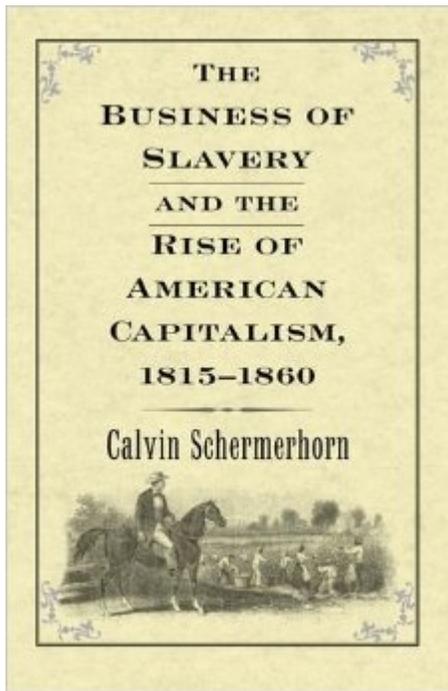


# American Slavery and American Capitalism



The relationship between slavery and capitalism has reemerged as a popular topic of examination among historians of nineteenth-century America. Though Eric Williams first introduced the mutual inclusivity of capitalism and slavery in 1944, in recent years, there has been increased scholarly interest in capitalism's rise as the guiding economic framework that characterized antebellum slavery in the United States. Calvin Schermerhorn's *The Business of Slavery and the Rise of American Capitalism, 1815-1860* adds to this exciting and growing body of new literature. Schermerhorn explores how slave traders, shippers, and bankers situated themselves at the forefront of American economic growth between the end of the War of 1812 and the beginning of the Civil War. He argues that slave financiers and shippers leveraged cycles of credit and debt and in the process influenced the trajectory of American capitalism more directly than any other group of entrepreneurs during the antebellum era.

✘ Calvin Schermerhorn, *The Business of Slavery and the Rise of American Capitalism 1815-1860*. New Haven, Conn.: Yale University Press, 2015. 352 pp., \$65.

Ultimately, *The Business of Slavery and the Rise of American Capitalism, 1815-1860* is an investigation of slave trading firms and the financial strategies that slave traders used to capitalize on the buying, transportation, and selling of human property. And in each chapter, Schermerhorn keeps his hand

on the domestic slave trade's pulse by connecting the drain of enslaved people from the upper South, specifically Virginia and Maryland, to the most popular slave markets in the United States between 1815 and 1860: Louisiana, the Mississippi River Valley, and Texas.

Schermerhorn begins by examining Baltimore and the slave trading pursuits of Francis Everod Rives and Peyton Mason and Company, small-time slave traders who took advantage of rising demand for slaves in newly acquired lands in the southwestern United States. He notes that in the 1810s and 1820s, "[s]laveholding agriculturists found themselves in possession of a surplus of bondspeople at just the moment their countrymen were demanding slaves on a distant cotton frontier" (12). The opening of new land, stolen from indigenous people during the War of 1812, offered adventure-seeking planters, bankers, and slave traders from the upper South opportunities to make money. Rives and Peyton Mason and Company set their economic sights on Natchez, the burgeoning entrepôt located northwest of New Orleans and brimming with economic promise in the late 1810s. Their ventures revolved around selling slaves from the Chesapeake to greedy buyers in the lower Mississippi Valley and negotiating their transactions in human chattel through cultivating trust and confidence with local financial institutions.

Schermerhorn emphasizes the importance of trust and confidence in the domestic slave trade, especially during the American banking boom in the 1820s and early 1830s. The slave trading adventures of Baltimore entrepreneur Austin Woolfolk demonstrate how important upper South slave traders' reputations were to expanding their lower South business enterprises. Woolfolk developed the reputation in Baltimore as a beguiling and ruthless salesman, ready to do whatever was necessary to procure as many enslaved people as possible for sale in the lower South. And he linked business ventures—i.e. his trade and traffic in enslaved people—to trans-Atlantic commercial enterprises, which funneled money into his coffers to continue the same cycle over and over again. Schermerhorn discusses how Woolfolk's slave trading business was linked to the House of Brown, a trans-Atlantic financial institution, which in 1825 had branches in Baltimore, New York, Philadelphia, Liverpool, and London. The importance of trust and confidence in early national banking extended far beyond the grips of regional slave traders. Indeed, as Schermerhorn articulates, the financial relationships that slave traders and financiers cultivated were only as good as the human chattel or bank notes that each party brought to the table. For this reason, the Panic of 1837 had the potential to completely destabilize the interregional trade of human property. As credit contracted and banks closed, slave trading firms and planters attempted to liquidate their assets to stay afloat, and their greatest assets were enslaved people.

One of the most impressive aspects of Schermerhorn's analysis is the way he incorporates slave smuggling into chapter three, "Sweet Dreams and Smuggling Schemes," and chapter six, "Chains of Violence." In these chapters, he delves into the economic and legal complications of slave smuggling for traders in the

upper Atlantic, specifically in New Jersey and New York. In chapter 3, Schermerhorn examines the ways in which New York merchants-turned-slave traders John Marsh and William Stone took advantage of the growing demand in the 1810s and early 1820s for bonded workers on sugar plantations in Louisiana to coerce conditionally free African Americans in New Jersey to leave their homes for employment. In chapter 6, Schermerhorn deploys Solomon Northup's narrative, *Twelve Years a Slave*, to investigate slave-abducting as a byproduct of slave traders' avarice to fulfill demand for black slaves in the lower South.

One cannot fully understand the domestic slave trade without considering the nexus between slave trading and sexual violence. In chapter five, "The Slave Factory of Franklin & Armfield," Schermerhorn examines the economic pursuits and violent sexual exploits of Isaac Franklin, John Armfield, and Rice C. Ballard, the three partners who comprised Franklin & Armfield, one of the most infamous slave trading firms in the lower South during the antebellum era. Tales of Franklin & Armfield's exploits reached far beyond the money that they made trading in enslaved bodies. Schermerhorn rightly devotes considerable time to investigating how they wrote about their sexual exploits (and exploitation) of enslaved women and how they cultivated broad networks of connections from Virginia to Louisiana to make hundreds of thousands of dollars in slave-trading profits. Schermerhorn delves into how Franklin & Armfield's interest in profit was built on mismanagement of slave cargoes, which adds a macabre layer to their capitalistic quest to make as much money from their trade in enslaved people as possible.

In the final chapter, Schermerhorn focuses on New York shipping magnate Charles Morgan and how his steamship line profited during the 1850s after he expanded his enterprise into the deep Southwest after the United States' annexation of Texas. This borderland perspective of economic expansion and entrepreneurship broadens our understanding of how slave trading, transportation innovations, and American imperialism were interconnected in the decade before the Civil War. Moreover, Schermerhorn shows that one of the most provocative aspects of slavery's capitalism was how federal support for improved transportation and monetary policies helped to augment the trade in slaves.

Calvin Schermerhorn's analysis on slavery and American capitalism adds a layer of complexity to our understanding of how slave traders, financiers, and slaveholders manipulated complex financial instruments to profit from their traffic and ownership of human chattel. If one thinks that the crash of worldwide financial markets is a thing of our modern reality, one only needs to examine antebellum American finance to be disabused of that idea. Investors on both sides of the Atlantic bought mortgage-backed securities—similar in theory to the explosion of complex financial products that played a role in tanking the American economy in 2008. Yet, during the antebellum period, instead of packaging financial products based on houses and other real estate, investors sought mortgage-backed securities based on human property.

Ultimately, these various entrepreneurs and financiers constructed lucrative

businesses on the suffering of enslaved African Americans. Through delving into the banking policies, cycles of credit and debt, and the financial hedging by a resolute group of American businessmen, Calvin Schermerhorn shows the ways in which American capitalism and American slavery were mutually constitutive. Schermerhorn's *The Business of Slavery and the Rise of American Capitalism, 1815-1860* is important reading for anyone interested in the undeniable relationship between capitalism and slavery. In addition, he reveals how American banking, economic expansion, trans-Atlantic fiscal policies, and the domestic slave trade all worked in concert to commodify the bodies of people of African descent enslaved in the United States between 1815 and 1860. Schermerhorn's work is a great addition to this literature.

This article originally appeared in issue 16.2 (Winter, 2016).

---

Justene G. Hill received her PhD in American history from Princeton University in 2015. She is working on a manuscript entitled *Felonious Transactions: The Legal Culture of Slave Economies in South Carolina, 1787-1860*.