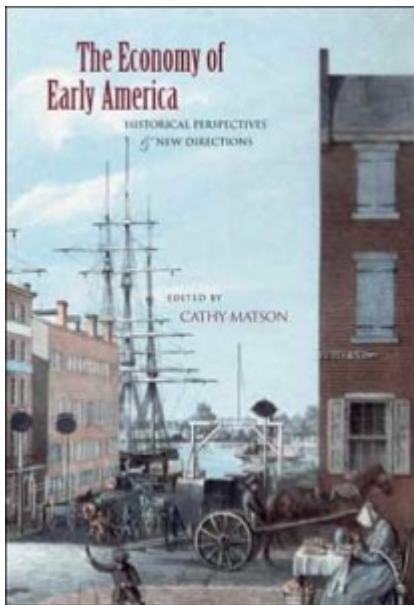
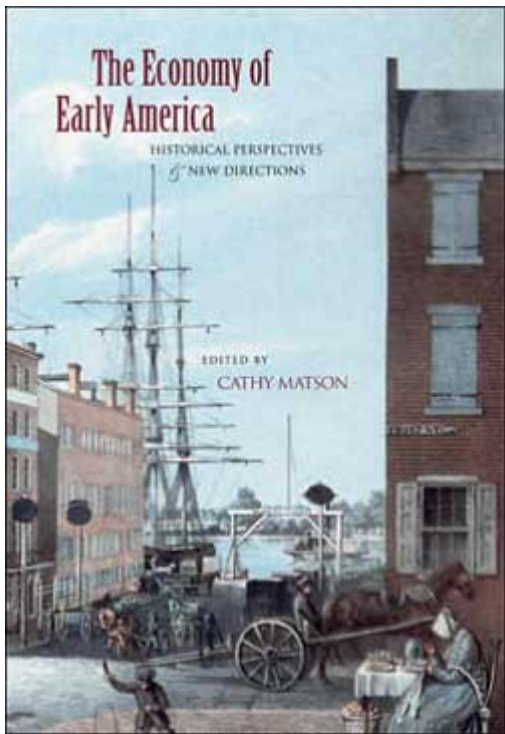


# Capitalism and Econometrics in Early American Economic History



Cathy Matson, ed., *The Economy of Early America: Historical Perspectives & New Directions*.

*The Economy of Early America* is a collection of essays derived from a conference of the Program on Early American Economy and Society. It presents “big tent” economic history, including the cliometric analyses familiar to economists, as well as more cultural-, intellectual-, and social-historical studies. In this, it represents the vanguard of an economic history resurgence.

The essays within grapple with the struggle at the center of that resurgence—how economic history can learn from and inform other types of historical writing without losing its econometric core.

Foremost among these essays is Cathy Matson's introductory essay on the historiography of the early American economy. Matson's survey is ideal for graduate students preparing for exams or for more advanced scholars seeking to make a foray into the field; her footnotes provide entrée to various subspecialties and should go a long way to making a sometimes-daunting topic accessible to outsiders. Matson often strives to make sense of and link opposing views; she is commendably fair-minded in her handling of such views throughout. On the subject of early American capitalism, the views are particularly strongly held and particularly opposed; it would perhaps have been sufficient to characterize the various arguments and move on.

Yet such cursory treatment may not have been possible, given that so many of the other essays in this volume grapple with capitalism. For example, in his "Rethinking the Economy of British America," David Hancock laments the ascendancy of cultural history and its emphasis on moral economy at economic history's expense. He is certainly right that debates over the virtues of text-based versus econometric analysis detract from the actual writing of history—from "paying attention to colonists' thinking," as he puts it (106)—but one must take care in the debate over capitalism not to lance the other side too much.

Of those historical rather than historiographic essays, Christopher Tomlins's "Indentured Servitude in Perspective" is one of the most striking. Tomlins contends that indentured servants constituted only a small part of the colonial labor force and that, though roughly half of "voluntary" migrants to the colonial United States might have come on indenture, the "declining demographic importance of migrant indentured servitude" reflected the growth of the native-born population among which servitude was uncommon (156). Tomlins even suggests that Creole population growth, rather than the rise of African slavery, ended indentured servitude. There is much to commend in this essay: it has the capacity at once to shatter previously held conventional wisdom and—except perhaps on this latter point—with a seductive logic to become conventional wisdom itself.

Other scholars make original contributions in this volume as well. John Majewski's study of popular shareholding in early republican Pennsylvania and Donna Rilling's study of craftsmen and small producers in early national Philadelphia are both commendable contributions to our understanding of how the early American economy worked. Russell Menard's "Colonial America's Mestizo Agriculture" is a useful corrective as well.

Lorena Walsh's "Peopling, Producing, and Consuming in Early America" considers recent works in population, labor, and consumption studies and is a handy reference on these topics. Her conclusion that "scholars of early American

economic history . . . have reserved much of the collecting and analyzing of additional economic data . . . for some future generation" (125) is sadly too true (with David Eltis et al., *The Trans-Atlantic Slave Trade* being the admirable exception). Walsh agrees with Hancock that, for a resurgence in economic history to work, economic historians must go back to the archives and pay more attention to colonists' thoughts and actions.

Seth Rockman's "Unfree Origins of American Capitalism" returns to the origins-of-capitalism debate. While there are points at which one might wish Rockman's essay directly engaged Tomlins's, it is on the whole a careful account of the intersection of capitalism and slavery in U.S. history—terms less frequently juxtaposed than Eric Williams might have liked. Few people, Rockman notes, agree on just what capitalism is—his summation of others' shorthand is "intensification of economic development" (336). Rockman himself defines "capitalism through the power relations that channel the fruits of economic development toward those who coordinate capital to generate additional capital, who own property rather than rent it, and who compel labor rather than perform it. In a capitalist economy, the primary mechanism for meeting and surpassing a subsistence standard of living and gaining access to additional productive property is the control of other people's labor power" (345). Rockman's effect is to emphasize how employers could manipulate wage labor—what Rockman sees as merely *soi-disant* free labor—into a system very much like coercion.

Yet with this thesis, one wonders whether anything new is brought to economic history. If capitalism is merely economic development, or markets, or urbanization, or commercialization, or rich people having the power to control their poorer brethren, human societies have been capitalistic for a very long time. Capitalism has long been linked to other major topics: slavery, the Puritans, and the Revolution. Perhaps as a result, the debate on American capitalism has been less well linked to international history than American economic history generally. As a result, it has grown repetitive and stale.

Marx and Weber explained American capitalism in global terms. Too many modern scholars of American capitalism miss this. Weber's *Protestant Ethic* was one in a series of studies on the societies of the world, and Marx thought just as globally as Weber did. Weber quoted Benjamin Franklin's "Necessary Hints to Those That would Be Rich" (1736) to explain the capitalist spirit—which David Waldstreicher duly notes in his essay in this volume. Weber also examined the economies of China in the early 1800s. Such comparative breadth is now missed. China enjoyed commercialization, urbanization, an extensive transportation infrastructure, strong urban-rural trading links, a rich merchant class, and abundant capital and cash for exchange in 1800 but was not a capitalist society. Weber's *Religion of China* is hardly up-to-date reading, but his underlying point—that the spirit of capitalism was not present in China in 1800—is taken as rudimentary by China scholars. Rockman wisely focuses on the legal and social strictures that promoted capitalism in the United States, rather than making a merely wealth-based argument for the origins of American capitalism. Too many other scholars take "intensification of economic

development," insufficient for capitalism in many parts of the world, as more than sufficient in the United States.

Capitalism is one of the most exciting topics in U.S. economic history; it, like few others, draws scholars of a literary-, cultural-, and social-research bent into our chart-and-table driven world. But we must take greater care with the term, and perhaps a more comparative approach, if we are to mean anything by "capitalism" at all.

This book is a clarion call for economic historians to go forth and proclaim the good news: economic history still has something to tell us. In its division between historiography and history, it suggests that we need as many evangelists as practitioners if we are to bring economics to history's masses. The subject of capitalism, already appealing to many non-econometricians, may indeed be a good place to start.

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