

Supply Side Notes

History 323

Re: Notes from Ransom & Sutch, "Impact of Civil War/Emancipation"
Use w/ Chpt. 13 of L & P

They contest the view that the destruction of four years of Civil War left the South in such a state of devastation that the regional economy was still on the ropes fifty years later. The underdevelopment and poverty of the South in this scenario is attributed to the impact of war.

The indicator here would be the decline of per capita output (agricultural) in the New South for the rest of the 19th century.

Ransom & Sutch argue differently. They conclude that the southern manufacturing and transportation sectors of the economy experienced a rapid regeneration. (Especially true of railroads that were renewed w/ assistance from northern capital and replaced by federal government. The one area that did not recover was agricultural output. There was no emulation of recovery in the other economic sectors in this important and critical area of southern economy.

Any explanations?

Authors argue that it cannot be explained by a shift away from demand for cotton. See charts in L & P on renewed cotton demand by England in decade after the Civil War.

Cannot be accounted for by the critical decline of the population--white or black. Cannot be accounted for by the marked decline and persistence of reduction in workstock animals--horses, mules, draft animals. The South did suffer a withdrawal and heavy loss of these draft animals during the course of the war. They were the most likely targets of conscription by the Confederacy and by invading Union armies, etc. Ransom and Sutch show that this gap was made up quickly after the war. They show that the price of draft animals by 1868 was lower than was the case before the Civil War. In short, had there been a shortage the prices would have been on incline rather than decline.

Ransom & Sutch thesis: Their explanation for the decline of output in southern agriculture was a legacy of the emancipation proclamation. The freeing of the 3.5 million slaves meant a loss of 60% of the total capital wealth of the south. What this meant was a transfer of ownership of "human capital" from the slaveholder to the ex-bondman himself. This was the legacy of the social revolution that occurred as a result of the Civil War.

It was the emancipation of the slaves rather than the physical destruction of the war which accounts for the course of agricultural output in the postwar period. The choices available to ex-slaves now that they were free allowed them to withdraw their labor. See the chart in L & P taken from Ransom & Sutch.

Chart estimates reduction from low of 28% to high of 37%

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Practical applications:

Under slavery slaves may have worked 265-287 days a year.

They probably worked a 12-13 hour day on average and 15 to 16 hours during the busy season. Since women were given time off to attend children and pregnancy leave, etc. the average work day was 11-13 hours.

After emancipation ~~slaves~~ blacks insisted on Saturdays and Sundays off and all holidays. By 1870 blacks worked on average one less per day than during slavery.

Conclusion:

The fact that per capita output still remained 60% of its prewar level throughout most of the 1870s and barely exceeded 75% of that output by the end of the century is explained by emancipation. Under slavery the bondsman was literally worked to the limit of his economic capacity.

Agricultural decline did not mean that black welfare declined proportionally during this period. Ex-slaves had more leisure time; they were also to enjoy a higher level of consumption; and a higher degree of economic freedom.