

Spring 5-1-2017

# The Efforts of Trade: Commodities, World Markets, and Early American Labor

Donovan P. Fifield

*University of Connecticut*, [donovan.fifield@uconn.edu](mailto:donovan.fifield@uconn.edu)

Follow this and additional works at: [https://opencommons.uconn.edu/srhonors\\_theses](https://opencommons.uconn.edu/srhonors_theses)

---

## Recommended Citation

Fifield, Donovan P., "The Efforts of Trade: Commodities, World Markets, and Early American Labor" (2017). *Honors Scholar Theses*. 527.

[https://opencommons.uconn.edu/srhonors\\_theses/527](https://opencommons.uconn.edu/srhonors_theses/527)

# The Efforts of Trade: Commodities, World Markets, and Early American Labor

By: Donovan Fifield

University of Connecticut

Spring 2017

Variation is a noteworthy characteristic of early American labor. Within different regions, one would have seen many different local economies and social systems revolving around how people were employed. From this variation arises the question of why labor took different forms in different areas. This consideration relies on multiple factors pertaining to both society and the natural environment. These factors could be seen to have existed in a complex system where no one factor was the primary determining power involved in the way labor manifested itself in a region. However, common patterns did in fact emerge in regions with similar labor systems, but such patterns were not fully determinative so much as they provided an environment where certain forms of labor could take hold. Despite the dynamic nature of this system, one common tie can be seen to have had a ubiquitous effect on each early American region, which is the globalization of the commodity. The commodity itself, while varying greatly in type and production, formed a “backbone” around which the economy developed. For this reason, insight into the influence of certain commodities, at certain times, reveals the motivating powers that allowed for certain forms of economic organization, and the labor systems inherent to these forms, to emerge.

The development of the early American economy was focused, to a substantial degree, on the production and distribution of commodities. Included on the list of these critical goods was tobacco, wheat, sugar, rice, and fish. Each of these commodities had physical characteristics which lent themselves to specific climates, farming processes, and resulted in different levels of consumption in global markets. Consequently, because of these variations between each type of good, different labor patterns emerged as early Americans and their European counterparts devised ways to bring these critical resources to the world.

There are other ways through which the development of the early American economy has been approached, as concerns the role of the commodity. One of the most influential arguments in this vein is the Staple Thesis, as introduced by Douglas North.<sup>1</sup> This thesis includes the idea that market growth extended primarily from exportable surpluses. It puts emphasis on exportation, such as that to European markets as the primary reason why the labor system came to be structured as it was. However, this overlooks a concept explored within this paper, which is the internalization of the commodity in terms of local effects of the commodity on labor. In this way, the export of the commodity, while significant, was largely reliant on how producers reacted to the commodity, and later, whether domestic markets became large enough to rival foreign ones. This is most evident in the case of large domestic markets such as those for wheat in Philadelphia. Additionally, the development of the early American economy can be seen to be far less bounded within one evolutionary path defined by a single characteristic such as the prevalence of exportable goods. Instead, this was just one contributing factor, which was subject largely to how people reacted to the commodity in the form of social norms and state intervention. The resultant picture is one that is dynamic and not entirely possible to reduce to a single dominant theme. However, the importance of the commodity and global market integration remain significant considerations nonetheless.

The effect of these efforts was experienced differently by each of the early American social strata. First, at the base of the path of the commodity to market, or the beginning of the

---

<sup>1</sup> North claims that institutional and political policies were influential, but were not capable of replacing underlying forces in the U.S. market economy. See Douglas C. North. *The Economic Growth of the United States: 1790-1860*. (New York, NY: W.W. Norton & Company, 1966), p. vii.

“chain,”<sup>2</sup> was the common laborer, who functioned, in the case of each commodity, as the force that extracted the resource from the earth or contributed some initial processing necessary for the commodity to be palatable by the consumer. In the case of early America, such laborers often became tied to production through some legal mechanism or status, including, in various forms, slavery, servitude, and debt peonage. Later, the growing prominence of the wage, and the dissolution of many legal and cultural norms associated to some extent with changes in labor scarcity, resulted in new forms of labor and corresponding changes in capital formation and settlement.<sup>3</sup> Another “level” of labor, in the sense that their effort drove the chains of production and distribution needed to allocate commodities where demand existed, was the merchant. Organizational methods, market knowledge, and an association with governing bodies, were factors contributed by such people to the commodification and distributional processes involved in the chain of interaction that brought the good to the consumer. Lastly, a significant source of labor, were the intermediaries between the common laborer and the global merchant. Such people occupied a series of roles involving management, craftsmanship, processing goods, and any number of steps that occurred between extraction and sale in the life of the commodity. These economic strata, defined by the effort contributed to the world market system, were not always absolute. They could be flexible, and in many cases one person could occupy many roles throughout their life, or even simultaneously.

---

<sup>2</sup> The concept of commodity chains is presented in a modern context by Jennifer Bair. The same premise of stages of interaction involved in global markets is applied here to early America and Early Modern Atlantic markets. Jennifer Bair. “Global Capitalism and Commodity Chains: Looking Back, Going Forward.” *Competition and Change* 9, no.2 (June 2005).

<sup>3</sup> General data expressing population growth in labor scarce areas, by region, can be found in John J. McCusker and Russell R. Menard. *The Economy of British America, 1607-1789*. (Chapel Hill, NC: University of North Carolina, 1985), p. 17, 217-222

Associated with the variety of labor that manifested itself in a given region was the concept of “concentration.” This includes concentrations of population, industry, and subsequent effects of urbanization (or the lack thereof). This process additionally affected labor, and the kinds of efforts and inputs which came to feed the push of the commodity to market. The ease of organization, proximity to industry, and limits to travel all played into this theme of geographic concentration and its effect on labor.

In every case, somewhere underlying these webs of market interaction and labor inputs was the commodity and the market interaction that the commodity generated. While not the sole, or even necessarily the most dominant, force involved, commodities were effectively ubiquitous within the early American economic system. Given this reality, it becomes useful to develop a framework through which one can examine the effects of commodities on labor in each case. For the purposes of this framework, four considerations must be made: (I) The characteristics and economic power of the commodity in general, (II) The effect of each commodity on the early American common laborer, (III) The significance of mercantile effort and the ensuing effects on economic concentration, and (IV) the way that the framework can be applied to situations exemplifying certain varieties of labor during this era. Through disaggregating the various factors involved in each of these considerations, an order can be established as to which of these factors determined the others, and also their magnitude within each local economy and the global commercial structure as a whole.

## I.

In early America, a theme common to the production of each economy was that of aggregate output. The basis of this goal was to produce, often without regard to long run operation, high short-term levels of a single product in order to supply the largest population

possible. Often this process revolved around, and was driven by, European markets.<sup>4</sup> As a result, in a world where global commodity trade was becoming increasingly prevalent, producers sought to bring together as much capital as possible, within limited periods, even at high economic and social costs. Stemming from this, the commodity can be viewed as a kind of center, around which other interactions took place. An example of this can be seen in the way the sugar industry, based primarily on large-scale slavery, formed a self-perpetuating cycle of exchange with the African economy. In this scenario, sugar was traded for slaves that were subsequently used to produce more sugar.<sup>5</sup> While other factors, such as the legal status of coerced workers and the use of sugar in the diets of African populations, were significant, this occurrence shows that the physical commodity itself was essentially inseparable from the labor systems that emerged regarding its production. Together, the drive for large scale output, and the market perpetuated exchange generated by demand, are representative of how the Early Modern world responded to the presence of these commodities within their economy. Ultimately, various regions in early America began to structure the local economy around the commodities that allowed them to enter this growing global system of commodity exchange.

The first British-American region to experience the effect of commodity market integration on local labor was the Upper South, where the primacy of tobacco came to establish certain patterns within the colonial economy. In this area, planters came to evaluate a plantation's performance on the amount of revenue they received, and whether profits allowed

---

<sup>4</sup> Peter A. Coclanis, *The Shadow of a Dream: Economic Life and Death in the South Carolina Low Country 1670-1920*. (New York, NY: Oxford University, 1989), p.16

<sup>5</sup> Sydney W. Mintz. *Sweetness and Power: The Place of Sugar in Modern History*. (New York, NY: Penguin, 1986), p.58

planter families to accumulate the plantation capital and consumer goods that they wanted.<sup>6</sup>

These motives, largely focused around output in an initially scarcely populated region, allowed for the exploitation of involuntary labor, justified by the planters, in economic terms, on the basis of meeting a demand for labor locally in order to meet a larger demand for their goods globally.

The immediate effects allowed for a profitable expansion of the plantation labor system. An example of this, although far from the only one, can be found in the prevalence of gang labor on tobacco plantations (other variations in the type of slave labor on tobacco plantations are detailed in part II). Under this system, wealthy landowners were profitably able to organize slaves in groups usually ranging from six to seventeen workers, while smaller planters were limited to the extent to which they could create these “gangs,” yet relied on them for production nonetheless.<sup>7</sup>

The significance of this labor system, regarding its relevance to tobacco producing regions, is that the use of slavery was correlated with the growth of a planting business. This indicates that without utilizing the market for coercive labor, the size of a given tobacco producer was limited by its competition with neighbors more apt to exploit the ability to populate their plantations through force and without regard to voluntary market interaction.

Another commodity which influenced a given region through drive for large scale output, market perpetuated exchange, and capital formation, although in significantly different ways than the previously mentioned trends associated with tobacco, was wheat. In wheat producing areas, such as the Mid-Atlantic, milling associated with wheat and flour production resulted in an importation of human capital in the form of technological skill, resulting in fixed capital

---

<sup>6</sup> Lorena S. Walsh, *Motives of Honor, Pleasure, and Profit: Plantation Management in the Colonial Chesapeake, 1607-1763*. (Chapel Hill, NC: University of North Carolina, 2010), p.12

<sup>7</sup> Lois Green Carr and Lorena S. Walsh, “Economic Diversification and Labor Organization in the Chesapeake, 1650-1820” In *Work and Labor in Early America*, ed. Stephen Innes (Chapel Hill, NC: University of North Carolina, 1988), 162



accumulation revolving around not coercive labor, but instead mechanization. An example of how various methods, and demand for given commodities, changed throughout the early American period can be seen in the transition between wheat and tobacco as the nation's most valuable exported good by 1790.<sup>8</sup> While the processes of production between wheat and tobacco were not inherently dissimilar, we will see that their association with given regions and different levels of demand, often resulted in remarkable dissimilarities revolving around their respective effects on labor, especially considering coercion and the urbanization of labor.

Sugar provides another example of how the commodity factored into the interplay between short-term output and market exchange in the Atlantic economy. Much like tobacco, the trend here was also towards enslaved labor, and often to an even greater scale. In fact, Richard Follett points to the significant scale of sugar plantation systems, and the corresponding enslaved population, reaching well into the nineteenth century.<sup>9</sup> This scale is important because it points to the same coercive labor trends exemplified in the tobacco industry utilized to produce large aggregate output of a specific good to perhaps an even greater extent. Additionally, this output was driven by the physical characteristics of the commodity itself. For example, Sydney Mintz points to the caloric properties of sugar, and the resultant popularity of the good as a food staple throughout the Atlantic.<sup>10</sup> Again the association between correcting for labor scarcity, market demand, and the capital exchange necessary to support such a system, created an industry, and corresponding labor system, all revolving around a central commodity, sugar.

---

<sup>8</sup> Brooke Hunter, "Rage for Grain: Flour Milling in the Mid-Atlantic" Diss., University of Delaware, 2002. p.4,6

<sup>9</sup> Richard Follett. *The Sugar Masters: Planters and Slaves in Louisiana's Cane World, 1820-1860*. (Baton Rouge, LA: Louisiana State University, 2005), p.31

<sup>10</sup> Mintz. *Sweetness and Power*. p. 146-152

Rice presents a series of important similarities and contrasts between different commodities in the early American economy. The first involves rice's non-enumerated status, which raises an important consideration involving interregional demand. A non-enumerated good was one that did not fall under the British Navigation Acts, laws that enforced an importation of goods into the British mainland in the eighteenth century.<sup>11</sup> Peter Coclanis points to the power of the market in the rice producing regions of the low country in South Carolina, while simultaneously discrediting the idea of a full fruition of a "market ethos" by noting the coercive nature of the region's enslaved labor force.<sup>12</sup> Relative to tobacco and sugar, rice was similar in its utilization of slave labor to meet demand, while it was dissimilar in the legal and regional structure that the demand took, as is exemplified by its exclusion from lists of "enumerated" products, or those destined to funnel into the British colonial mercantilist system. In addition, rice's geographic characteristics, such as climate, yielded other factors with the ability to alter the way labor manifested itself in a region. This raises the question of how differentiation could result not from the effect of a commodity on a region but from the region itself.<sup>13</sup> The significance of rice in this context is that the commodity's production was not the sole factor determining labor, but also its allocation and the related effects of markets and commercial restrictions.

A regional effect of a commodity relatively unique compared to the four previously mentioned was that of fish in early New England. Like each of the commodities mentioned previously, the central premise of the American fish markets was finding a way around low

---

<sup>11</sup> "The Navigation Act, 1651". BCW Project: British Civil Wars, Commonwealth & Protectorate 1638-1660. <http://bcw-project.org/church-and-state/the-commonwealth/the-navigation-act> (April 19, 2017)

<sup>12</sup> Coclanis. *The Shadow of a Dream*. p.49-51

<sup>13</sup> Ibid. 31-33

worker populations in order to meet overseas demand, and like each of the previous cases, top-level producers found a way to account for this by legally tying workers to the job. However, the methods used to meet these ends were different. The deviation extended largely from the transient nature of labor, and related voluntarism, associated with filling the fishing industry's labor void.<sup>14</sup> Such a system raises the question of what made mobile labor inherently different, if anything, from the sedentary patterns associated with agriculture. Daniel Vickers exhibits an example lending a controlled comparison of the transient fishermen and sedentary agrarian life through depictions of their proximity and interaction in New England. One important distinction is the lack of comparative advantage concerning any marketable good between the New England agrarians and the planters of the southern colonies. For this reason, in order to integrate into the world economy, as profit seeking motives led New England society to do, local industry would have to adapt itself to the commodification of timber and fish, in which the region did have a comparative advantage.<sup>15</sup> Because of this, the effects of commodification on labor, unlike the south, were not based in agricultural exports. One method associated with the commodification in the case of the fish industry is the use of debt as a means to bind laborers to the firms who organized the trade between the points of extraction and foreign markets, a kind of labor assurance more similar in its goals to the labor systems of other commodified goods as compared to the fishing industry's agrarian neighbors.<sup>16</sup> The significance of this is that agriculture did not

---

<sup>14</sup> Daniel Vickers. "Maritime Labor in Colonial Massachusetts: A Case Study of the Essex County Cod Fishery and the Whaling Industry of Nantucket, 1630-1775." Diss., Princeton University, 1981. p.30

<sup>15</sup> Ibid. 30-38

<sup>16</sup> Daniel Vickers. *Farmers and Fishermen: Two Centuries of Work in Essex County, Massachusetts, 1630-1850*. (Chapel Hill, NC: University of North Carolina, 1994) p.102

imply the coercive practices associated with short-term increases in aggregate output, but instead it was the global commodification of a good which resulted in this labor void filling trend.

An important distinction concerning the labor tied to any of these commodities was their two-part nature. The first of these parts can be thought of as the role of labor as it applied to initial production, extraction, or processing of a commodity. This was the first critical step necessary to the construction of the commodity chain. However, given growing populations and economic demand, it was not a sufficient method to ensure the reception of the commodity in a region. This global “reception” of the commodity was nonetheless a system which emerged as a result of the global market expansion during the period under consideration. Additionally, a second series of efforts necessary to achieve the ends of global commodification, which can thus be thought of as a secondary form of labor, was the organizational factors that allowed for allocation of materials throughout the global economy. This included merchants, financiers, shipmen, and local management.

The first part of the early American labor system consisted of some mixture of coerced and wage laborers. While these categories can be thought of as opposites, a given individual could experience some degree of both. Certain inherent characteristics can be drawn concerning these numerous “common” laborers. A significant point concerning the association between commodity production and labor was its effect on the roots of American slavery. This can be thought of as commodification having a kind of domino effect. In the case of slavery, this could be seen in the development of a multi-state, mercantilist, commodification of labor necessary to

meet short-term demand after the aforementioned staples were introduced to the world market.<sup>17</sup> Short-term demand, in this sense, refers to the immediate supplying of the good to European markets to get the largest possible profit within a short amount of time. Slavery was implied in this case because bringing labor into an underpopulated region, a necessary part of maintaining high production levels, could be accomplished at a low immediate cost through coercive tactics. The alternative would be to wait for early American labor markets to develop in a voluntary fashion, which would likely take substantially more time. An example of this short-term commodification of labor could additionally be seen in the case of Louisiana tobacco producers operating under the influence of the French tobacco monopoly, who repeatedly requested “adequate supplies of labor” from the monopoly’s intermediaries, as would have been necessary to meet production demands given the underpopulated region.<sup>18</sup> The role of such intermediaries in the establishment of commodity production, and related workforces, is illustrated by the tendency whereby competition for production and constrained productive space caused transitions from tobacco to sugar in regions such as Louisiana. Financiers and planters were effectively able to shift the structure of local agriculture, not only replacing it with a different commodified good, sugar, but also increasing reliance on the commodification of labor in the form of slavery.<sup>19</sup> While commodification of goods was not always tied to slavery, as is

---

<sup>17</sup> Seth Rockman. “The Unfree Origins of American Capitalism,” in *The Economy of Early America: Historical Perspectives and New Directions*, ed. Cathy Matson (University Park, PA: Pennsylvania State University, 2006), p.351

<sup>18</sup>Jacob M. Price. *France and the Chesapeake: A History of the French Tobacco Monopoly, 1674-1791, and of its Relationship to the British and American Tobacco Trades*. (Ann Arbor, MI: University of Michigan, 1973), p.316

<sup>19</sup> Laura Náter, “The Spanish Empire and Cuban Tobacco during the Seventeenth and Eighteenth Centuries,” in *The Atlantic Economy during the Seventeenth and Eighteenth Centuries: Organization, Operation, Practice, and Personnel*, ed. Peter A. Coclanis (Charleston, SC: University of South Carolina, 1999), p.254

illustrated in the aforementioned cases of fish and wheat, slavery could be seen as an important method of maintaining labor supplies sufficient to meet the economic goals of the mercantilist world where other sources of immigration may have been lacking.

While the cases of slavery, wage earning seamen, or yeoman farmers may have been indicative of a common interpretation of “labor” as it applied to early America, the variety of work included in the model of productive labor widens substantially when labor is considered in terms of effort exerted within a system meant to bring some good or service to market. As a result of this, labor could be seen as containing not only base-level producers, such as those working in fields or at sea, but also those whose professions required the organization of production and the delivery of the good, or assuring the rendering of the service. Given the association between interregional connection and the commodity already expressed, it is not possible to separate the commodity trade from the context of integration, therefore it is not possible for the trade to exist without the integrators. These included market participants such as merchants, craftsmen, and managers, who existed outside of the pool of common laborers existing under states of coercion, wage, or contract, and yet were equally critical to the economy of the time. For this reason, these players too found themselves tied to the commodity. While this depiction of the mercantile factor as “labor” is unconventional, from an approach based around inputs necessary to power a global economy, their work was critical enough to such trade to merit the term.

In general, the commodity preceded the type of labor that manifested itself in a region, although it did not dictate it. For example, sugar engendered a high demand throughout the Early Modern Atlantic, and was additionally subject to costs of production that were initially high enough to create a significant boundary to mass production. However, two additional factors

unrelated to the commodity itself, the state coordination of industry and the introduction of legal chattel slavery into sugar producing regions, indicate that parties often responded to the factors provided by the characteristics of the commodity and the markets they generated.<sup>20</sup> However, the physical commodity itself often did have characteristics that promoted a certain type of labor, to a degree, even when state intervention and other outside social forces are taken to be non-factors. For example, sugar and tobacco were both largely market inelastic due to their high-caloric staple properties and addictiveness respectively.<sup>21</sup> These physical properties lent themselves to the necessity of production regardless of cost, which implies that methods such as slavery could be a cost saving implementation to a society in which the commodity had been introduced, given that producers did not have the working population necessary at the time. In this scenario, the physical property did in fact dictate the ensuing response to a degree. Here though, the commodity did not transform the variety of labor, but instead provided a default that humans had to change through some legal mechanism or technological advancement. Therefore, transition between different types of labor, and transition between different types of commodity production, tell us more about the influence of the inhabiting population than the influence of the commodity.

One primary factor regarding world markets, and thus labor, which was beyond the influence of the commodity, was changes in consumer taste. Examples of this factor can be seen in how changes in the variety and processing of tobacco for consumption changed in regard to popular perception in Europe. Initially, tobacco received little demand in many countries outside of England, including France where its only popular use was as a medicine or salve. However, it

---

<sup>20</sup> Mintz. *Sweetness and Power*. p.39, 43

<sup>21</sup> Ibid.

Price. *France and the Chesapeake*. p.19, 316

was popularized during the reign of Louis XIII, opening a large market and increasing European demand, subsequently fueling the industry. Likewise, the tobacco industry continued to change based on whether the tobacco was being smoked, or processed for snuff, in regard to how the product was processed from consumption, and also where it was grown, being as the quality of the tobacco of certain regions lent itself to be consumed in certain ways. Regardless, the development of “taste” in given regions greatly affected the demand for labor, as can be seen by the correlation between forced immigration of African slaves and the growing demand in regions such as France throughout the eighteenth century.<sup>22</sup>

Another influence on early American labor aside from the direct influence of the commodity, though often corresponding to the production of specific goods, was climate. Philip Morgan points to the correlation between disease and seasonal spikes in temperature in the rice-growing South Carolina low country. In this case, exceptionally warm climates during productive seasons spurred increased prevalence of disease. Compared to colder northern climates, these southern regions were more prone to diseases such as malaria. The effect was a relocation of management out of the region, effectively changing the labor and organizing input on the part of these plantation managers in seasonal cycles revolving around climate.<sup>23</sup> Likewise, Lorena S. Walsh and Lois Green Carr point to the reinforcement of “English work customs” in the seventeenth century Chesapeake, where seasonal fluctuations in temperature allowed for a labor structure focused on a particular variety of agrarianism.<sup>24</sup> This climate effect can also be seen to have extended to the sea, where rhythms of climate caused such events as hurricanes and

---

<sup>22</sup> Ibid. 3, 26, 388, 611

<sup>23</sup> Philip Morgan. “Work and Culture: The Task System and the World of Lowcountry Blacks, 1700-1880.” *The William and Mary Quarterly* 39, no.4 (October 1982), p.566-568

<sup>24</sup> Carr and Walsh, “Economic Diversification in the Chesapeake”, p.154



the icing of harbors which caused fluctuations in the regional demand for maritime labor. This last example is particularly relevant to the global nature of commodities during this period, whereby a certain commodity could become less profitable due to the costs of transporting from a site of production or to a desired market based on local climates and season.<sup>25</sup>

Farming processes and frontier expansion were representative of a series of human decisions that affected labor patterns within certain areas, that were tied to, yet not determined by, the nature of specific commodities. While commodities may have caused the emergence of certain limits to growth (both geographically and agriculturally), human response differed. For example, the decision to diversify planting on agricultural land, or replenish exhausted land through other means, implied certain costs that were often overlooked by planters in response to the availability of virgin frontier land. Tobacco, and the agricultural society based largely around monoculture which defined its production in early America, monopolized the best lands. However, methods such as fertilization with manure, which would replenish the soils depleted by the naturally exhaustive tobacco, were often overlooked by major planters.<sup>26</sup> This exhaustion and correlative frontier expansion were additionally applicable to the farmers of colonial New England who quickly wore out their soil; the decreased marginal benefits from planting the soil available additionally resulted in a frontier expansion and a transition to fresh soils.<sup>27</sup> The result of these exhaustive effects on labor was two-part. First, the exhaustion of one type of soil had the

---

<sup>25</sup> Markus Rediker, "The Anglo-American Seaman as Collective Worker, 1700-1750." In *Work and Labor in Early America*, ed. Stephen Innes (Chapel Hill, NC: University of North Carolina, 1988), 257

<sup>26</sup> For exhaustive planting, farming knowledge, and the use of manure in growing tobacco see Avery O. Craven, *Soil Exhaustion as a Factor in the Agricultural History of Virginia and Maryland, 1606-1860*. (Columbia, SC: University of South Carolina, 2006) p.33,37. For Exhaustive practices common to frontier communities see Craven, *Soil Exhaustion*. p.19-20

<sup>27</sup> Brian Donahue. *The Great Meadow: Farmers and the Land in Colonial Concord*. (New Haven, CT: Yale University, 2004), p.206

ability to cause a transition in the type of commodity produced in a region, given that soils were no longer productive enough to support the current produce, potentially causing an adaptation of labor to a new commodity. Second, the shift to frontier lands, caused immigration to new territories where labor would possibly need to adapt to minor, or possibly major, climatic variations, and commercial work, such as that involving merchants, would have to adapt to changes in location.<sup>28</sup>

The intervention of the state provides another example of factors beyond the direct effect of the commodity that altered the labor structure of certain regions. Given the scale of slavery, servitude, and enforcement of debt in early American labor, the magnitude of this factor was especially prevalent during this period. An example of this can be seen in the tie between the French state and the Glasgow merchants largely responsible for the delivery of tobacco to European markets. Such state direction of commodity-based commerce indicated that production, and thus labor, would be based to a large degree on the requirements set by the state.<sup>29</sup> As a result of this regulatory capture, exemplified by the limitations and rules of trade laid out by the French state, concentration of labor was effectively determined based on regional capacity to meet demand of exclusive, relevant, markets as compared to complete global market competition. Here, the incentive of the state arose from transfers of wealth into the government and regulatory bureaucracies through the officials who had influence over given agencies.<sup>30</sup> This

---

<sup>28</sup> Walsh. *Motives of Honor, Pleasure, and Profit: Plantation Management in the Colonial Chesapeake, 1607-1763*. p.358

<sup>29</sup> Price, *France and the Chesapeake*. p.67

<sup>30</sup> An “agency” interpretation of regulatory capture, whereby interest groups (merchant firms in the case of this paper) attempts to capture government decision making because it affects industry and consumer welfare can be found in Jean-Jacques Laffont and Jean Tirole, “The Politics of Government Decision Making: A Theory of Regulatory Capture.” *The Quarterly Journal of Economics* 106. no.4 (Nov 1991). p.1090-1092

trend can additionally be seen as an extension of the English state influence. An example of this intervention, and its effect on labor, is demonstrated by an occasion where the direction of the English state over American industry broke down as a result of the economic upheaval associated with the American Revolution. In the decade preceding the war, nonimportation agreements spurred domestic cloth industries. However, during the war years, the suspension of this industry caused a shortage in the supply of cloth. As a result, the work of many slave women was shifted from tobacco to spinning and weaving.<sup>31</sup> This scenario provides multiple illustrations of the way the European state had become entrenched in labor and commodity production in the British colonies. First is the significance of the British in creating a dependence within the colonies for British textiles, which could be seen in the lack of domestic industry during suspension of trade. State influence was felt above all in colonization and war, whereby a centralized decision to either maintain or halt economic connection radically altered the way in which labor was employed in the former colonies. Additionally, within the colonies themselves, one could see the effects of legal status associated with slavery in action. In this way, two layers of state influence are evident, in that a legally enforced system of labor was made to adapt to a conflict being conducted by two opposing political bodies.

The effects of the state can also be seen to have extended into the internal workings of the maritime and mercantile world, adding a layer of centralized direction not only past the stage of production and delivery, but also within the mechanisms of trade that governed the processes in between. An example of such an effect was the acts and proclamations against straggling seamen in ports, such as the implementation of seaman's registries and certificate systems, which would make the labor of these workers more available to the financier and the state power to which they

---

<sup>31</sup> Carr and Walsh. "Economic Diversification in the Chesapeake", p.182

were tied.<sup>32</sup> The historical importance is the reduction of costs for some groups, mainly merchants, at the expense of those of a lower economic stratum. Such economic assurances were critical to the way merchants chose to organize ventures because the cost of maintaining an adequate labor supply, and also some degree of leverage over the employed, allowed for increased consistency in bringing commodities to the West Indies and Europe from the American origins of production. Additionally, this implied that inadequate workforces would not prevent the planters and fishermen from having a way to connect their work to the consumer, temporarily minimizing risk throughout world commodity markets in return for connection, and direct or indirect support of, some political body.

Extending from the idea of state influence is the significance of the European mercantilist system in approaching the effect of commodities on labor, which can be thought of as the dominant mentality, or spirit, governing the economic affairs of global commerce during the era under consideration. The significance in terms of commodities and labor, is that the focus on accumulation within a state, resulted in a tendency away from consideration of individual competition and utility that could have been potentially reached through a decentralized system. The beneficiaries under the mercantilist system tended primarily to be statesmen and merchants who had political influence over the direction of economy arising from protectionist policies and exploitative legal statuses. A governing body representative of this phenomenon is the French monarchy, which exerted the primary influence over the French tobacco monopoly dominant in the seventeenth and eighteenth centuries.<sup>33</sup> In comparison, the British state was effectively able to channel commerce through tariffs, a trend that did not necessarily abate following American

---

<sup>32</sup> Rediker, "The Anglo-American Seaman as Collective Worker, 1700-1750", p.278

<sup>33</sup> Price. *France and the Chesapeake*. p. xviii

independence. An example of this can be seen in comparisons between the commercial regulation of sugar in the nineteenth century and the earlier Colonial Period. The early mercantilist structure's effect on sugar is illustrated by the English barriers to trade and territorial expansion pushing the Portuguese out of competition in sugar producing regions.<sup>34</sup> A later example can be seen in the series of tariffs, culminating in the tariff of 1816, protecting Louisiana sugar from competition in foreign markets.<sup>35</sup> Comparing these two periods, one sees relatively little deviation from the state protection of internal industry experienced prior to the Revolution. Even though it manifested itself differently, the general trend of limiting foreign competition remained unchanged as it applied to the world of early American commodity exchange. In general, the commercially oriented states that emerged during the Early Modern period developed remarkable capabilities to influence industry, property, and global markets. Regarding the British empire, as it developed into the nineteenth century, Sven Beckert points to the utilization of fiscal tools to tax populations, and the creation of an economic and legal environment, which made the mobilization of wage payments possible.<sup>36</sup> This is representative of the role the state played even when coercive labor, and the plantation-state relationship is not considered. In this case, the state was sufficiently capable of attaching itself to wage labor as well, contributing to a continuous buildup of economic influence regarding agrarian and industrial economies regardless of the commodity involved.

It is important to note that the central nation around which a mercantilist system was structured would often have different internal legal rules regarding labor than the rules they

---

<sup>34</sup> Mintz. *Sweetness and Power*. p. 39

<sup>35</sup> Follett. *The Sugar Masters: Planters and Slaves in Louisiana's Cane World, 1820-1860*. p.26-27

<sup>36</sup> Sven Beckert. *Empire of Cotton: A Global History*. (New York, NY: Vintage, 2014), p.47, 76

initiated in peripheral colonies. This was evident in the legality of slavery in Britain where in the case of *Somerset vs. Stewart* in 1772, Lord Mansfield ruled that slavery in the British mainland was not in accordance with common law. The practice in outlying colonies remained ambiguous.<sup>37</sup> In enforcing coercion in agricultural colonies, through investment, and in the issuance of exclusive charters, Britain's distaste for slavery on the mainland did not transfer to its colonies. This indicates the significance of early America's development under colonial status, whereby the legal rules as they applied to labor were detached from local control, and instead were subject to a heavily regulated mercantilist system directed by officials across the Atlantic.

A useful lens through which to analyze the degree to which the state had the ability to determine the commercial paradigm created by the attributes of the commodity is to view the government-economy relationship through the lens of the deviant. An example of this idea can be seen in the Early Republic, where smuggling remained persistent in the years following the Revolution, despite an American internalization of protectionist policy. Thus, the view of the smuggler becomes more general, whereby smuggling can be seen to have arisen where the state had imposed limits on the merchant's pursuit of wealth.<sup>38</sup> In contrast to the idea of common deviation from protectionist standards is the "ideal colony", a characterization of colonies such as South Carolina, who were closely tied to the mother country, England, by trade relationships despite the presence of non-enumerated goods.<sup>39</sup> The comparison between these two examples yields a significant conclusion, whereby merchants sought the more individually effective

---

<sup>37</sup> "Slave or Free". The National Archives. [http://www.nationalarchives.gov.uk/pathways/blackhistory/rights/slave\\_free.htm](http://www.nationalarchives.gov.uk/pathways/blackhistory/rights/slave_free.htm) (April, 19, 2017)

<sup>38</sup> Gautham Rao, "The Federal Law of Smuggling in the Early Republic: Institutions, Governance, and Society, 1789-1860," Paper presented at the Sixteenth Annual Conference of the Program in Early American Economy and Society (PEAES), Philadelphia, PA, October 2016

<sup>39</sup> Coclanis. *The Shadow of a Dream*. p.77

method of trade regardless of restrictions placed on them by the state, given that the costs of deviation were sufficiently low. This implies that the commodity market maintained its effects on production, and the work required for distribution to consumers, to some degree, outside the influence of any statesmen or their associated factors. The power of the commodity itself was not ubiquitously overpowered by state in its influence on commerce.

The result of these considerations concerning the power of the commodity to shape the economy of early America yields a complicated result. Early Modern globalization allowed for the interconnection of many people, representative of different forms of labor and related social norms. All of the factors integrated into this system varied in the magnitude to which they affected the economic system as a whole. While the commodity can be determined to be a constant in the development of the economy during this period, there is no clear driving force in this development. Instead, there emerged a complicated interaction between a variety of regional and global forces. The commodity can thus be thought of as a “connecting” factor, which did not necessarily provide momentum within the economy, but tied together the factors which did.

## II.

A significant relationship concerning the common laborer in early America is that between coerced labor and the plantation system. This relationship, revolving largely around monoculture, is indicative of many of the themes that dominated the effect of the commodity on labor during this period. A significant aspect of the global economic trend represented by the plantation is the contradiction between the increasing role of the free market, where voluntary interaction and market individualism were stressed ideologically, and the increasing regional

influence of coerced labor.<sup>40</sup> This implies that the economic systems prevalent during this period were targeted by group and region. This non-uniformity in the application of a single governing ideology can be seen to have been connected to the aforementioned cases of commodity production, and also the dominance of certain financiers and planters under the mercantilist commercial structure through which commodities were traded.

One variable existing in different coerced labor populations, tied to the production of certain commodities, is the degree of internal specialization within such populations. An example of this occurred on William Deacon's plantation in the eighteenth-century Chesapeake, where Deacon invested in equipment for building and repairing boats and operated a gristmill.<sup>41</sup> This example provides an image of a system that was largely self-contained. In other words, the plantation systems were able to reduce dependency and organize their labor forces entirely from the inside. Additionally, this resulted in increased utilization of slave labor involved in crafts such as milling and boat making. Resultantly, this internal specialization could have the effect of solidifying the role of the slave labor system within these regions.

Slavery, as a labor system, is inseparable from the legal system that allowed for its organization, and the economic incentives that promoted it as a profitable method of providing labor to the plantation system. One example demonstrating the ties between the early American legal system and slavery is the dissolution of the slave labor system in the middle of the nineteenth century, and its elimination in certain regions before that time. These emancipatory events cannot be tied to any specific voluntary action on behalf of the planter, or in fact any market related economic incentive, but rather a purposeful elimination through legal and political

---

<sup>40</sup> Coclanis. *The Shadow of a Dream*. p.51

<sup>41</sup> Carr and Walsh, "Economic Diversification and Labor in the Chesapeake" p. 169-171



means.<sup>42</sup> The importance of this is the influence upon such labor systems that the legal system was able to maintain, indicating that its failure to act in certain ways, or even its active promotion of coercive labor structures, may have allowed chattel slavery to take hold initially. While one way of looking at this legal emancipation is as a natural economic tendency to pursue coercive action regardless of any political intervention in the economy, another interpretation regarding state influence is that political intervention was effectively promoting the labor structure through the implementation of a specific, regional, legal order.

A useful comparison regarding legal effects on slavery is that between plantation labor, as compulsory through slavery, and similar labor induced through the use of contracts. In the case of contracts, heavily relied upon on British plantation systems outside of the Americas, such as India, planters used these legal means to prevent outflows of workers, allowing for maximized rates of production similar to the economic goals of early American planters. In this case too, the contracting system only ended as a result of legal action taken to eliminate the contractual obligations of workers. The relevant similarity is that the legal system served as a necessity to tie labor to land and commodity production. A principle extending from this is that of the ties between efficiency and legally defined property rights. Stefano Fenoaltea makes the claim that free play of economic forces could not be relied on to eliminate slavery. This argument exists counter to the expected shift of rights to the enslaved, and correlating manumissions, as causing an increase in efficiency as reflected in the concept of Coasean drift.<sup>43</sup> Coasean drift, as it applies

---

<sup>42</sup>Stanley L. Engerman, "Contract Labor, Sugar, and Technology in the Nineteenth Century." *The Journal of Economic History* 43. no.3. (September 1983), p.639

<sup>43</sup> Coase claimed, in a case where costs to carrying out market transactions were reduced, the decisions of the courts, when considering issues of liability for damage, would have no effect on the allocation of resources. Additionally, when cost impediments do exist, the choice of the court would have certain effects on the outcome, although the conclusion that there must be intervention cannot be made. In general, the legal entitlement, through bargaining, will transfer

here, refers to the tendency for a damage, or dispute, to resolve itself as a result of bargaining. A qualification for this process is low transaction costs, or the minimization of barriers to the two parties interacting. When market failures occur where this qualification is met, there would be a theoretical “resolving” of the gap between damages and gains between the parties involved. If the greater cost in terms of labor and pain were experienced by the slave, and the benefits experienced by the planters, if the theory holds, a high transaction cost must be implied. Otherwise the legal entitlement, or freedom, would drift to the party who valued it most, the slave. An important consideration in determining the true effect of the market in this situation is the role of the law in enforcing these practices initially, and the gains perceived by planters and their factors from said legal action. A practice that illuminates the characteristics of such enforcement, in the case of early American slavery, is the role of police power.

Through comparison to other slave-based agricultural economies, such as occurred in Rome, some examples can be derived where a restoration of order eliminated the number of slaves in a certain region. The effectiveness of such legal order, in regard to the early American economy, is illustrated by the low cost of capturing runaways and otherwise effective characteristics of the enforcement of slave rules during this period. While this implied that legal enforcement may have played a lesser role than the market incentives of bringing about slave systems, two important considerations must be made, which is the role of cost and the question of what constitutes legal enforcement of slavery. While the cost of preventing slaves’ deviating from the labor system in which they were employed may have been low, as is exemplified by the

---

to the party who values it most, given sufficiently low transfer costs. In this case, the two parties involved are the slave and planter. The legal entitlement is granted to the planter. Ronald H. Coase, “The Problem of Social Cost,” *Journal of Law and Economics* 3. no.1. (1960) in *The Canon of American Legal Thought*. ed. David Kennedy and William W. Fisher III (Princeton, NJ: Princeton University), p.366-370, 376-377

easy detection of runaways, an analysis must also put emphasis on the costs imposed on the slaves, and the costs placed upon efficient bargaining relative to them. This legal restriction pushes the liability for manumission away from the planters, so the cost of enforcement would not necessarily be relevant to the role of the free market in this situation. Given this, it would make sense for local planters to enforce this legal system, which places the majority of the cost on the slave, within their own communities. As a result, comparable historical examples, such as emancipation induced by Augustus against the disorder of a divided state, is more representative of the mass emancipation achieved in the 1860s than it is indicative of the effect of political action as it applied to local relationships between law and plantation labor, which allowed for the existence and growth of the plantation system for more than two centuries.<sup>44</sup>

The nature of the law, as it tied slavery to commodity production, raises a question of whether commodity demand led to the use of certain legal rules or whether the rules came first. Based on the examples above, it can be concluded that demand, as it affected the supply of given commodities produced by planters, was a factor involved in the profit-seeking motives of the plantation owner. Consequently, it can be said that this commodity effect was a constant in driving the planter to want to make certain decisions. However, the legal system took hold on the society following the effects of demand, and created a system whereby these planters were granted disproportionately low costs relative to the labor they employed, and were guaranteed means, however extensive, to enforce it. The resulting image is a planter population reacting to commodities and commodity markets through legal means.

---

<sup>44</sup> Stefano Fenoaltea, "Slavery and Supervision in Comparative Perspective: A Model," *The Journal of Economic History* 44. no. 3. (September 1984) p.641, 644, 650

Extending from the effects of incentive and law in promoting the spread of slavery within early America, is the critical influence of the goal of short term aggregate output and the growing influence of “mass production” monoculture. These attributes of the American economy during this period can be thought of as consisting of the goal of large short term gains and also the means of achieving such gains. The “goal” itself revolved largely around the commodity market, and the “means” revolved around social aspects such as the legal framework in a region. For example, slavery allowed for the implementation of violence disallowed under systems where the selling of one’s labor would be subject to competition. Violence allowed for greater worker effort (although not necessarily greater carefulness) than ordinary rewards.<sup>45</sup> This implies that planters were willing to effectively abuse fixed capital in order to achieve the standards set by global commodity trade. The significance of this in terms of its short term effects can be seen in how international equilibriums were distorted because of the immobility of non-wage labor in regard to capital.<sup>46</sup> This implies that planters introduced certain, equilibrium-altering methods, such as the commodification of individuals for labor, in an effort to shift gains from market interaction to themselves and away from the laborers. The role of the state again becomes evident in this situation, as the response of the planters to increased capital holdings in the form of slaves, to meet the demands of the commodity markets, were responsive to short term cycles caused by state direction, as is represented by the role of the French state in determining levels of tobacco shipments to Europe.<sup>47</sup> At the base of this pattern was the common laborer involved in the American monoculture system, the slave.

---

<sup>45</sup> Ibid. 636

<sup>46</sup> Coclanis. *The Shadow of a Dream*. p.55-57

<sup>47</sup> Price. *France and the Chesapeake*. p. 67

Variations and inherent similarities in the practice of American slavery can be delineated through comparisons between multiple regions, and associated commodities, which were heavily affected by the use of chattel slavery. One useful comparison is between sugar and tobacco, which had constant, albeit different tendencies regarding the utilization of enslaved labor. A similarity that can be used as a point of departure concerning the significance of the commodity in inducing a certain kind of labor is illustrated by their increasing significance in the Western world. This was previously noted in the significance of Louis XIII and the surge in tobacco demand in eighteenth-century France that he helped to induce.<sup>48</sup> This can additionally be compared to similar trends occurring in Europe in regard to sugar, including profound alterations in traditional diets, and the correlating social changes that occurred as a result. For example, the focus on caloric intake by common people, concentrated around asymmetrically high consumption by a male “breadwinner,” began to change the strict reliance on scarce foodstuffs in response to relatively cheap methods of introducing more substance into daily diets.<sup>49</sup> This effectively translated the dietary asymmetry experienced within European populations, revolving around the ability to easily consume a certain amount of food, to an asymmetry of labor rights in the form of the slavery that made sugar production possible to the degree experienced during that time. An additional trait fueling the demand for the costly commodity, and thus chattel slavery, is the addictiveness of the products mentioned. The global effects of commodification, in addition to generating demand for slavery, allowed it to be supplied through interaction within the African economy.<sup>50</sup> A possible theory regarding the effect of the correlation between price inelasticity, addictiveness, and slavery is that the outflow of labor presented a substantial human

---

<sup>48</sup> Ibid. 3

<sup>49</sup> Mintz. *Sweetness and Power*. p. 13, 152

<sup>50</sup> Ibid. 58

and economic cost, in net, on the African markets. Resultantly, some factor would have to account for the tendency for continuously depleting local labor supplies. Addictive substances or staple goods, two categorizations that apply to sugar, and can also be seen to have connected themselves to European markets through correlating price inelasticity, likely affected African markets in the same way. Africa contained a substantial consumer base for the sugar trade, which became a staple of local consumption as global markets expanded in the Early Modern period. The primary export, or in a sense, the region's "payment" for the sugar brought into the region by European traders, was enslaved laborers. In this repeated interaction, one could see a cycle based around consumer demand for a commodity, which consequently fueled the market for enslaved labor. In this scenario, African markets could not rely on mercantilist structures and coercive labor to ensure that the good reached markets at a profitable cost. Consequently, they did experience high relative costs that were paid for through exportation of labor, in a fixed capital form, in this case slavery. This is a potential factor explaining the tendency for slavery to correlate with commodified caloric staples and addictive commodities such as tobacco, sugar, and commodified wheat. The consumption of commodities with certain traits, in specific regions, could correlate to a specific form of labor.

Another important comparison between sugar and tobacco useful in relating them to each other, and other commodities, in their effect on the emergence of large-scale slavery, is labor intensive production processes. A reference also affecting the prominence of strict specialization amongst slave systems, as compared to diversification, can be seen in the seventeenth century Chesapeake region, where in regard to tobacco, because it was a highly-labor intensive crop, planters found it cost effective to import everything except food and timber rather than put time

into making products such as cloth or those made of metal or leather.<sup>51</sup> This implied that the enslaved working in such plantation systems, given constant returns on investment in monoculture, were employed almost exclusively around producing one product. The implications of this was that a correlation existed between the monoculture-commodity market connection previously mentioned and the use of slavery. The effect of global trends on labor was thus that enslaved populations would have their lives built around the seasonal cycles of, and the difficulties associated with growing, one commodity at a time. Given consistent markets, this often had the effect of precluding slaves from certain kinds of craftsmanship such as those previously mentioned regarding metal and leather products. In contrast to a commodity such as rice, tobacco was not a hardy crop, and thus required a need for oversight, implying specific methods of production that were able to be accomplished on a large scale through the use of slavery.<sup>52</sup> Likewise, sugar required a series of necessary considerations such as close spatial relationships between growth and processing points, which necessitated oversight during this period.<sup>53</sup> These characteristics are representative of the ties between labor intensive processes and the utilization of slaves.

The conclusive theme stemming from the aforementioned examples, concerning the question of the emergence of chattel slavery, is the coerced peopling of regions. The basis of this is that certain commodities, given labor scarcity, had characteristics more conducive to enslaved labor. Slavery allowed for large short-term outputs to be met by European mercantilist economies at a sustainable cost at the expense of the enslaved, given a specific legal framework. Sugar and tobacco, as emblematic of slave produced commodities, were indicative of these

---

<sup>51</sup> Carr and Walsh. "Economic Diversification and Labor Organization in the Chesapeake," p.145

<sup>52</sup> Morgan. "Work and Culture," p.568

<sup>53</sup> Follett. *The Sugar Masters*. p.10

trends through their generating high demand at varying international costs and also through their labor-intensive production processes. An important point however is that these coercive methods arose through processes of market competitiveness, or by bringing the maximum amount of a good to market in order to maximize profit.<sup>54</sup> However just as this market competitiveness brought about a system of slavery in one case, it resulted in different results in other regions. An example of this is market competition causing the large scale emergence of wage labor in Britain. This indicates that the economic rules affecting the common laborer were not based initially in competition and capital accumulation, but rather considerations such as state intervention and the difficulties in producing large amounts of a given product.

Indentured servitude was the initial means of securing labor for tobacco production in the Upper South, where contracted laborers were more common, and at the time less costly, than slaves. A transition occurred however, beginning in the early eighteenth century, where costs associated with contracting European laborers grew in respect to the costs of slaves. The result was a general, although not necessarily ubiquitous, transition from servitude to slavery. Regarding the nature of tobacco production, the significance of cost is especially relevant due to the high natural costs of producing the crop, due largely to its work-intensive nature, namely, the need to prepare special beds, extensive weeding, and a laborious harvesting process that required cut tobacco to be hung for curing before the first frost.<sup>55</sup> Additionally the crop was relatively sensitive to climatic conditions, which added an additional cost consideration to maintaining

---

<sup>54</sup> Dale Tomich. "World Slavery and Caribbean Capitalism: The Cuban Sugar Industry, 1760-1868." *Theory and Society* 20, no.3 (June 1991), p.301

<sup>55</sup> Carr and Walsh. "Economic Diversification and Labor Organization in the Chesapeake," p.150



productive levels of output. In fact, between 1766 and 1769, climatic fluctuation resulted in a substantial reduction in tobacco exports in general.<sup>56</sup>

The prevalence of indentured servitude in certain regions provides an example of the global forces that contributed to increasing reliance on bound labor. Coercive labor in general, as is previously mentioned, revolved largely around the relative costs of labor over a period of time. Transition from servitude to slavery in the American tobacco industry indicated that factors other than the commodity made slavery prevalent. An explanation, in the case of tobacco, is the changes in European labor demands brought about through such factors as war, which changed the relative costs of slavery in comparison to the previously prevalent indentured servitude.<sup>57</sup> In fact, as time passed, the effect of labor costs, and other costs of operation effecting tobacco in the Upper South, led to continuous changes in the structure of labor, eventually phasing out large scale tobacco production altogether in favor of wheat and the different labor structures that it entailed. The changing costs can be seen in the transitions from servitude to slavery and then the reduction of significance of coercive labor in this region.<sup>58</sup> The life of the common laborer was influenced heavily by the prices they offered for their labor (the cost to the employer) and the competitive prices of other methods of labor varieties available at the time.

The slave labor system was subject to differentiation determined by factors including climate, economic demand, and the seasonal patterns of a given crop. One example of differentiation is that which occurred in the rice producing regions of South Carolina. Within South Carolina itself, the rice-producing lowlands had special economic relevance in that they

---

<sup>56</sup> Price. *France and the Chesapeake*. p.674

<sup>57</sup> McCusker and Menard. *The Economy of British America, 1607-1789*. p.345

<sup>58</sup> Edward C. Papenfuse. *In Pursuit of Profit: The Annapolis Merchants in the Era of the American Revolution, 1763-1805*. (Baltimore, MD: Johns Hopkins University, 1975) p.88

were well connected with European markets, as compared to relatively more isolated inland regions.<sup>59</sup> This implied a connection between commodity production and the mercantilist trends previously associated with the growth of slave labor. However, more than plantations that specialized in the production of tobacco in the Upper South and sugar in Louisiana, rice, and a climate especially conducive to disease, lent itself to a specific form of differentiation known as the task system. Philip Morgan describes this system as stemming from the isolation of slaves from overseers, who would leave the inhospitable region during hotter seasons, or would manage the plantation from urban residences in cities such as Charleston. Because of this, slave labor could not be organized into the aforementioned “gangs”, but instead required specified tasks to be assigned for independent completion by slaves. This was additionally promoted by the inherent distance required between workers in the planting of rice, which provides a characteristic spatial attribute of rice itself. The spatial characteristics of rice agriculture are the result of irrigation practices, which consisted of a series of waterways necessary for maintain the water beds where the rice would need to be grown. Because these irrigation systems separated plots in which the rice was cultivated, there was much more physical separation between workers than would be seen in more consolidated agricultural practices associated with other crops. The result of this system was that slaves had available time after the completion of tasks to engage in their own agricultural activity and even trade.<sup>60</sup> The example of the task system shows that the climatic variations and the special requirements of planting a certain crop could cause variations within the lives of a laborer, such as applied to the slave in the South Carolina low-country.

---

<sup>59</sup> Coclanis. *The Shadow of a Dream*. p.51

<sup>60</sup> Morgan. “Work and Culture.” p.566-568

The Chesapeake Bay region additionally contained cases of differentiation within the process of slavery, varying around the production of tobacco. For example, due to a sufficient degree of consistency of production on certain plantations, slaves were made available for hire, which can be thought of as a kind of allocation of property through rental payments; in this case the property consisted of human slaves. A specific place where this occurred was the Sandy Point Estate in Virginia in the 1850s.<sup>61</sup> Slave hiring was advantageous to a planter because it allowed for a slave to be utilized, and resultantly, revenue to be gained, even when work on the owner's plantation was not readily available. The result was an increase in efficiency, because the owner could maximize his profit by increasing revenue through rental payments, while cost, or the price paid for the slave, remained fixed. An additional form of differentiation in this region occurred in the diversified jobs and products undertaken by slaves. This can additionally be viewed as a process shifting traditional gang structures, and the corresponding oversight of slave labor systems, towards a system resembling the task system on South Carolina rice plantations. Plantation accounts from this area show that, as time passed, more slaves than earlier were assigned to varying individual tasks. In a way similar to the task system in South Carolina, this differentiation additionally showed that limitations involved in organizing slavery in a certain way, including keeping the slaves sufficiently utilized to some degree, produced different labor environments for the slave laborers involved.<sup>62</sup>

Extending from the concept of differentiation is the question of whether slavery prevented the market participation of the legally restrained labors effected. This differed between regions and commodities, but certain plantation characteristics allowed for such internal slave

---

<sup>61</sup> Edna Green Medford, "There Was So Many Degrees in Slavery: Unfree Labor in an Antebellum Mixed Farming Community." *Slavery and Abolition* 14, no.2 (August 1993), p.39

<sup>62</sup> Carr and Walsh, "Economic Diversification and Labor Organization in the Chesapeake," p.166

economies in some cases. Such cases occurred on Louisiana sugar estates where slaves would often control some land where they raised livestock and grew crops for both consumption and sale.<sup>63</sup> Such internal economies also emerged within the task systems of the South Carolina lowland, where crops were raised outside of the supervision of plantation owners.<sup>64</sup> These examples show that although these workers experienced no power to interact in markets controlling their labor from a global economic perspective, they did manage to participate in local markets. For this reason, the commodity in a global framework can be viewed as a force tying common laborers to production on some master's land, while locally the same forces did not necessarily hold.

Departing from the idea of coercive labor involved in the production of tobacco and sugar, wheat provided a series of examples where early American agriculture both deviated from, and yet still occasionally utilized, coercive labor practices. This illuminates an idea central to the relationship between commodification and labor, which is that one commodity could vary remarkably in the type of labor it employed and also the structure of society that developed around that type of labor. Wheat was just as capable of being the basis of a slave economy as was tobacco, sugar, and rice.<sup>65</sup> Additionally, even in British America it was established as a slave-produced crop. In fact, in late-eighteenth century Virginia, gang labor was relied upon for wheat cultivation. However, even in this situation, inherent differences between wheat and the previous tobacco economies, especially concerning labor, became evident. An initial similarity was the "scale effects" related to production through slavery; in this case evidence suggests that

---

<sup>63</sup> Roderick A. McDonald, "Independent Economic Production by Slaves in Antebellum Sugar Plantations." *Slavery and Abolition* 12, no.1 (April 1991), p.186

<sup>64</sup> Morgan. "Work and Culture." p.565

<sup>65</sup> Coclanis. *The Shadow of a Dream*. p.93

the efficiency of wheat production increased with slaveholding scale. This reflects the same “aggregate output” trends noticeable in the aforementioned cases of slave economies. However, there was a strong relationship between wheat per worker and total inputs per worker. Wheat per worker was strongly related to total capital per worker.<sup>66</sup> The effect of this is an alternative means of production than the accumulation of fixed capital in the form of slavery, but instead physical capital, which implied an inherent significance of technology and industrial modernization. A trend extending from this progressive emancipation can be seen in the waves of manumissions that took place in Delaware and the Eastern Shore of Maryland following the shift from tobacco to grain. In the late eighteenth century, this transition from tobacco to wheat corresponded with American independence, internal market growth, and a need to provide foodstuffs to populations in Europe. This can be viewed as a transition stemming from market effects, whereby demand for the previous commodity, tobacco, was supplanted by wheat. This manifested itself most obviously in the Upper South, where economic development, as can be seen in the increased prominence of wheat entrepôts like Baltimore, became concentrated around the production and trade of wheat. Taken alone, this shift could lead one to believe that slavery and grain culture were inherently incompatible.<sup>67</sup> An additional explanation for this shift could also stem from the constant labor cycle of tobacco compared to the cyclical cycle associated with wheat, whereby unutilized slaves became too costly. However, given the previously mentioned utilization of slaves in Virginia, the deduction can be made that the commodity is not the end-all factor, but instead one factor that producers and states would react to, resulting in potentially

---

<sup>66</sup> James R. Irwin. “Exploring the Affinity of Wheat and Slavery in the Virginia Piedmont.” *Explorations in Economic History* 25, no.3 (June 1988), p. 295, 302, 309

<sup>67</sup> Hunter, “Rage for Grain.” p.10, 32

different labor systems revolving around the same commodity. The common laborer involved in the production of wheat could therefore take several forms dependent upon multiple factors.

Early American wheat production provided a few counterexamples to several points provided by the Staple Thesis, which presents the idea that grain cultivation created an economy centered around small independent farmers who focused on producing exportable surpluses. While such independent laborers were prevalent, there were also a substantial number of tenant farmers and slave holders involved in wheat production in Delaware and the Upper South.<sup>68</sup> Wheat production was ultimately a largely variable basis for labor organization. While the Staple Thesis approach does accurately depict the importance of market growth and exportable surpluses, as is described through the previously mentioned examples of the effect of expanding markets on commodity production, it is important to note that the commodity only provided a series of marketable attributes and costs of production that could be altered through human induced means. Because of this, the common laborer can be seen to be subject to both the commodity and other organizers and legislators within these global commodity exchange systems as well. The effect of non-commodity related forces on the laborer could be significant.

Wheat, as a commodity, presents a series of important examples of how comparative advantage can affect diversification, and thus the nature, of common labor in regions where it was prevalent. For example, diversification altered the location in which a laborer would be situated relative to a given town or city, as became critical in Maryland in the process of incorporating wheat into interregional markets. Annapolis began to diversify modestly relative to other areas within Maryland; however, very little wheat was grown for export relative to the

---

<sup>68</sup> Ibid. 9

larger wheat centers such as Baltimore which had the capacity to grow and diversify to a greater extent. Thus Annapolis lost its previous economic influence and the flow of laborers was redirected to more dynamic centers. Such transitions regarding location were significant to the laborer because geographic aspects such as proximity to bodies of water, and also the effects of urbanization on scale, provided for new jobs and different relationships between planters and organizers. This is also relevant in terms of consumption, as, while wheat had become the staple export crop in the regions such as the mid-Atlantic, it was no longer the only market crop, as a consumer base with more diverse demand created extensive new urban markets that drove agricultural production.<sup>69</sup> The effect of urbanization, as it applied to the correlation between chain drivers, markets, and urban labor, is explored further in part III.

An important point of comparison between wheat and the slave economy staple crops previously mentioned is how they were affected by interregional demand, and where the end points of the relevant commodity chains were. In regard to wheat, the role of interregional demand was the development of thriving local commodity markets. In fact, in the Mid-Atlantic, rye, barley, oats, fodder crops, wool, meat, and hides, all factored into a powerful local economy connected to global markets through the production of wheat.<sup>70</sup> This regional nature of wheat trade, in comparison to tobacco and sugar, was a major influence on the labor market, which would have been derived from the same localities in which the entire industry operated. The effect of this was that the commodification of labor, in the form of African slavery, would not have had the same ability to connect itself to the industry as it did in the cases of other

---

<sup>69</sup>Papenfuse. *Pursuit of Profit*. p.88

<sup>70</sup> Paul G.E. Clemens and Lucy Simler, "Rural Labor and the Farm Household in Chester County, Pennsylvania, 1750-1820." In *Work and Labor in Early America*, ed. Stephen Innes (Chapel Hill, NC: University of North Carolina, 1988), p.154, 110

commodity crops, being as local labor was tied to agricultural production, and resultantly, the same labor voids would not have to be filled.

The common laborer tied to the production of wheat was influenced greatly by the need of mechanization to obtain and process desired yields of wheat and flour products for market. An emblem of this industrialization, and its labor effects in early America, was the flour mill. The mill was representative of mechanization and the correlating effects on capital, cost of operation, and level of production. The effect on labor was that fixed capital, in the form of technology, facilitated production and lowered costs of producing the finished good for market.<sup>71</sup> Compared to the aforementioned cases of chattel slavery, where increases of production had to be met by increasing the population of the enslaved, or increasing the hours through which they worked, mechanization produced a system less reliant on fitting the working population to the task at hand. Instead, the method of production was improved to account for available labor. This resultantly had an effect on the prevalence of the wage as a method for securing labor. An example of this in effect, as applied to rural production of marketable goods, is illustrated by the “transfer wage” described by Carville Earle and Ronald Hoffman. In this case, the scarcity of labor in rural areas encouraged the payment of high wages. Resultantly, in order to attract rural labor, urban employers would have to pay a transfer wage that exceeded the value of urban labor’s marginal product, thus incorporating the agrarian population within this economy. Urban capitalists were thus forced to mechanize in order to elevate the capacity of this labor to the costs of the wages.<sup>72</sup> Here, mechanization refers primarily to milling, or post-harvest processing of the

---

<sup>71</sup> Hunter, “Rage for Grain,” p.2, 6, 16

Carville Earle and Ronald Hoffman, “The Foundation of the Modern Economy,” *The American Historical Review* 85, no.5 (December 1980), p.1057

<sup>72</sup> *Ibid.* 1094



grain. Other mechanization involving the harvesting process or other aspects of the planting process are not as relevant to this period under consideration. The effect on the common laborer in this region was a connection between their labor and modernizing industrial machinery, a trend that was not as evident in regions where fixed capital in the form of slavery made fixed capital in the form of machinery unprofitable to some degree.

A conclusion that can be drawn concerning the comparison between wheat, tobacco, and sugar is that although a given commodity did not have the characteristics to ensure that a specific type of labor would be utilized in its production, given certain comparative advantages, and responses by capitalists to problems of labor scarcity, one commodity could become associated with either involuntary or wage labor dependent on these circumstances. Variables that could determine such outcomes include the connection to global markets, the demand generated by local markets, and whether the incentive to mechanize stages of production played a significant role within a commodity chain.

The way in which labor manifested itself regionally, and the related effects of the commodities existent within those regions, can be represented by the differences in the labor systems between New England and the previously mentioned colonies to the south. Given the impact of agricultural commodities in the South and Mid-Atlantic, it is important to first compare the agriculture and agrarian labor of these regions with those of New England. An important factor to note is the geographic similarities between England and New England, which include similar seasonal rhythms, topographical scale, and flora and fauna that closely mirrored those in England.<sup>73</sup> This is particularly relevant in determining how traditional labor systems

---

<sup>73</sup> Donahue. *The Great Meadow*. p.79

would transform in new regions. In this case husbandry and subsistence agriculture effectively took hold in much the same way as would have existed, with some changes in accordance with minor climatic variation. Locals would have to create systems of labor and develop local markets in order to maintain a functional economy, although they did not rely on connections to agricultural markets in Europe as did the southern colonies. These characteristics resulted in particular reaction to local and world markets, in that the farmers were not completely free of restraints on economic exchange, especially in terms of obligations imposed by families, communities, and religious obligations. Additionally, production in this region was not mainly for export. However, market interaction remained a primary driving force, manifesting itself primarily through diverse enterprise.<sup>74</sup> This is noteworthy in considering the effect of globalism, restraints, and markets on labor because it puts greater emphasis on local governing bodies and the role of the patriarchal family system in ensuring that labor remained adequate to achieve subsistence.

New England farmers were reluctant to purchase imported servants largely because the marginal productivity of their lands was not high enough to justify the cost.<sup>75</sup> In comparison to other areas of early America, this implied that the effects of mercantilism on labor, including human commodification in the form of slavery, would be excluded in favor of relatively more voluntary methods. Instead of coercion, family owned property and inter-family connections were the mechanism through which sufficient labor was assured for production. One facet of such a system was the increased inclusion of women in determining the structure of labor in the

---

<sup>74</sup> Ibid. 21

<sup>75</sup> Daniel Vickers. "Working the Fields in a Developing Economy: Essex County, Massachusetts, 1630-1675." In *Work and Labor in Early America*, ed. Stephen Innes (Chapel Hill, NC: University of North Carolina, 1988), p.58

region. An example can be found in the diaries of Martha Ballard from Maine, who managed a group of girls who performed various tasks in a New England household largely independent of the influence of male patriarchs. While parity of influence remained absent between genders, the necessity of female influence to accomplish tasks within the family economic structure remained evident.<sup>76</sup> This relationship between work and gender is significant as it showed that regional effects on the economy, including the prevalence of certain commodities and access to trade routes, played a role in determining the social reality of the area. While the correlation may not imply that commodification necessarily results in hegemonic, unequal, social structures, the relation between global trade and the increased dominance of specific classes existed nonetheless.

While commodification did not affect the common agriculturalist in New England in the same way it did in the southern colonies or in Mid-Atlantic wheat producing areas, New England was not irresponsive to the power of Atlantic market integration and the growing consumer demand it entailed. In this region, this effect can be seen in the industries revolving around fishing and general seamanship. An example of a common laborer tied to this industry was the fisherman who carried on their business hundreds of miles from primary centers of operation in Boston and Salem. Complete supervision of these fishermen was impossible, which resulted in a labor structure focused largely on the wage, or services rendered, in return for loans.<sup>77</sup> The relative isolation of these fishermen can be compared to the task system previously mentioned in that a certain amount of autonomy was developed due to the inherent inability to effectively

---

<sup>76</sup> Laurel Thatcher Ulrich, "Martha Ballard and Her Girls: Women's Work in Eighteenth-Century Maine." In *Work and Labor in Early America*, ed. Stephen Innes (Chapel Hill, NC: University of North Carolina, 1988), p.73, 85

<sup>77</sup> Vickers. *Farmers and Fishermen*. p.102

monitor the work being done. Although, this characteristic affected seamanship to a greater degree and was a major factor in how given individuals were or were not legally obligated to perform a task, it also determined whether they performed the task at all. Non-performance and inactivity came to center around both the transient nature of sea life and also availability of work based on non-uniform work cycles.<sup>78</sup> This seasonal effect shows how the commodity determined not just the kind of labor in a region, but also the extent to which that labor was employed during a given time. Additionally, this effect is an example of an important benefit of wage labor systems compared to more static labor systems such as slavery in which constant employment would be necessary to ensure the profitability of the investment in the slave regardless of whether the season allowed for the production of the plantation's primary commodity. In this way, the fishing industry was dynamic in its use of labor, matching transient laborers to specific jobs when it would be profitable to do so.

The pattern of preventing the common laborer from leaving an industry based on global commodity exchange mentioned in regard to plantation-based economies can similarly be seen through the system of clientage that emerged in the New England fishing and whaling industries. In such a system, merchants and fishermen combined into interdependent bonds where the merchant paid for the subsistence, or some other good or service, to be repaid through contracted labor on a vessel.<sup>79</sup> This provided a legal mechanism which ensured labor aboard the arduous and dangerous voyages. Most of the laborers who worked under such a system were poor immigrants from areas such as the West Country in England and elsewhere.<sup>80</sup> In fact,

---

<sup>78</sup> Ibid. 116

<sup>79</sup> Ibid.

<sup>80</sup> Vickers. "Maritime Labor in Colonial Massachusetts: A Case Study of the Essex County Cod Fishery and the Whaling Industry of Nantucket, 1630-1775." p.30

fishing is representative of a relatively unique trend amongst industries within early America, which is the globalization of wage labor. An example of this trend is the tendency of many English seamen, like those in Massachusetts, to migrate to the far edges of the empire, where seafaring labor was scarce. In these distant regions, these workers could take advantage of relatively high wages.<sup>81</sup> The resulting trend is a diffusion of sea laborers across a wide geographic area, where their work would serve to integrate the various parts of the commodity-based economic system. This included fishing, transporting goods via sea, and other maritime activities. The organization of these ventures typically took the form of a joint effort between the crew and merchant investors, where profits were divided amongst those involved in the form of shares. The crewman's percentage was his wage, which he would often save in hopes of establishing some propertied independence within a number of years.<sup>82</sup> Despite the spread of wages produced through the growth of maritime work, the common laborer in New England nonetheless operated in response to contracts and debt. The significance of this is illustrated by the case of Massachusetts commercial farmers who would buy land and livestock on credit, sell surpluses to prospective mariners, and then pay for their acquisitions with the shares of their customers.<sup>83</sup> The effect of this debt based system on the laborer can likewise be seen in the case of changing prices. In the mid-seventeenth century, high cod prices had ensured reliable credit, and thus a greater degree of independence, among New England's client-operated fisheries. However, within a few decades there was a general depression which undermined this economic freedom experienced by the fishermen within a more competitive, and productive, industry.<sup>84</sup>

---

<sup>81</sup> Rediker, "The Anglo-American Seaman as Collective Worker, 1700-1750", p. 253

<sup>82</sup> Vickers. *Farmers and Fishermen*. 89

<sup>83</sup> Daniel Vickers. "Nantucket Whalemen in the Deep-Sea Fishery: The Changing Anatomy of an Early American Labor Force." *Journal of American History* 72 (September 1985), p.292-293

<sup>84</sup> Vickers. *Farmers and Fishermen*. 116, 155

This shows that, unlike more coercive methods of labor such as slavery, there was a great degree of variation in the independence of base-level workers working in the acquisition of fish, stemming from the relative strengths and weaknesses within the markets in which they operated.

Ultimately, in a way conversely related to slavery, these maritime laborers grew increasingly independent as the industry in which they worked developed. Independence in this sense, implies the ability to choose the jobs which one would work and the degree to which one was able to leave a job which they were already working. In this case, choice came from a more competitive demand for labor stemming from an increased number of firms hiring within this industry. For this reason, the deduction can be made that these workers' incentives were largely aligned with those of the financiers who profited from the increased productive capacities of these fishing voyages. This positive economic-social correlation between different economic classes was absent on the slavery-based plantation where the success of the plantation relayed no profit or benefit outside of the planter and those who helped finance the plantation. This correlation between economic freedom and maritime industry was not without caveats. An example was the use of debt to tie workers to specific vessels, and punitive measures which prevented workers from leaving certain jobs already agreed upon by the employer when conditions were decided to be inadequate, as is demonstrated by the following case of Captain John Rushton.

A kind of occurrence which expresses many of the tensions that existed between common maritime laborers and their employers was deviations from obligations and rules set by terms of employment. An example of this was crew-captain legal disputes experienced on ships transporting goods across the Atlantic. In one such case, in 1732, Captain John Rushton took his crew to court for refusing to sail when they decided that there was an insufficient number of

hands. The captain won the case when the judge decided that the crewmen were not sufficiently capable of judging the number of workers necessary to complete the voyage.<sup>85</sup> The significance of this event is that the crews did not always have preferable employment choices and would often have to rely on collective action in order to create what they believed to be a reasonable work environment and to combat the opposing efforts of their employer. Additionally, this points to the effects of a developing industry, where a limited number of voyages resulted in a less than fully competitive market for selling one's labor, resulting in the possibility of accepting employment offers that would be rejected when better options were available. This reveals a legal aspect affecting common labor in these regions as well, which is that litigiousness negatively correlates to the development of the industry. In this case, where transient laborers were entering a labor scarce region where their arrival spurred the growth of fishing businesses, there was a lag between their arrival and the ability of financiers and captains to fully take advantage of the wage-based competitiveness of the local labor market. The result was legal efforts by captains and merchants to tie workers to the job, and then reciprocal efforts by the laborers to ensure that the nature of the job itself met certain standards.

The early New England economy provided a scenario whereby the traits of a good were separated from the reasons for, and process of, commodification of the same, or similar, good. The result was different local labor patterns, with different ways of incorporating laborers. An example is the difference between inland and Atlantic fishing in early Massachusetts. Inland fishing, despite providing a good similar to that of the Atlantic fisheries, was commonly in trouble throughout its history, and often had trouble establishing the marketability that was experienced within the global industries associated with cod. Additionally, a major contrast can

---

<sup>85</sup> Rediker, "The Seaman as Collective Worker, 1700-1750", p.270

be made between the two industries in the way technology and industrialization effected the industries. Industrialization devastated the inland fisheries through the construction of milldams.<sup>86</sup> Conversely, major technological alterations positively affected the labor productivity of the maritime industries, such as improvements in rigging, steering, and complexity of sails, that allowed increased productivity with decreasing crew sizes.<sup>87</sup> This shows that proximity to trade, and the capacity to obtain large amounts of a good, as occurred within the Atlantic fisheries, resulted in modernization associated with commodification. Consequently, a fisherman associated with such a commodification process could expect technological changes and modernization to affect the way he experienced his work. Such advancement was not however, necessarily ubiquitous across early American industries.

New England common laborers existed in remarkably different forms despite inhabiting the same regions. Economic and social conflict between these groups indicated that commodification proved a more influential form of economic organization than the traditionally rooted agrarianism with which it cohabitated. While farming was far from a negligible economic power, the economic growth experienced in this region became increasingly influenced by the power of the commodity. For example, traditional social mores in Puritan Massachusetts, and the economic realities revolving around local, family-based, agriculture they entailed, came into conflict with the transient lifestyle of the fishermen of the neighboring industry. This Puritan society took account of labor's cost although they viewed it as a form of moral failure as compared to the product of market forces. They structured their society around religious-social

---

<sup>86</sup> Daniel Vickers. "Those Dammed Shad: Would the River Fisheries of New England Have Survived in the Absence of Industrialization?" *The William and Mary Quarterly* 61. no.4. (October 2004), p.686, 688

<sup>87</sup> Rediker. "Anglo-American Seaman as Collective Worker, 1700-1750," p.283



standards that precluded many of the debt based practices allowing for the expansion of the fishing industry. This can be seen in judicial proceedings involving strict price controls, including those involved in the process of lending. Additionally, a transient lifestyle prevented traditional family relations and regular religious practice. However, in correlation with the continued expanding prevalence of the New England maritime industries, the Puritan social system faded away as the demand for cod and whale products caused migration into the region. The potential power of the commodity over society can be seen in this case, whereby the market spirits associated with certain goods overpowered the governing ideology, to a significant degree, within this region.<sup>88</sup>

In sum, early American common laborers experienced a great degree of variation in their tasks. This variation correlated largely with the commodity produced. However, this correlation did not imply that factors, especially of a social and legal nature, were not involved. Instead, the life of the common laborer arose from a complex interaction between geographic location, proximity to a certain good, relation to mercantile factors, applicability of technology, and the legal mechanisms such as clientage and enforcement of slavery, which all contributed to the role the laborer played within the commodity chain.

### III.

At the root of the development of labor in all trades revolving around the commodity was the driving force that brought the products of said labor to the consumers who reinforced these industries through payment. For this reason, it is important to ask who drives the chain. One view of this process stems from the value chain theory of governance whereby relationships

---

<sup>88</sup> Vickers. "Maritime Labor in Colonial Massachusetts," p.38  
Vickers. "Working the Fields in a Developing Economy," p.58

between lead firms and suppliers differ across sectors due to the particular characteristics of the production process and the organization of the sector.<sup>89</sup> The “production process” part of this theory is representative of the tasks performed by the previously mentioned common labor. However, considering this process alone, in respect to the global power of the early American commodity, leaves out the other half of the chain which consists of those responsible for the “organization of the sector.” The organizing group consists of merchants and financiers, as well as the craftsmen such as coopers and other roles auxiliary to the trading and marketing of the commodity. One example of an organizing role can be seen in the relationship between plantation organization and mercantile activity, and corresponding economic diversification, in the Chesapeake area, where the self-contained nature of the local commodity-based economy produced a series of alternative jobs within slave labor systems. This internalization and diversification would necessarily be tied to outside investment, such as that from Europe, being as specialization was occurring within slave labor populations who had limited market power by themselves. At the same time however, these plantation systems additionally employed white laborers as diversified craftsmen, although the markets for these workers’ goods consisted of local planters and their slaves. Altogether, these southern economies were fueled by international commodity trade, while they were internally connected through diversified trade and crafts. For example, in the late seventeenth century planter Richard Tilghman sold walnut plank to Captain Elisha Stringfellow, who was connected with the West Indian commodity trade.<sup>90</sup> This relationship showed that agriculture was becoming more commercialized, which was facilitated by shifting strategies of exchange, credit, and payment on the part of those who organized such

---

<sup>89</sup> Bair. “Global Capitalism and Commodity Chains,” p.164

<sup>90</sup> Christine Marie Daniels, “Alternative Workers in a Slave Economy: Kent County, Maryland, 1675-1810” Diss., Johns Hopkins University, 1990. p.ii, 3, 30-31

systems.<sup>91</sup> In this case, merchants, captains, and financiers became connected to planters through their trade with the local economies that the planter society created. These merchant groups were, in this sense, the channels through which the capital and funds came to enter the local economies of agricultural commodity-based economies, which could be seen in this case of the Upper South.

The boundaries between common laborers and local managers who represented the first “layer” of organizing activity within a commodity chain, were occasionally flexible. An example of such a situation is the economic and social mobility that could allow a mariner to achieve the rank of ship captain in the whaling industry of colonial Nantucket. In general, the ability to accumulate capital, and the influence associated with years of related work, allowed a wage worker in this industry to work their way into the management level.<sup>92</sup> In the case of Nantucket whale men, it was believed that anybody with sufficient experience was capable of running a ship, including local natives. These captains were responsible for decisions including deciding what grounds to head for, which ports to visit, and when to set sail for home. Because these captains were drawn generally from the stock of common workers, the barriers between positions of management and common labor were for the most part malleable. This can be compared to a similar situation in the tobacco industry where equally transient laborers, who engaged in the menial process of torquing, or the mechanical method of preparing the tobacco for smoking, often found their way into positions of plantation management after years of work with the plant.

---

<sup>91</sup>The significance of the effect of exchange, credit, and payment strategies in facilitating the commercialization of agriculture is expressed in: Cathy D. Matson, “A House of Many Mansions: Some Thoughts on the Field of Economic History” in *The Economy of Early America: Historical Perspectives and New Directions*, ed. Cathy Matson (University Park, PA: Pennsylvania State University, 2006), p.28

<sup>92</sup> Vickers. “Maritime Labor in Colonial Massachusetts.” p.273,275

However, this mobility is more qualified than in the case of the Nantucket whalers, as the base level tobacco producer in many of these regions, the African slave, was not capable of achieving such managerial ranks. The torquer-to-manager evolution was applicable to contracted workers of European extract.<sup>93</sup> Despite such qualifications, the torquer, like the whalerman, was indicative of the ability to gain economic power through experience within a given industry. The ability that allowed for this was exclusive knowledge indispensable for efficient functioning of the industry and the world markets that they generated.

Another flexible distinction that occurred within commodity chains was between managers and the merchants who organized the trade of commodities as a whole. These two groups both served as organizing factors at some level and would occasionally switch roles to fit the requirements of a given venture. This relative economic mobility can be seen in the case of the move to diversification in Kent County, Maryland, where, in the mid-seventeenth century planters effectively became merchants through the organization of capital and the marketing of their own goods.<sup>94</sup> Additionally, the significance of these merchant-planters can be seen in leasing practices whereby leasing to tenants conserved capital. This capital was then used to invest in mercantile ventures.<sup>95</sup> This implied that planters who functioned primarily as local organizers of capital were additionally capable of operating the exchange of the goods they produced. While merchants who organized trade across the Atlantic were often specialists working through mercantile firms, often in coordination with governments, the process of “chain

---

<sup>93</sup> Price. *France and the Chesapeake*. p.76

<sup>94</sup> Daniels, “Alternative Workers in a Slave Economy.” p.20

<sup>95</sup> *Ibid.* 47

driving” could be undertaken by the same people who managed the common laborers in the first stage of production.

A concept that can be used to describe the variations in the task of the organizer, especially in reference to how the kind of work completed effected the economic strata that a given person would have occupied, is inside contracting. This system provides a more dynamic, and less hierarchical, image of the early American labor system because it provided for situations where not only was a local manager capable of involving himself in local trade, or in some way improve their economic power or self-reliance, but also was descriptive of a scenario where a person managing some business for a financier could switch positions between ventures. The financial system of the Early Modern world, as it involved global commodity trade, revolved around residual claimants. A residual claimant is a person in a business whose income is represented by the revenue left over after costs, including wages paid to laborers, is considered. This group’s income was largely variable as it was tied to the somewhat unpredictable profitability of a venture. These people organized production and exchange, and directly or indirectly organized the labor within these systems through their decisions and influence. The common trait between all of these economic actors was that their earnings were what was left after costs, including the cost of labor. In a system in which these residual claimants interacted, the degree of mobility and mutual reliance becomes more nuanced. Under a system of inside contracting, the management of a firm provided raw material, physical capital, and arranged for the sale of finished products. Also, within this system, the stage where value was added to the raw material, or during the materials initial acquisition on a plantation or in the sea, was filled not by paid employees arranged in a hierarchical model, but instead through contractors. Because these contractors were paid through some percentage of profit from output, they too are

representative of the residual claimants, mirroring the investors responsible for hiring them.<sup>96</sup>

This reliance complicates the strict division between the financier and the laborer, and instead depicts these different people as existing within the same labor system, although they performed different roles within it.

An example of the inside contracting system at work in Atlantic markets is illustrated by Dutch merchants, who pooled their capital in partnerships in which investors held shares and entrusted their capital in the hands of “active” partners who performed the tasks of management and organization involved in inter-Atlantic trade. This relationship reveals a pattern in which merchants were employed not just by themselves, but also through their peers. Such commercial relationships would be subject to change because investors would likely be involved in multiple ventures in which they could be either active organizers or passive investors. In such a case, a clearly leveled hierarchy is absent.<sup>97</sup> The idea of the residual claimant, as it regards the “active” investor remains an incentive to the investor, or the person contracted to undertake the physical work that goes into a commercial venture. A well-documented case of this inside contracting occurred in the early twentieth century at Sargent’s hardware company, where the contractor’s authority over the production process came largely from control over shop-floor arrangements tied to piece-rate prices.<sup>98</sup> This comparative example reveals an important aspect of how “active” merchants or similar contractors became tied to output. Ultimately, they organized one layer necessary for maximum productivity, the layer in which the common laborer worked, while the

---

<sup>96</sup> John Buttrick. “The Inside Contracting System.” *The Journal of Economic History* 12, no.3 (Summer 1952) p.205

<sup>97</sup> Jan de Vries. “The Dutch Atlantic Economies.” in *The Atlantic Economy during the Seventeenth and Eighteenth Centuries: Organization, Operation, Practice, and Personnel*. ed. Peter A. Coclanis (Charleston, SC: University of South Carolina, 1999), p.2

<sup>98</sup> Jonathon Gillette. “Inside Contracting at the Sargent Hardware Company” *Theory and Society*, 17, no. 2, 1988. p.162

urban financier organized the layer in which the active investor or manager worked. In addition, just as the hardware company became tied to maximizing profits from the prices corresponding to the “pieces”, commodity output served as the drive for their early American predecessors.

Approaching the idea of mercantile activity as a kind of labor requires one to determine what it is that merchants “do.” One such activity is the communicative tasks of forming relations with one, or many, states. Exemplary of this role is the tie between global tobacco markets and factors such as John Law, Robert Morris, and Thomas Willing, who were connected heavily with the French tobacco monopoly in the seventeenth and eighteenth centuries, and performed the work of organizing the dictations of powerful state officials.<sup>99</sup> In fact, until the early 1770s, tobacco merchants associated heavily with London, Glasgow, and factors influential in urban centers such as Philadelphia, were successfully able to maintain a strong hold on the tobacco trade, and remained the principal source of the imported goods exchanged for the commodity. The significance of this is that such urban centers were political as well as economic focal points. Within cities such as London and Philadelphia, merchant financiers would have joined the politically influential classes, where they were able to represent exclusive economic interests focused largely around the trade of commodities. The law and state enforcement would thus become tied to the firms and factors who were influential where such policy was decided. Factors such as Morris and Willing were effectively able to connect themselves financially to the post-Revolution American state through creating monetary policy through banking under federal charter.<sup>100</sup> This shows how, even after the elimination of the direct British state influence, politically influential merchants retained their ability to organize economic relationships with the

---

<sup>99</sup> Price. *France and the Chesapeake*. p.xx, 645-646

<sup>100</sup> Thomas Doerflinger. *A Vigorous Spirit of Enterprise*. (Chapel Hill, NC: University of North Carolina Press, 1986), p.275

state by connecting themselves with new governments capable of granting charters, granting them privilege and limiting competition within these new American financial systems. Similarly, in Britain, ministries were additionally connecting such factors to their monetary systems by giving them a prominent role in the organization and operation of tradeable notes denoting public funds. In a way similar to the charters granted to merchant firms in post-Revolutionary America, these public funds allowed British factors a direct, beneficial, relationship between their economic interests and those of the aristocratic class that formed the government. Despite these clear state stimuluses, these merchants would often shun political influences especially as they applied to factionalism and in-fighting as barriers to successful business.<sup>101</sup>

The effects of state dependence can be seen in a situation where political turmoil resulted in the decline of a mercantile firm. Such a situation was the decline of the Royal African company following the termination of the Asiento Contract and the reentry of the French into the African trade in the mid-eighteenth century, which contributed to already diminishing profitability and chronic indebtedness.<sup>102</sup> The decline after the termination of this state-sponsored trade system, and related monopoly, indicate that the decline and fall of certain firms and merchants were related to similar oscillations within the governments who sponsored their endeavors. If state influence, and its competition limiting granting of privileges, is to be taken as a given, the merchant factor became necessary for any industry to be able to succeed in bringing a product to the consumer with any degree of efficiency. Political manipulation and the ability to function within a state framework were necessary skills. The influence of the merchant described here is indicative of a broader category of work within which the merchant was key.

---

<sup>101</sup> David Hancock. *Citizens of the World: London Merchants and the Integration of the British Atlantic Community, 1735-1785*. (New York, NY: Cambridge University, 1995), p.42

<sup>102</sup> Ibid. 183-185



This category consists of communicative and “connecting” tasks that were necessary to hold the participants involved in a market together in a coherent, efficient, fashion. The connection of capitalist economies to the geopolitical order was critical in the development of any individual country, especially one host to a burgeoning economy which required the organization of inputs, especially labor, on a global scale. Within a world economic system, in which the presence of groups such as states and businessmen had a strong influence, success came in communicating between all such players involved to ensure that interaction between each factor was structured efficiently and strategically.<sup>103</sup> This interconnection played a significant role in the connection of merchants to underdeveloped colonies.

Another critical endeavor undertaken by the merchant is the accumulation and utilization of knowledge concerning markets and the production of commodities. Within the series of interactions that transport a good to a consumer, there is a complicated web of factors and choices that would have to be accounted for to ensure some consistency in delivery.<sup>104</sup> These choices included the selection of ports, determining who should be hired, and selecting agents to sell and buy goods in distant regions. For example, in the case of maritime divisions of labor, there was a tendency for masters and mates to specialize in certain voyages.<sup>105</sup> This distribution of knowledge is significant in an industry with a dynamic labor market associated with transient workers, in addition to ventures organized through one time investments, because laborers on a voyage were likely experienced in general terms, but may not have had the expertise required for the particular voyage. The informed “masters” were thus necessary in making sure that routes and the selection of ports would be the correct ones for these businesses, and also ensured the

---

<sup>103</sup> Bair. “Global Commodities and Commodity Chains”, p.156, 158, 164

<sup>104</sup> Ibid. p.153-154

<sup>105</sup> Rediker, “The Anglo-American Seaman as Collective Worker, 1700-1750.” p.262

efficient allocation of the commodity to places where it could be sold at the highest possible price. This special awareness was a crucial tool in identifying developing markets, which allowed for the integration of more regions into a global economic framework. Therefore, merchants were not just responsible for bringing commodities from a region to the consumer, but also creating the markets for such goods in the first place. This was due to the purposeful selection of consumers by the merchant to ensure maximum sales and profitability. In fact, the importance of such knowledge, during the Early Modern period, was especially applicable to American mariners, where captains on smaller vessels were known to make on-the-spot decisions, dependent on changes in markets. The result was an intercontinental, diffuse, trade, which could only be accomplished through the specialized skill and efforts of the merchant.<sup>106</sup> This knowledge is further detailed through the means that the merchants used to obtain the useful information through technical training and education. One such example is the prevalence of commercial publications which were common in counting houses and places of business. These were used to gauge the direction of markets and the costs of transporting commodities to certain regions.<sup>107</sup> These were an important indicator of what merchant traits were necessary for the development of an economy.

Specialized knowledge allowed for the formation of trade networks, and ultimately decided which areas were inhabited for resource production, based on knowledge of such geographic aspects as climates, existing populations, access to waterways, and the fertility of local soils. Additionally, relaying such knowledge between investors and other interested parties

---

<sup>106</sup> Tamara Plakins Thornton, "The "Use of Globes": Mathematical Geography, the Mercantile Imagination, and Global Commerce in Postrevolutionary America" Paper presented at the Sixteenth Annual Conference of the Program in Early American Economy and Society (PEAES), Philadelphia, PA, October 2016

<sup>107</sup> Hancock. *Citizens of the World*. p.33-35

became an important function of the merchant and tradesman of the period. Many merchants gained prominence in their trade after serving as a counting house apprentice following an additional several years of study with a tutor or in an academy. Due to the formation of connections and increased social prominence, such a background was additionally critical in ensuring political support, and in determining whether others would insure them or invest in their ventures.<sup>108</sup> This indicates that certain intellectual qualifications would have to be met for a merchant or mercantile firm to be trusted by a community. The business of commodity exchange hinged entirely on this group's capacity to meet such demands.

A method that can be used to consider what the importance of the merchant's input was in regard to production, and also whether such actions are definitive of a variety of labor, is the question of what could have feasibly existed without their effort. This counterfactual revolves largely around some of the aforementioned principles of mercantile interaction, which include the creation of relationships between powerful parties such as the state and other local organizers of capital, whether merchant, manager, or craftsman. These can be termed communicative or connective tasks. Without such efforts, the consumer, the laborer, and the environment in which they operated would not have been able to function to the same degree, as they would have been disconnected from necessary capital and tools, and producers would have been separated from their consumer base. The ability for merchants to prevent such "disassembling" of the global economy rested on a knowledge of global markets, the intricacies and risks of maritime trade, and an ability to oversee each part of the chains of interaction involved in adding value to, and ultimately selling, a commodity. The world that would have existed without such organization, and related skills and effort, would not have been able to become globally integrated. Without

---

<sup>108</sup> Thornton, "The "Use of Globes"", p.18

the merchant and financier, laborers and local managers would remain disconnected from each other, resulting in a lack of necessary tools, innovation in existing capital, and limited specialization. In other words, allocative inefficiency would have effectively halted economic modernization.

One important relationship between the commodity and the work of organizers was the subsequent effects on the development of urban labor. The tie between urbanization and fish markets is an example of this. In this case, the commodity acquired through work at sea was funneled into a series of important port towns where the subsequent exchange fueled the local economy.<sup>109</sup> As a result, such urban centers became the centers of industry and financial concentration, forming important secondary businesses revolving around global, commodity-based, commerce. The merchant was a significant factor in promoting these port towns and the labor systems that emerged within them. For example, merchants such as Robert Morris became heavily connected to cities such as Philadelphia where they became tied to the local economy through financial institutions and commercial credit. Investment and revenue from trade additionally became concentrated in these regions.<sup>110</sup> Where industries, money, and commodity trade became concentrated, the economy became increasingly diverse. This effect is demonstrated in the case of Boston, which became a “comprehensive entrepot,” where local craftsmanship and commerce resulted in urban expansion and population growth. To an even greater degree, Philadelphia was expressive of this urban effect, where international commerce met a large, agricultural, local market spurred by the productivity of Philadelphia’s hinterland.<sup>111</sup>

---

<sup>109</sup> Jacob M. Price. “Economic Growth and the Function of American Port Towns in the Eighteenth Century.” *Perspectives in American History* 8, 1974. p.141

<sup>110</sup> *Ibid.* 154

<sup>111</sup> *Ibid.* 140, 142, 149

In this mid-Atlantic grain region, the development of local, urban, craftspeople, such as coopers and cordwainers, became an important part of the concentration of commercial life. Likewise, in urban centers such as Annapolis, shipbuilding and tanning became tied to the tobacco based commerce in the region and maintained a substantial, and primary, degree of importance in the town after the decline in the importance of the tobacco trade in favor of wheat, and the resultant shift of economic power from Annapolis to Baltimore.<sup>112</sup> The transition to wheat from tobacco was indicative of the urbanizing effects of technology in addition to the need for foodstuffs in growing, populous, urban regions. In these two ways, tobacco was effectively far less urban of a commodity. As the colonies broke from their connection to the European mercantilist system, they developed their own self-sustaining economic systems based more around domestic production than global export. The transition from tobacco mirrors this trend, as the crop was less conducive to the internal growth that occurred post-independence than was wheat. Regarding the concentrating effects on labor, Hoffman and Earle point to the preeminent nature of staple production in the regulation of cost and availability of labor which therefore, spurred increased levels of urbanization.<sup>113</sup> This shows an important effect of cost-reducing efficiencies related to proximity to economically important locations. In early America, where the price of travel and communication were exceptionally high from a modern standpoint, urbanization provided the benefit of location to the capital necessary for growth. This growth then contributed back into the urbanization process, reinforcing the same urban expansion that allowed for this market development in the first place.

---

<sup>112</sup> Hunter, "Rage for Grain", p.41

Papenfuse, "Pursuit of Profit", p.6

<sup>113</sup> Earle and Hoffman, "The Foundation of the Modern Economy," p.1056

Relating to the role of mercantile activity in promoting urban labor is the relationship between organizational work, economies of scale, capital accumulation, and the effects on commodity production. Capital, such as sugar mills, promoted certain scale effects, as could be seen on early American sugar plantations, where the necessary proximity of fields to the mills caused sugar plantations to dwarf plantations focused around the production of other commodities.<sup>114</sup> These concentrating effects of sugar mills exemplify the importance of the trade organization of the merchant, which allowed for technologies and machinery to meet the production demands of agricultural suppliers. Likewise, the accumulation of capital in South Carolina's tidewater region was an important source of aggregate productivity gains and correlated with a general diffusion of planting from higher grounds and inland swamps towards coastal tidewater regions. This concentration, and allocation of capital by financial organizers, again resulted in large scale centers of commerce and industry, albeit in a different form than the urban centers to the north. At the origin of any trend towards concentration at a specific place, and thus the formation of urban labor, is an organizing input on the part of the entrepreneur or financier which manifested itself physically in the movement of people and tools into important economic centers.

An economic principle which can be used to describe the themes of efficiency in the geographic concentration of capital, which effectively influenced the nature of management and economic mobility, is that of external economies. External economies imply that as the scale of an industry becomes more concentrated, and grows larger, the average costs of operating the business fall. In this case, this effect is applied to urban efficiencies, where close proximities between different businessmen and workers resulted in more efficient organization and thus

---

<sup>114</sup> Engerman, "Contract Labor, Sugar, and Technology in the Nineteenth Century", p.655

decreased cost. An example of this can be seen in the case of the development of urban labor, such as became important in the case of craftsmen in Chestertown, Maryland, who dealt in elaborate luxury goods which required urban environments in order to reach the wealthy patrons who represented the demand side of the market for such goods. While not all Chestertown craftsmen relied upon this urban environment, the local economy as a whole was nevertheless fueled by the urban draw of such goods and services.<sup>115</sup> Such situations are also indicative of the economic effect of efficiency of location, as can be seen in the case of the Philadelphia commercial elite who were able to gain a relatively exclusive connection to European markets due to their ability to utilize large amounts of local capital. This can be compared to the markets of the West Indies, which were efficiently open to smaller traders outside of the heavy urban concentration of Philadelphia.<sup>116</sup> While Philadelphia was representative of an exponentially larger concentration of economic influence, the same general market effect existed between it and the inhabitants of Chestertown, in that where market niches were specific as compared to general, and where tailored goods and capital were necessary for neighboring businesses, the result was a mass organizational effort to move to where mutual proximity allowed for one's business to develop.

A differentiation must be made between natural efficiencies stemming from concentration of capital and economic influence in one place and centralization stemming from political influence. An example of the latter effect can be seen in the effect of local trade barriers on the development of seaports in the Early Republic. In New Haven, at the close of the American Revolution in 1783, the local commercial community voted to close the ports of the

---

<sup>115</sup> Daniels, "Alternative Workers in a Slave Economy", p.80

<sup>116</sup> Hunter, "Rage for Grain", p.66

city to British vessels in response to British legislation limiting trade between the Americans and West Indies. In comparison, Wilmington, Delaware merchants sought to overstep the trade restrictions instituted by the Philadelphia commercial community, including tariffs, which prevented their participation in the trade with the West Indies.<sup>117</sup> This relationship showed that urban centers varied in how they structured themselves politically, which implied that certain commodities and capital would come from places that were not just economically efficient but also politically opportune. The effect of political influence which could be seen in these cases resulted in specific local characteristics which included which goods were processed within urban limits and which finished goods were consumed by citizens within such cities. As can be seen in the earlier mentioned cases of the political influence of mercantile factors, such characteristics of these urban regions can ultimately be traced back to these merchants.

Efficiency of location, given other factors, had the ability to affect the economic hegemony of certain groups of people. The connection between initial commodity production and urban intermediaries is illustrated by the partnerships between producers and major urban firms as could be seen in the relationship between the Kent County grain planter Thomas Ringgold and the large Philadelphia commercial firm Willing & Morris in the latter half of the eighteenth century. Grain supplies collected by Ringgold were important for filling Europe-bound ventures.<sup>118</sup> The relationship between these two parties was expressive of the mutual benefits that planters and well-connected merchants could gain through cooperative ventures.

---

<sup>117</sup> Rick Demerjian, “An Interest in Union: Constitutional Settlements and the Economies of Secondary Seaports” Paper presented at the Sixteenth Annual Conference of the Program in Early American Economy and Society (PEAES), Philadelphia, PA, October 2016. For New Haven reaction to British trade restrictions see p.5. For the relationship between Wilmington and Philadelphian tariffs, see p.7.

<sup>118</sup> Ibid. 52



When the exclusivity of trade associated with these merchants is taken into account, the conclusion can be made that planters were reliant on a relatively elite class of traders who could connect their produce with consumers. For this reason, planters sought connection to places where these intermediaries functioned, which provided an additional agricultural relevance to these early American urban economies. Outside of urban connection, even wealthy professionals experienced limited specialization, and could not efficiently interact in global markets as occurred in urban centers, as part of their effort would have to go into producing crops for subsistence.<sup>119</sup> This reality shows that wealth, in and of itself, was not the determining factor involved in whether a region was capable of maintaining its own connections with consumers. Instead they would become wealthy through some connection with the urban financiers and traders who worked towards establishing connections with international, and strong domestic, markets. Additionally, cities were more likely to reap benefits associated with immigration and the size of labor pools. This resulted in increased economic power for employers, although the market power of such laborers as mariners and craftsmen were relatively limited compared to the large organizing firms that operated in these environments<sup>120</sup> As can be seen here, just as economic power became concentrated in centers of mercantile influence, so too did working populations themselves. These populations were necessary in serving the needs of the workers already involved in the trade-based industries existent within the cities, additionally contributing to the efficiencies of scale. Based on the role they played in allocating capital to these significant centers, merchants and creditors were able to establish an effective hegemony through their

---

<sup>119</sup> Walsh. *Motives of Honor*. p.19

<sup>120</sup> Billy G. Smith, "The Vicissitudes of Fortune: The Careers of Laboring Men in Philadelphia, 1750-1800" In *Work and Labor in Early America*, ed. Stephen Innes (Chapel Hill, NC: University of North Carolina, 1988), 247

ability to dictate the terms by which traders in nearby, smaller, towns were able to do business. Consequently, the urban elite became the channel through which surrounding regions, where commodities would be acquired, were fueled through connection to capital markets and consumer bases.

Often, concentration of economic power resulted in the local dominance of an industry, which when exclusive right is taken as a non-factor, indicates a natural monopoly stemming from efficiencies associated with concentration. An example of this can be seen in the case of the Nantucket whaling industry during the eighteenth century, where local businesses were able to increase the number of barrels of oil produced from three thousand in 1730 to thirty thousand in 1775. This can additionally be viewed as a self-perpetuating dominance, as the local investors were able to use the proceeds to accumulate additional capital including larger vessels.<sup>121</sup> While similar competition from other productive sites often prevented such regional concentration of market power, this whaling industry is indicative of the extent to which concentration due to scale effects could potentially occur.

Surrounding the influence of the merchant and manager is the end objective of capitalizing on value. In the case of commodities, this can be responsible for transitions in the structure of labor. This is evident in how commodity production was effectively driven by European cultural support, especially that stemming from influential urban centers. This effect is exhibited through the metropolitan praise in Europe which producers received through achieving the goal of supplying international markets with large amounts of quality produce. Because the American urban merchant and financier became the connecting force between these European

---

<sup>121</sup> Vickers. "Nantucket Whalers in the Deep-Sea Fishery: The Changing Anatomy of an Early American Labor Force", p.281

cities and the American commodity markets, their influence became global.<sup>122</sup> Capitalizing on the opportunity to involve oneself in international trade, through the efforts of knowledge accumulation and economic planning, yielded a kind of commercial-social dominance that made such figures asymmetrically influential both during the colonial period and for decades after American independence. Ultimately, early American merchants, through their efforts, became necessary parts of the commercial society that grew around the connection between American commodity producers and the associated markets that were generated globally.

#### IV.

Through assembling each of the previously mentioned aspects concerning commodities, commodity markets, and labor into one framework, one is left with several important points that must be considered in determining the order and magnitude of variables such as the profitability of coercive labor, climate, urbanization, legal effects, ease of international connection, and proximity to supporting industries. Because of the historical variation in the way it was produced and marketed, a commodity that can be used to demonstrate this framework comprehensively is wheat.

An occurrence which is indicative of a regional, climatic effect on the commodity, which subsequently impacted local attributes of labor, politics, and national export is the wheat decimation caused by the Hessian fly in the Mid-Atlantic in the years directly following the American Revolution.<sup>123</sup> These flies, like similar biological factors, were tied to this specific

---

<sup>122</sup> S. Max Edelson, "The Characters of Commodities: The Reputations of South Carolina Rice and Indigo in the Atlantic World," in *The Atlantic Economy during the Seventeenth and Eighteenth Centuries: Organization, Operation, Practice, and Personnel*, ed. Peter A. Coclanis (Charleston, SC: University of South Carolina, 1999), p. 345

<sup>123</sup> Hunter, "Rage for Grain", p.191

region and adapted to wheat. In terms of how this might have affected labor, this can be compared to the climate specific agents associated with the South Carolina lowcountry and the task system. Just as the task system emerged from the prevalence of disease, and the consequent seasonal relocation of plantation managers, the Hessian fly likewise necessitated a human reorganization in order to prevent the elimination of the vital food crop. Even though the slave-system definitive of lowcountry rice production was absent, the general characteristic of labor organization around potential problems that occurred in accordance to geographic characteristics would have been a given in every scenario where a good was produced. While climate did provide for these general trends within an area, the climate of this locality nonetheless allowed for a large differentiation within regions. In regard to wheat, this differentiation within a regional climate is expressed by Paul G.E Clemens and Lucy Simler who state that the study of multiple early American regions has emphasized that differences within regions were often as striking as distinctions between regions.<sup>124</sup> This internal differentiation can be thought of as a caveat to the idea that climate was the “base” or “primary” factor involved in determining the way early Americans organized their efforts. Instead, local geography was just one variable that put certain bounds on what could be accomplished within a given region. However, within such regions, people were capable of creating labor systems and local economies that were tailored by commercial and social factors as well as the natural environment.

As can be seen in the case of wheat, regional climate can be abstracted as one variable that “constrained” the way an economy would have developed within a region. Occurrences such as the Hessian fly infestation, and more general considerations such as the temperature

---

<sup>124</sup> Clemens and Simler, “Rural Labor and the Farm Household in Chester County, Pennsylvania, 1750-1820.”, p. 143

requirements of growing wheat, were associated with the natural environments of certain areas. Because of this, inhabitants of these areas had to respond to these effects if nature. Regardless of the crop or region, this abstract restriction based around regional climate was ubiquitous and would have played a significant role in any commodity based local economy.

An occurrence which illustrates the nature of urbanization and concentration of economic power in specific localities, as it applied to wheat, is the emergence of middlemen who served as grain dealers heavily connected with the Philadelphia mercantile elite. This is indicative of a formation of work around the influence of the city.<sup>125</sup> In this case, the grain dealer is representative of an intermediary who connected productive regions with yet another intermediary who then connected the areas where the product was concentrated to the consumer. Just as was evident in the cases of the other commodities previously mentioned, this process can be thought of as a kind of funneling, whereby organizers served the purpose of bringing commodities to specific locations. The purpose of this was ultimately to take advantage of efficiencies such as proximity to necessary craftsmen and to tap the knowledge of the merchants who resided in the urban environments. Additionally, efficiencies of scale, associated with proximity to a multitude of tasks related to adding value to the commodity, contributed to the urbanization associated in this case with wheat. An internal attribute of a city known for the handling of wheat is the assurance of quality produce by authorities concentrated within the region. For example, in Philadelphia legal measures were put in place to ensure that only quality flour left the city, which meant that European consumers would likely turn to such urban centers so that they could be sure that the price paid matched the quality of the good received. This process arose largely through the efforts of local merchants. This association between consumer

---

<sup>125</sup> Hunter, "Rage for Grain", p.52

confidence and the expertise existent in certain areas additionally allowed for the growing influence of certain places over others. Where mercantile influence promoted the sale of a well-produced good, inflow of money and credit was the corresponding result. Ultimately, this generated more wealth and political influence within these prominent urban centers than in the places where the good may have been initially produced due to the inability for European and American urban consumers to monitor, and thus organize, the commercial chains involved in the market for a given commodity.<sup>126</sup> The growing influence of Philadelphia on wheat is further explained through reference to the city's growing internal market, and its connection with the hinterland. This implies that the city was not just important to the production of wheat, or its export internationally, but also provided domestic consumption which would become increasingly important as the area developed industrially. This effect can be seen in the rapid increase of wheat consumption in Post-Revolutionary Philadelphia.<sup>127</sup> The effect shown here is self-perpetuation, whereby the economic prominence of a specific place initiates increasing amounts of funds and capital within itself due to economic incentives. The result is increased population and market demand at such sites. Extending from this premise is the more general idea that once variables such as geography, market demand, and local government allowed, capital converged onto select locations which spurred a secondary layer of labor of a more urban nature.

A general theme which can be drawn from urbanization as it applied to wheat is the concentrating effects of trade associated with global commodity markets, and the labor patterns that formed within these concentrated regions. Philadelphia, and the various "layers" of work

---

<sup>126</sup> Ibid. 60

<sup>127</sup> Ibid. 62

that developed in and around it, including merchants, farm laborers, and various middlemen, was indicative of this concentration associated with the efficiency gained from proximity to others. This trend can be thought of as one type of efficiency, which could occur dependent on how people responded to the need for labor, and whether someone was able to sell the produce. In this sense, unlike a variable like climate, urbanization was not a given. For example, urbanization did not occur to the extent seen in Philadelphia within the American south. This implies that concentration in an urban environment was a potential occurrence after the people in a region decided how their economy would be organized.

An important component of wheat-based labor in early America was its association with physical capital and technology, exemplified by the significance of flour milling. The growing significance of such mills throughout the period under consideration can be seen in the prevalence of advertising for mill technologies, and by the utilization of mills as mass-producing centers of flour production such as the Brandywine Mills in Delaware, which reached full development in the 1770s.<sup>128</sup> This provides an image of differentiation between commodities, whereby the wheat producing regions became reliant on labor saving devices while plantation systems were reliant on extracting the maximum amount of effort of their laborers through coercion. At the same time, this labor saving phenomenon was not tied conclusively to wheat, indicating that aspects such as labor scarcity and economic development tied to a mercantilist political structure were likely significant factors. Thus, within the production process, an association can be drawn between capital in the form of machinery and capital in the form of human inputs, which took on specific forms in wheat producing regions. One characteristic of this labor is the use of contracts through which Pennsylvania farmers secured labor for

---

<sup>128</sup> Ibid. 16

commercial agriculture, which focused on agreements on wage and customary obligations.<sup>129</sup> This reflects the role of law, as it applied to labor in early America. In the case of the Pennsylvania farmers, contracts became the method through which labor was tied to certain tasks. While this provided a relatively large degree of voluntary flexibility in this scenario, this was not always the case, as is illustrated by the legal promotion of slave labor systems in other wheat-producing regions. Additionally, the specifics of these contracts show the importance of the wage in such regions where seasonal agricultural cycles promoted degrees of relative inactivity and transiency amongst laborers. This is comparable to the same general trends which occurred within the New England fishing industry.

The theme of technology can be compared to urbanization in terms of how it emerged within a given local economy. It too was subject to differentiation following human responses to fixed conditions like climate. The general condition that promoted technological advancement and the accumulation of physical capital was inadequate population sizes necessary to meet a large demand for a product. This condition could be seen across the spectrum of early American regional economies. However, the coerced populating of regions allowed for increased levels of production outside of labor saving devices; this indicates that producers were likely to make different decisions concerning the accumulation of technologies given their respective constraints and alternative options. In terms of the commodity in general, physical capital and technology were associated with given commodities, but only in respect to how people responded to the production of those commodities and the drive to trade them globally

---

<sup>129</sup> Clemens and Simler, "Rural Labor and the Farm Household in Chester County, Pennsylvania, 1750-1820.", p.108



An important relation between different instances of wheat production, and also plantation economies in the American south, reveals an important effect of commodification on the coercion of labor in a region. In mid-Atlantic, grain producing, regions, the typical farmer was dependent on wage labor. Only a limited number of householders without interest in yearly hiring cycles viewed slavery and servitude as a less costly investment. This can be compared to the previously mentioned examples of the Virginia piedmont where wheat was produced for export on a large scale by slaves.<sup>130</sup> The difference is descriptive of the tendency for commodification and export to have certain effects on the development of coercive labor within a region. Specifically, where commodity production is more seasonal and or serves a local market, as is the case with Mid-Atlantic and New England grain production, the result is a tendency towards wages or family-based patterns. In comparison, what the cases of coerced labor involved in wheat production show is that this commodity did not have the capacity to dictate entirely the degree of freedom that the common laborers involved in its growing experienced.

International connection was a defining characteristic of early American commodification and played varying roles specifically in the case of wheat. At the beginning of the mid-eighteenth century, there was a massive increase in international demand for foodstuffs including wheat. This is important as it implies increased commercialization as a result of connection with large European markets. Export implied certain regional characteristics, including the growth of local commodity industries as compared to domestically-focused subsistence cultures, such as was definitive of the agrarian Puritan populations of colonial

---

<sup>130</sup> Ibid. 117

Massachusetts.<sup>131</sup> What the above conclusions concerning the nature of export oriented regions show is that export promoted a rapid expansion of economic power in association with the size of global markets. This was perhaps the most dominant economic trend of the Early Modern period and thus played a major role in the formation of the early American economy. Exportable commodities pushed out less dynamic commercial systems, and influence became concentrated most heavily in areas that could contribute to these global commodity exchanges. As can be seen in the case of wheat, even though a foodstuff may have been domestically relevant later, its primary role earlier in this period, as it concerned economic growth and market development, was as an exportable or global good. What can be seen in this case is an initial growth fueled by internationally connected merchants followed by a domestic growth surrounding the productive urban concentrations that international commerce helped to create.

What wheat commodification, as an example, illustrates, is that each commodity existed in a complex relationship with a series of other factors. The commodity thus lent specific attributes to a labor system that was subject to dynamic change and variation based on the natural environment and the economic and political beliefs of people. Each commodity correlated loosely with related regions and cultures. However, at the same time the causation of these labor cultures was the result of interaction between different classes of laborers and consumers who operated within specific regions and globally. In general, such criteria formed the background to the economic importance of every commodity; each of these commodities together created the base around which the early American economy was structured.

---

<sup>131</sup> Hunter, "Rage for Grain", p.62-63

## Bibliography

- Bair, Jennifer. "Global Capitalism and Commodity Chains: Looking Back, Going Forward." *Competition and Change* 9, no.2 (June 2005): 153-180
- Beckert, Sven. *Empire of Cotton: A Global History*. New York, NY: Vintage, 2014
- Buttrick, John. "The Inside Contracting System." *The Journal of Economic History* 12, no.3 (Summer 1952): 205-221
- Carr, Lois Green and Lorena S. Walsh, "Economic Diversification and Labor Organization in the Chesapeake, 1650-1820" In *Work and Labor in Early America*, ed. Stephen Innes (Chapel Hill, NC: University of North Carolina, 1988)
- Clemens, Paul G.E. and Lucy Simler, "Rural Labor and the Farm Household in Chester County, Pennsylvania, 1750-1820." In *Work and Labor in Early America*, ed. Stephen Innes (Chapel Hill, NC: University of North Carolina, 1988)
- Coase, Ronald H. "The Problem of Social Cost," *Journal of Law and Economics* 3. no.1. (1960) in *The Canon of American Legal Thought*. ed. David Kennedy and William W. Fisher III (Princeton, NJ: Princeton University)
- Coclanis, Peter A. *The Shadow of a Dream: Economic Life and Death in the South Carolina Low Country 1670-1920*. New York, NY: Oxford University, 1989
- Craven, Avery O. *Soil Exhaustion as a Factor in the Agricultural History of Virginia and Maryland, 1606-1860*. Columbia, SC: University of South Carolina, 2006)
- Demerjian, Rick. "An Interest in Union: Constitutional Settlements and the Economies of Secondary Seaports" Paper presented at the Sixteenth Annual Conference of the Program in Early American Economy and Society (PEAES), Philadelphia, PA, October 2016.

- Doerflinger, Thomas. *A Vigorous Spirit of Enterprise*. Chapel Hill, NC: University of North Carolina Press, 1986
- Donahue, Brian. *The Great Meadow: Farmers and the Land in Colonial Concord*. New Haven, CT: Yale University, 2004
- Earle, Carville and Ronald Hoffman, "The Foundation of the Modern Economy," *The American Historical Review* 85, no.5 (December 1980): 1055-1094
- Edelson, S. Max. "The Characters of Commodities: The Reputations of South Carolina Rice and Indigo in the Atlantic World," in *The Atlantic Economy during the Seventeenth and Eighteenth Centuries: Organization, Operation, Practice, and Personnel*, ed. Peter A. Coclanis (Charleston, SC: University of South Carolina, 1999)
- Engerman, Stanley L. "Contract Labor, Sugar, and Technology in the Nineteenth Century." *The Journal of Economic History* 43, no.3. (September 1983): 635-659
- Fenoaltea, Stefano. "Slavery and Supervision in Comparative Perspective: A Model," *The Journal of Economic History* 44, no. 3. (September 1984): 635-668
- Follett, Richard. *The Sugar Masters: Planters and Slaves in Louisiana's Cane World, 1820-1860*. Baton Rouge, LA: Louisiana State University, 2005
- Gillette, Jonathon. "Inside Contracting at the Sargent Hardware Company" *Theory and Society*, 17, no. 2 (1988): 159-177
- Hancock, David. *Citizens of the World: London Merchants and the Integration of the British Atlantic Community, 1735-1785*. New York, NY: Cambridge University, 1995
- Hunter, Brooke. "Rage for Grain: Flour Milling in the Mid-Atlantic" Diss., University of Delaware, 2002.

- Irwin, James R. "Exploring the Affinity of Wheat and Slavery in the Virginia Piedmont." *Explorations in Economic History* 25, no.3 (June 1988): 295-322
- Laffont, Jean-Jacques and Jean Tirole, "The Politics of Government Decision Making: A Theory of Regulatory Capture." *The Quarterly Journal of Economics* 106, no.4 (Nov 1991): 1089-1127
- Matson, Cathy D. "A House of Many Mansions: Some Thoughts on the Field of Economic History" in *The Economy of Early America: Historical Perspectives and New Directions*, ed. Cathy Matson (University Park, PA: Pennsylvania State University, 2006)
- McCusker, John J. and Russell R. Menard. *The Economy of British America, 1607-1789*. Chapel Hill, NC: University of North Carolina, 1985
- McDonald, Roderick A. "Independent Economic Production by Slaves in Antebellum Sugar Plantations." *Slavery and Abolition* 12, no.1 (April 1991): 182-208
- Medford, Edna Green. "There Was So Many Degrees in Slavery: Unfree Labor in an Antebellum Mixed Farming Community." *Slavery and Abolition* 14, no.2 (August 1993): 35-47
- Mintz, Sydney W. *Sweetness and Power: The Place of Sugar in Modern History*. New York, NY: Penguin, 1986
- Morgan, Philip. "Work and Culture: The Task System and the World of Lowcountry Blacks, 1700-1880." *The William and Mary Quarterly* 39, no.4 (October 1982): 564-599
- Náter, Laura. "The Spanish Empire and Cuban Tobacco during the Seventeenth and Eighteenth Centuries," in *The Atlantic Economy during the Seventeenth and Eighteenth Centuries: Organization, Operation, Practice, and Personnel*, ed. Peter A. Coclanis (Charleston, SC: University of South Carolina, 1999)

- North, Douglas C. *The Economic Growth of the United States: 1790-1860*. New York, NY: W.W. Norton & Company, 1966
- Papenfuse, Edward C. *In Pursuit of Profit: The Annapolis Merchants in the Era of the American Revolution, 1763-1805*. Baltimore, MD: Johns Hopkins University, 1975
- Price, Jacob M. "Economic Growth and the Function of American Port Towns in the Eighteenth Century." *Perspectives in American History* 8, (1974): 123-186
- Price, Jacob M. *France and the Chesapeake: A History of the French Tobacco Monopoly, 1674-1791, and of its Relationship to the British and American Tobacco Trades*. Ann Arbor, MI: University of Michigan, 1973
- Rao, Gautham. "The Federal Law of Smuggling in the Early Republic: Institutions, Governance, and Society, 1789-1860," Paper presented at the Sixteenth Annual Conference of the Program in Early American Economy and Society (PEAES), Philadelphia, PA, October 2016
- Rediker, Markus. "The Anglo-American Seaman as Collective Worker, 1700-1750." In *Work and Labor in Early America*, ed. Stephen Innes (Chapel Hill, NC: University of North Carolina, 1988)
- Rockman, Seth. "The Unfree Origins of American Capitalism," in *The Economy of Early America: Historical Perspectives and New Directions*, ed. Cathy Matson (University Park, PA: Pennsylvania State University, 2006)
- "Slave or Free". The National Archives. [http://www.nationalarchives.gov.uk/pathways/blackhistory/rights/slave\\_free.htm](http://www.nationalarchives.gov.uk/pathways/blackhistory/rights/slave_free.htm)(April, 19, 2017)

- Smith, Billy G. "The Vicissitudes of Fortune: The Careers of Laboring Men in Philadelphia, 1750-1800" In *Work and Labor in Early America*, ed. Stephen Innes (Chapel Hill, NC: University of North Carolina, 1988)
- "The Navigation Act, 1651". BCW Project: British Civil Wars, Commonwealth & Protectorate 1638-1660. <http://bcw-project.org/church-and-state/the-commonwealth/the-navigation-act> (April 19, 2017)
- Thornton, Tamara Plakins. "The "Use of Globes": Mathematical Geography, the Mercantile Imagination, and Global Commerce in Postrevolutionary America" Paper presented at the Sixteenth Annual Conference of the Program in Early American Economy and Society (PEAES), Philadelphia, PA, October 2016
- Tomich, Dale. "World Slavery and Caribbean Capitalism: The Cuban Sugar Industry, 1760-1868." *Theory and Society* 20, no.3 (June 1991): 297-319
- Ulrich, Laurel Thatcher. "Martha Ballard and Her Girls: Women's Work in Eighteenth-Century Maine." In *Work and Labor in Early America*, ed. Stephen Innes (Chapel Hill, NC: University of North Carolina, 1988)
- Vickers, Daniel. "Maritime Labor in Colonial Massachusetts: A Case Study of the Essex County Cod Fishery and the Whaling Industry of Nantucket, 1630-1775." Diss., Princeton University, 1981.
- Vickers, Daniel. "Nantucket Whalemen in the Deep-Sea Fishery: The Changing Anatomy of an Early American Labor Force." *Journal of American History* 72 (September 1985): 277-296

- Vickers, Daniel. "Those Dammed Shad: Would the River Fisheries of New England Have Survived in the Absence of Industrialization?" *The William and Mary Quarterly* 61. no.4. (October 2004): 685-712
- Vickers, Daniel. "Working the Fields in a Developing Economy: Essex County, Massachusetts, 1630-1675." In *Work and Labor in Early America*, ed. Stephen Innes (Chapel Hill, NC: University of North Carolina, 1988)
- Vickers, Daniel. *Farmers and Fishermen: Two Centuries of Work in Essex County, Massachusetts, 1630-1850*. Chapel Hill, NC: University of North Carolina, 1994
- Vries, Jan de. "The Dutch Atlantic Economies." in *The Atlantic Economy during the Seventeenth and Eighteenth Centuries: Organization, Operation, Practice, and Personnel*. ed. Peter A. Coclanis (Charleston, SC: University of South Carolina, 1999)
- Walsh, Lorena S, *Motives of Honor, Pleasure, and Profit: Plantation Management in the Colonial Chesapeake, 1607-1763*.Chapel Hill, NC: University of North Carolina, 2010