transported convicts, vagrants, and defeated rebels has fallen beneath the notice of historians until recently; some estimates of convicts go as high as 50,000 for 1718–75.[10] How many indentured laborers were kidnapped or shanghaied or lured by fraud will never be accurately known. But it is clear that only in exceptional circumstances did large numbers of Europeans desire to emigrate in the colonial period.

There is no direct relation between migration and population, of course, since natural increase intervenes. Nor is there a one-to-one correlation between population and labor force, since participation rates and hours worked must be taken into account. And there is no one-to-one correlation between labor inputs and development, since capital, technology, industrial organization, and the division of labor must all be considered. In this wider context, the significance of slavery becomes even more evident.

In 1650, of the nearly one hundred thousand colonists in British America, there were about 16,200 slaves, all but 1,200 in the British West Indies. The mainland colonies were 97 percent white and the islands 75 percent white. By 1750, the mainland colonies were 80 percent white and the islands only 16 percent white.[11] If we calculate the percentage rate of population growth per decade from 1650 to 1770, we observe the relative blackening of the colonial labor force. The growth rate of the black population exceeded that of the white for every decade from 1650 to 1750, with two exceptions, 1710–30 and 1720–30, when slave rates were unusually low. In 1750–60, the white population grew faster than the black one; in 1760–70, they were about equal; only in the (wartime) decade 1770–80, did white rates decisively pull ahead (table 2.1).

Table 2.1. Percentage growth rate per decade of black and white populations in British North America

		Black		*White*
1650–60		122.8		32.3
1660–70		54.8		41.2
1670–80		47.9		19.9
1680–90		33.7		26.0
1690–1700		23.1		16.8
1700–10		53.6		19.7
1710–20		12.0		37.1
1720–30		23.0		31.7
1730–40		42.1		34.1
1740–50		31.2		22.8
1750–60		28.6		35.0
1760–70		29.0		30.7
1770–80		18.8		29.0

Source: Calculated from McCusker and Menard, Tables 5.1, 6.4, 7.2, 8.1, and 9.4, with the assistance of Rebecca M. Solow.

"The blackening of the labor force exceeded the blackening of the population. Participation rates of slaves were higher than those of free whites because of the participation of women and children (among other reasons); slaves worked longer seasons and longer hours, on average, than whites. We know this from direct observation and from the dramatic shift in the labor supply after emancipation, when free blacks had some control over their participation rates and supply of labor.

With an assured labor supply and the emergence of a dependable staple crop, Europeans began to send capital and organize production in America, and the colonies began to grow faster. The staple was sugar." After 1660, England's sugar imports always exceeded its combined imports of all other colonial produce; in 1774, sugar made up just half of all French imports from her West Indian colonies; over the colonial period as a whole more than half of Brazil's exports of goods were sugar. Sugar made up almost a fifth of the whole English import bill in 1774, far surpassing the share of any other commodity. "Already by 1668–9, London's sugar imports exceeded tobacco's by £300,000 to £225,000, and by 1700 sugar imports into England and Wales were twice the value of tobacco."[12]

If the demand for sugar had the characteristics that made a successful staple, were slaves required to produce it? There is no inherent reason why export-led growth is associated with plantation slavery: small holders in West Africa produced most of the world's cocoa crop; small Burmese peasants supplied rice to much of Southeast Asia; the wheat of Canada and the wool of Australia were produced on family farms; but these crops came much later. Sugar had production characteristics that gave slave labor enormous cost advantages over free labor. (The same holds true for colonial rice and indigo. For tobacco and coffee the situation is more complicated and slavery's advantages are less marked.) Thus, the importance of slaves in America was not only that they could be coerced into coming when free labor did not, but when they came they did different things. More of them worked, they worked longer, they could not disperse, they attracted investment, and they produced crops for trade and export on a scale unmatched by free labor. The commodity exports of Britain's American colonies were to a remarkable extent either the outputs of or the inputs into slave colonies as seen in table 2.2.

Table 2.2. Share of slave colonies in average annual value of commodity exports from British America, 1768-72 (£ sterling)

Total exports				*Percent produced by slave labor*		*Percent exported to slave colonies*
British West Indies		3,910.6		Nearly 100		
Upper South		1,046.9		Est. 50		
Lower South		551.9		75		
Middle Colonies		526.5				42
New England		439.1				78
		6,475.0				

Source: Calculated from McCusker and Menard, Tables 5.2, 6.1, 8.2, and 9.3. Canada's small share has been omitted.

Slave-grown sugar provided 60 percent of British America's commodity exports. If two-thirds of tobacco exports were slave-grown, the share of slave crops in commodity exports rises to over 78 percent. New England sent 10 percent of its exports to the West Indies. These colonies provided the market for 42 percent of the exports of the Middle Colonies and 32 percent of the nontobacco exports of the Upper South. Without slaves, what would American exports and American markets have amounted to? Without slaves, what would American growth and income have amounted to?

We cannot answer precisely, because we have no reliable estimates of colonial growth rates. Lacking data, income has been estimated by indirection, deduction, and shrewd guesses. Wealth estimates have a firmer foundation. They show that regional variations in wealth are associated with the ownership of slaves. McCusker and Menard have summarized the wealth profile of free whites in 1770–5, in table 2.3.

Table 2.3. Wealth per free white person in British America, ca. 1770-5 (£ sterling)

Region		*Net worth per free white*		*Total*
Continental colonies (1774)		£74		
New England		33		£19,000,000
Middle Colonies		51		30,000,000
Upper and Lower South		132		86,100,000
West Indies (1771-5)				
Jamaica		1,200		18,000,000

Source: For footnotes and explanation, see McCusker and Menard, p. 61.

This table seriously understates the share of the British West Indies in the total. Jamaica alone, with a free white population of 15,000, is included; but the total free white population of the West Indian colonies was three times that number in 1770 (McCusker and Menard, p. 54). In 1770, the Leeward Islands and Barbados combined to produce nearly as much sugar as Jamaica. If Jamaica represented two-thirds of the West Indian wealth, the relatively few free whites of the British West Indies would have held more wealth than the New Englanders and perhaps as much as the Middle colonists. The southern colonies held over half the total colonial wealth.

The views on colonial income growth are divided. Pessimists argue that urban and rural poverty were both increasing over the Eighteenth century. Some direct evidence on urban poverty has been offered for Boston, New York, and Philadelphia. For rural areas, strongly rising incomes are hard to imagine, whether we visualize immobile colonists, causing overpopulation and diminishing returns, or mobile colonists, replicating their farms on the frontiers. Some rural poor turned not to the frontier but to vagabondage; some moved to urban centers, depressing incomes there even further. To the extent that there was a safety valve, it only prevented incomes from falling further. A leading pessimist quotes approvingly the conclusion of Terry Anderson: "during the first eight decades of the eighteenth century, agricultural productivity declined [and] real wealth per capita stagnated."[13]

Optimists point to evidence that over this period colonial consumption patterns show marked improvement. From midcentury, the colonies imported a wide range of English manufactured and semi-manufactured goods, which were turning up increasingly in probate inventories north and south. In fact, the colonies were an even more important market for these “baubles of Britain,” as T. M. Breen has called them, than the British domestic market.[14]

In a recent article, Main and Main have tried, for New England; to reconcile these improved consumption patterns with the lack of evidence for overall growth in consumption (as measured by the value of probate inventories). They argue “that changes in the makeup of these [consumption] goods constitute an improvement in their material standard of living separate from, and additional to, the growth in total estate value.”[15] This improved market basket does indeed argue for increased welfare. Main and Main measure the improvement by using an “index of amenities” devised by Carr and Walsh. The inclusion of imported foods, forks, coarse and fine earthenware, linen, silverware, religious and secular books, timepieces, wigs, and pictures in inventories is taken to show increased economic welfare, independently of total consumption estimates.

These amenities must be investigated further. What share of them did the colonies produce? What proportion was imported? If a large share was imported, how were they paid for? This brings us back by another route to the role of slavery. The tea, coffee, sugar, earthenware, linen, silver, books, docks, and other miscellaneous manufactures the colonists began to consume were not all produced in the colonies; some were imported. Imports had to be paid for by exports, and we know how crucial slave labor was to colonial exports.

McCusker and Menard believe that colonial income growth probably occurred in two spurts. The first took place at the onset of settlement as farms were established in the wilderness; the second, “less pronounced and perhaps less uniform in the several major regions, began during the 1740s, and lasted to the Revolution . . . this second period can be attributed to a burgeoning metropolitan demand for American products, although more-strictly internal processes that reflected a widening market also played a role.”[16] The metropolitan demand, we have seen, was mostly for slave-grown products; for some regions, the burgeoning demand was from the West Indian slave colonies.

If we disaggregate and consider the colonies one at a time, slavery looms even larger. In the seventeenth century, Barbados in the Caribbean and Virginia on the mainland were the only colonies of continuous progress. Barbados did not thrive until the sugar/slave era; indeed, no British West Indian colony ever founded a successful society on the basis of free white labor. Virginia was a precarious case of touch-and-go until the tobacco settlement was made. The spread of tobacco merely underlined the hopelessness of establishing a colony on the basis of glass, iron, potash, and wine. Maryland too was poor and thinly populated before tobacco production began. The years of growing tobacco exclusively with indentured white labor were not destined to be many.

If we want to visualize Massachusetts without Boston and its commodity and shipping trade to the West Indies, or Rhode Island without Newport and its slave and rum trade to Africa and the islands, we need only look at Connecticut:[17]

> . . . during the colonial period Connecticut never developed any single center of mercantile and trading interest to compare with Boston: or Newport. The inhabitants of the towns were more or less isolated, their energies were centered largely

upon their own agricultural pursuits, and their lives were in the main peaceful and undisturbed. . . . Connecticut stands alone, in a class by herself, as something unique among the British colonies of the New World—a small, slow-moving agricultural settlement, occupying but a tiny part of the earth's surface, largely isolated from the main currents of English and colonial life. . . .

In the eighteenth century, Connecticut, with no banks, no credit, a money shortage so severe that salaries, rates, and taxes were paid in kind, exports few, agriculture primitive and unremunerative, contained 150,000 people in seventy towns that remained substantially without industry as late as 1818.[18]

Similarly, South Carolina and Georgia looked different the minute slave crops appeared. If we want to visualize the Lower South without rice, indigo, and Sea Island cotton, we should think of the backward mixed farms of North Carolina.

Billy G. Smith has written that "Some historians, astigmatised by notions of the shortage of labor, the abundance of natural resources, and the general affluence of early America, have not seen much poverty."[19] They have been "astigmatised" by notions like Hakluyt's and in Adam Smith's that development would be quick and easy.

Colonization Where Land Is Abundant

Adam Smith's optimism rested on the "cheapness and plenty of good land." In settled countries rent and profits eat up wages, but not here. The colonist pays no rent and trifling taxes. He can easily acquire more land than he can cultivate. Indeed, "he can seldom make it produce the tenth part of what it is capable of producing." He will quickly collect laborers and, though wages are high, he will be able to pay them. Of course, his laborers will soon leave him and move on to acquire their own land. Admitting the difficulties of keeping labor, Adam Smith ignores the problem of obtaining it. If rent eats up wages in settled lands, will not wages eat up rent in unsettled ones? The cheaper and more plentiful the land, the harder it is to get the labor; in the limit, it is impossible.

Adam Smith was not really interested in the theory of colonial growth. His concern was the virtues of laissez-faire and in this connection he wanted to show that the gains from the colonies were overborne by the losses inflicted by a mercantilist commercial policy. In fact, until the Colonial Reform movement of the late 1820s, most British writing on colonization was confined to the effects on the mother country and was not concerned with the growth of the colony. The father of the Colonial Reform movement and the pioneer thinker on colonial development was Edward Gibbon Wakefield.[20]

Wakefield turned Adam Smith upside down. Free land did not cause colonial prosperity; it prevented it. Wakefield had ample leisure to reflect. He spent three years in Newgate jail for kidnapping an heiress. Transportation of convicts, colonization, and capital punishment were no doubt prominent subjects of discussion in Newgate, and Wakefield formed strong views on all three. In 1829 he set some of them forth (anonymously) in *A Letter from Sydney*, purporting to come from Australia but actually originating in Newgate.[21]

Wakefield portrayed himself as a well-to-do Englishman who emigrated to Australia with sizable capital. He planned to buy an estate, build a house for himself, surround it with parks and pleasure grounds, and let the rest of his acreage to tenants, for whom he would also build houses and supply working capital as an English landlord does. He brought twenty thousand acres of land for less than two shillings an acre. The timber that had to be cleared would have fetched £150,000 in England, but for lack of available labor in Australia, the standing timber represented a deadweight loss of £15,000. The absence of labor, of roads, and of towns and markets rendered his coal and mineral deposits valueless, but at least "being under the surface they can do me no harm. An estate of twenty thousand acres, containing rich mines of coal and iron, and covered with magnificent timber, is, no doubt, a very good thing in some countries; but here you will lose money by such a possession."[22] When he tried to sell the estate, people laughed; they could get crown grants at 6d. an acre.

Abandoning his dream of becoming a landed proprietor, he had to try his hand at farming. The servants he brought from England decamped. He supplied their lack with convicts. They lost his sheep and stole his effects. He called a constable and had them arrested and jailed. He called for their release the next day; it was harvest time. Disillusioned with convicts, he sent to his estate in England for shepherds, cowmen, carpenters, and blacksmiths. He paid their passage and promised them wages. The skilled left for higher pay in Sydney; the rest, in a period of two years, saved enough to stock a small farm and, one by one, departed. He ended in a small house in Sydney, paying twice the rent for half as good a house as he could have had in an English provincial town, living off the returns from his English capital and the pitiful proceeds of the sale of his twenty thousand acres.

Countries with abundant cheap land will stagnate, not grow, concludes Wakefield. A poor English farmer can better himself by going to Australia (if he can afford the passage). Higher incomes are to be had, but only as a return to labor. The mere immigration of such people will not ensure economic growth. The immigrants will just replicate their family-sized farms across the vast landscape. Division of labor will be retarded. The surplus of such farms will be small, and there will be difficulties in marketing it. Potential returns to capital *would* be great—rates of return would exceed those current in England—but they cannot be realized without the supply of labor to capitalist landlords that is not forthcoming. No man will willingly continue to share the fruits of his labor with another if he can capture them all for himself.

In Australian conditions, people with capital cannot get labor, few people will come voluntarily, and people with labor who do come cannot easily accumulate or attract capital. "If for every acre of land that may be appropriated here, there should be a conviction for felony in England, our prosperity would rest on a solid basis, but, however earnestly we may desire it, we cannot expect that the increase of crime will keep pace with the spread of colonization," he tells us. "I began to hanker after what, till then, I had considered the worst of human ills—the institution of slavery."[23]

Wakefield understood that the significance of slavery was not that a black labor supply would substitute for a white one, but that slavery under certain circumstances was the sole source of a permanent supply of labor to landlords and the sole source of a sizable accumulation of capital:

> What was the sole cause of the revival of slavery—by Christians, but the discovery of waste countries, and the disproportion which has ever since existed in those Countries between the demand and supply of labor? And what is it that

increases the number of slaves of Christian masters, but the increase of Christian capitalists wanting laborers, by the spreading of Christian people over regions heretofore waste?[24]

Wakefield did not, of course, justify slavery but only sought to explain it. His solution to the free land problem was for governments to price land grants and thus prevent the evils of dispersion, lack of markets, and labor and capital shortages. The difficulties of that solution and the history of the Colonial Reform movement are not part of our concern here.

Marx devoted a chapter to Wakefield in *Das Kapital*.[25] He understood well what he and Wakefield had in common—both believed that capital accumulation depended on the private ownership of the means of production. In Marx, this privatization comes about in the transition from feudalism to capitalism, when landlords first acquire property rights in their estates and the power to exclude laborers from them. In America, such property rights exist legally, but because of the extent of land, they are valueless. Both in feudalism and in America, the lack of (valuable) property rights in land means that there is no source of surplus for investment. Modern economists recognize this as a description of the common property case, where all surplus is dissipated and, there is an inefficient allocation of resources.

Wakefield's insights passed into the corpus of classical economics and are probably the origin of the idea, also associated with Merivale, that once empty lands are occupied, slavery will cease. Similar ideas appear in the German historical school and in the work of ethnographers, notably the Dutchman H. J. Nieboer. The modern statement is due to E. D. Domar, who came to the free land formulation from the side of Russian, not American or Australian, history.[26]

Domar presented a simple economic model of an economy with two factors of production, land and labor. He considered two cases: the first where land is limited, the second where land is unlimited. If land is fixed and additional units of labor are added, the resulting additions to output will eventually fall. The landowner will hire labor so long as the output produced by the last laborer hired is greater than the wage he commands. This output produced by the last laborer is less than the average output produced per laborer because of the operation of diminishing returns. Thus the landlord receives the proceeds (revenue) of the average product times the number of laborers, but he incurs as costs only the (lower) marginal product times the number of laborers. The surplus accrues as rent to the landlord.

In the case of unlimited land, as additional units of labor are added, there is no tendency toward diminishing returns. For every laborer there is a plot of land, and the first and last laborers produce the same product. The average product equals the marginal product. In this case, the landlord will find that after he has paid his laborers, there is nothing left over for him. Why would anyone go to work for anybody else if by so doing he earns less than he could on his own? If the landlord pays him what he would earn on his own, there is nothing left over for the rent.

The consequence of this simple model is that where land is free, there will never be a supply of hired labor. If anyone works for someone else, it is by coercion. Free land societies—where the assumptions hold—have either a population of owner-occupied farms or a landed aristocracy and slaves. Of the three elements of this simple agricultural society—free land, free labor, and a landowning aristocracy—only two but not all three will occur. This is the conclusion Domar draws. He does not presume to explain why slavery occurs. Whether slavery is profitable depends on costs and productivity; and whether slavery is introduced depends on the political decision of the state, and this decision, in turn, depends on a host of other factors. Domar is merely pointing to a set of conditions under certain assumptions with certain outcomes and asking us to consider why people will or will not work for other people.

It should go without saying that Domar's model is an abstraction, devised to capture central tendencies, and not a literal reproduction of reality. Land was not literally free. Land having differential fertility or locational characteristics will always command a rent. If the economy depends upon sizable inputs of capital, the model's simple conclusions do not follow. There certainly were positive rents and tenant farmers in colonial America, but the essential nature of the northern colonies was not that of a landed aristocracy and tenant farmers, and the *essential* nature of the southern and West Indian colonies was not that of a free white labor force.

The hypothesis has been around for a long time, Domar concludes; why not invite it in? The first reason to invite it in is that it provides a framework for explaining the choice of social and economic organization that is neither deterministic, simplistic, nor unicausal. Criticisms of the free land approach have been based on substantial misunderstanding. Slavery is not *caused* by free land. Where land is free, slavery *may* or *may not* be more profitable than free labor. This depends on the costs and productivity of both kinds of labor and will vary at different times, in different places, and with respect to different crops. If slavery is more profitable, it *may* or *may not* be adopted; even if profitably established, it *may* or *may not* be abolished. These choices depend on human decisions shaped by political, social, and ideological as well as economic factors. If the assumptions of the model cease to hold, its usefulness is diminished. The advantage of the free land framework is that it points us to those factors that influence the choice of economic and social organization, and these factors, in turn, help explain why at certain times and in certain places such societies choose free or slave labor and what are the consequences of the choice. The free land framework does a better job of explaining the course, pace, and nature of British colonial history than the alternatives. Grounding American exceptionalism in abundant land explains *simultaneously* Turner's frontier and Genovese's South, Jefferson's vision of yeoman agriculture and states' rights and Hamilton's of an industrial society and government intervention. To Jefferson, abundant land meant true democracy. It is the "immensity of land" that enables Americans to avoid the dependence on others that results in "subservience and venality, suffocates the germ of virtue, and prepares fit tools for the design of ambition." Alternatively, the "immensity of land" requires a tariff (or other intervention) to encourage industrialization and prevent the factor combination of cheap land and high wages from keeping America agricultural indefinitely. Wakefield put it succinctly: In the North the tariff, and in the South slavery, prevent America from becoming Jefferson's republic of independent yeomen, a republic that would be incapable of rapid economic development.[27]

Finally, the free land framework directs us to fruitful comparisons among other regions of the world in the same situation. We can understand the relation of the coureur de bois to the

Brazilian *bandeirante*, between the American pioneer and the South African trekker, between the Argentine rancher and the Australian sheep farmer, between the American slave and the Australian convict, between the failed Swan River enterprise and the failed East Florida enterprise. The appearance in recent years of books comparing South African slavery with American slavery, the South African frontier with the American frontier, Russian serfdom with American slavery, and Brazilian racism with American racism make the same point. These comparisons are fruitful and enlightening because the free land framework is common to them all. Outcomes differ, but the comparisons are not between apples and oranges but rather between two kinds of apple trees that grow in different ways.

In sum, if we define as the central question of colonial history: "By what methods did Europeans solve the problem of exploiting overseas conquests in regions with abundant land?," we improve our understanding of the peopling and development of colonial British America (and of Latin America, South Africa, Canada, Australia, and New Zealand as well).

Consider briefly the alternative conceptual frameworks that have been offered for the colonial period.[28]

The literature on the economic history of early British America contains two distinct but poorly specified and even contradictory models concerning the relationship between the growth of population and the development of the economy. According to one model, population growth, by expanding the size of the domestic market, permitted specialization, the division of labor, and the capture of various scale economies in the distribution of goods and services and thus promoted development. On the other hand, a classic Malthusian argument is often invoked to describe a process in which population increase pressed against the local resource base and led to diminished yields, falling incomes, declining prospects, and growing inequality, tendencies only partially checked by movements to the frontier.

As McCusker and Menard point out, these interpretations cannot both be right; in fact, neither is helpful. We had indeed colonial development, but not in the way the first suggests and not entirely prevented by the process the second describes.

Consider next an older school of colonial history in the words of its distinguished proponent:[29]

> The men who founded the colonies were Englishmen; the incentives that impelled them to migrate were English in their origin, and the forms of colonial life and government they set up were reproductions or modifications of institutions already established and conditions already prevailing in one way or another at home.

The men who founded the colonies were not all Englishmen; they were not all European; they were not even all men. The incentives of slaves were neither English nor exigent. The forms of colonial life were not modifications or reproductions of the landlord-tenant aristocratic manorial agricultural system so widespread in seventeenth and eighteenth century England—attempts to reproduce that tenure system failed—but consisted of either family farms or plantations, neither of which prevailed at home and one of which was unknown.

Only by viewing the peopling of America as a white Diaspora can we see the transatlantic flow of peoples merely as "an extension outward and an expansion in scale of domestic mobility in the lands of the immigrants' origins" and the form of transatlantic life just as "an exotic far western periphery, a marchland of the metropolitan European cultural system."[30] It will not rescue such conceptual frameworks to add a separate but equal account of a black Diaspora, for the effects of the two flows are not additive but interdependent.

Sustaining old myths requires the invisibility of slavery, and the invisibility of slavery inhibits the development of a better framework for colonial history. Consider next the thoughtful historiographical chapter by Greene and Pole on "Reconstructing British-American Colonial History," which introduces a volume of distinguished essays on the colonial period. In this chapter, the word "slaves" appears just once, the word "slavery" not at all; the subject is not discussed.[31]

The foundation of a satisfactory framework for colonial history, say Greene and Pole, must be based on regional differences. They identify five (or seven) regions and consider several typologies. Island versus continental colonies; southern versus northern colonies; settlement versus exploitation colonies; and farm versus plantation colonies (they prefer the last). If these regions are to be gathered into one comprehensive scheme, they must exhibit significant similarities. Greene and Pole suggest five: (1) each region began as a new society with a common problem of organizing social, political, and economic institutions; (2) each was tied to the Atlantic trading network; (3) all were multiracial and multiethnic; (4) all were characterized by exploitation of the environment and of the peoples living in them; (5) all bore a colonial relation to Great Britain.

The heart of the Greene and Pole approach can be conveyed by the following:[32]

> . . . they were all cultural provinces of Britain whose legal and social systems, perceptual frameworks, and social and cultural imperatives were inevitably in large measure British in origin and whose inhabitants thereby shared a common identity as British peoples living in America. . . . Arguably the most important similarity among the several regions of colonial British America, this common identity imposed upon British Americans in all regions a common set of expectations for their new societies, which they looked upon not merely as vehicles for their own sustenance and enrichment but also as places that would eventually be recognizable approximations of Albion itself. They thus came to the New World expecting, not to create something wholly new, but, insofar as possible, to recreate what they had left behind, albeit without some of its less desirable aspects. Their expectation, their hope, was that the simple societies with which they began would in time develop into complex, improved, and civilized societies as those terms were defined by their metropolitan inheritance.

All the regions in Greene and Pole's scheme, with the common characteristics just identified, are described as having gone through three phases: first, of social simplification of inherited forms; next, of social elaboration of these forms along demonstrably English lines (despite a certain creolization); and finally, of social replication of British society in America, not indeed always harmoniously achieved. Each region went through this developmental framework at different times and with varying results, driven by a tension between the functional imperatives of historical experience and the inherited imperatives of Old World culture.

Ignoring slavery presents serious problems for this story too. Certainly, all of the colonies faced the problem of organizing social, political, economic, and legal institutions: The crucial thing is that they organized them in two distinctly different ways. Whether we look at the forms of immigration, economic organization, social structure, political life, or legal codes, there is a fundamental difference between colonies with free labor and colonies with slave labor. The essential difference between mainland colonies and island colonies, between northern and southern colonies, between farms and plantations, between settlement colonies and colonies of exploitation is the difference between free and slave labor systems. There were very few free men on plantations, in the islands, or being exploited, compared with slaves. The system each region developed was not determined by its geographical characteristics, regionalism qua regionalism. The island societies began with farms and free labor and turned into societies with plantations and slaves; so did Georgia and South Carolina; parts of the Chesapeake changed in the opposite direction. Regionalism doesn't explain development.

Although the colonies had ties to the Atlantic trading system, the nature of their ties differed. Slave colonies sent by far the largest volume of commodities to Europe. Some colonies without slaves joined the Atlantic system by sending commodities to the slave colonies; other colonies without slaves hardly joined the Atlantic system at all; a few did succeed eventually in sending free-grown commodities across the Atlantic.

Of course, all colonists lived to some extent in multiracial and multiethnic environments, but it is naive to pretend that New Hampshire and Antigua are just two examples of this. The world the slaveholders made was not like Vermont or Connecticut, and there is no intelligent sense in which the Pennsylvania farmer and the Jamaican slave shared the same sort of exploitation. The plantation colonies were certainly not "recognizable approximations of Albion"; they were not even recognizable approximations of Rhode Island; and the world found out in 1861 (if it had failed to notice earlier) that the regions of colonial America had not undergone a common development pattern.

Historians—not just black historians—are entitled to ask whether the "perceptual frameworks, and social and cultural imperatives" of *everybody* in colonial America "were inevitably British in origin," and to ask for something better than a continuing homogenization of colonial history that ignores the social, political, economic, legal, and ideological differences between free and slave colonies.

In contrast, the free land framework directs attention to investigating why two streams of labor, voluntary and coerced, came to the colonies and resulted in two different (but interdependent) types of social and economic organization. An approach that skirts this problem violates the facts of history and ignores one of the central issues of the American past.

Notes

1. Adam Smith, *Wealth of Nations*, ed. Edwin Cannan (New York, 1933), 539.

2. This formulation begs the question of how lands became "cheap and abundant." The process of emptying land by the near extirpation of the indigenous population, by disease, by disintegration of their social and environmental fabric, and by dispossession is an ongoing part of the history of these regions.

3. R. B. Wernham, *Before the Armada* (London, 1966), 354, 367–68, quoted in K. G. Davies. *The North Atlantic World in the Seventeenth Century* (Minneapolis, 1974), 27. Davies's book is an indispensable source, and I am deeply indebted to it.

4. Davies, 96.

5. John J. McCusker and Russell R. Menard, *The Economy of British America, 1607–1789* (Chapel Hill, 1985), 21–22.

6. Quoted in Davies, 176.

7. Davies, 165–66; Ralph Davis, *The Rise of the Atlantic Economies* (Ithaca, NY, 1973) 272.

8. David Eltis, "Free and Coerced Transatlantic Migrations: Some Comparisons," *American Historical Review*, Vol. 88, No. 2 (1983), 255.

9. Stanley L. Engerman, "Slavery and Emancipation in Comparative Perspective: A Look at Some Recent Debates," *Journal of Economic History*, Vol. XLVI, No. 2 (1986), 320.

10. Bernard Bailyn, *Voyagers to the West: A Passage in the Peopling of America on the Eve of the Revolution* (New York, 1987), 294.

11. For fuller discussion, see McCusker and Menard, chap. 10; Davis, chap. 8.

12. Davis, 251; Davies, 312.

13. For a good exposition of the pessimist view, from which this quotation is taken, see Billy G. Smith, "Poverty and Economic Marginality in Eighteenth-Century America," *Proceedings of the American Philosophical Society*, Vol. 132, No. 1 (1988), 85–117.

14. T. H. Breen, "Baubles of Britain: The American and Consumer Revolutions of the Eighteenth Century," *Past and Present*, No. 119 (1988), 73–104.

15. Gloria L. Main and Jackson T. Main, "Economic Growth and the Standard of Living in Southern New England, 1660–1774," *Journal of Economic History*, Vol. XLVIII, No. 1 (1988), 27–46.

16. McCusker and Menard, 60, 268–69.

17. Charles M. Andrews, *Our Earliest Colonial Settlements: Their Diversities of Origin and Later Characteristics* (Ithaca, NY, 1933), 117–18.

18. Andrews, 127–9.

19. Billy G. Smith, 108.

20. For an excellent discussion of British economic thought on the colonies in the nineteenth century see Donald Winch, *Classical Political Economy and Colonies* (London, 1965).

21. Edward Gibbon Wakefield, *A Letter from Sydney* in M. F. Lloyd Prichard (ed.), *Collected Works* (Auckland, 1969).

22. Ibid., 103.

23. Quoted in Winch, 95; Wakefield, 112.

24. Wakefield, p. 113.

25. Karl Marx, *Capital: A Critique of Political Economy* (Chicago, 1906), chap. XXXIII, "The Modern Theory of Colonization," 850–66. See also H. U. Pappe, "Wakefield and Marx," *Economic History Review*, 2nd Series, Vol. IV, No. 1 (1951), 88–97.

26. Evsey Domar, "The Causes of Slave: or Serfdom: A Hypothesis," *Journal of History*, Vol. XXX, No. 1 (February 1970), 18–32. Models of economic development with unlimited supplies of labor exist and have even won a Nobel Prize but there is very little literature on the topic of unlimited supplies of land. The exceptions deal mostly in special cases. Cf. Robert E. Baldwin, "Patterns of Development in Newly Settled Regions," *Manchester School of Economic and Social Studies*, Vol. 22 (May 1954), 161–79; Bent Hansen, "Colonial Economic Development with Unlimited Supplies of Land: A Ricardian Case," *Economic Development and Cultural Change*, Vol. 27, No. 4 (1979), 611–27; Gerald K. Helleiner, "Typology in Development Theory: The Land Supplies Economy (Nigeria)," *Food Research Institute Studies* (1966). See also G. S. Callender, "The Early Transportation and Banking Enterprises of the States in Relation to the Growth of Corporation," *Quarterly Journal of Economics*, Vol. XVII, No. 3 (1902), pp. 111–62.

27. Cf. Wakefield, *England and America*, in *Collected Works*, 496 n. "New Orleans is a great market because of slavery; Galena, because of the tariff." For a fuller interpretation of the relation between free land and American political and economic development in the postcolonial period, see the interesting paper by Peter Temin, "Free Land and Federalism: American Economic Exceptionalism," Working Paper No. 481, Department of Economics, Massachusetts Institute of Technology, February 1988.

28. McCusker and Menard, 255. Their dismissal of the free land approach is found on p. 239.

29. Andrews, p. v.

30. Bernard Bailyn, The *Peopling of British North America* (New York, 1987), propositions 1 and 3.

31. Jack P. Greene and J. R. Pole (eds.), *Colonial British America- Essays in the New History of the Early Modern Era* (Baltimore, 1984). Greene and Pole's failure to deal with slavery is remarkable in view of the inclusion of several of the papers in their volume that deal with the subject, especially those of Richard B. Sheridan, Richard S. Dunn, and T. H. Breen.

32. Ibid., 14.