

Text

History 323

Re: Outline of Chpt. 12 Postbellum Southern Economy (L & P)

I. Reasons for the marked and protracted decline of postbellum Southern Agriculture:

A. Competing explanations:

1. The devastation of the Civil War

2. South's loss of her share of the English market-- London found substitute sources for cotton during the Civil War--especially true w/ India, Brazil and Egypt. Once they started cotton production they continued to service the British market after the war was over. The South does not regain her former share of the English market until 10/12 years after Appomatox.

[The old Southern cry that "King Cotton" would make her free appears like bravado].

3. Demand side explanation offered by Gavin Wright

4. Supply side explanation offered by Ransom & Sutch

(Counter to spirit of Fogel + Engerman business model.)

*Cotton was a
crucial or better
creation
economy*

II. Efficiency Question: Why did the South fail to develop a more flexible and diversified postwar economy?

A. Legacy of southern slavery--see list of reasons that are generally recognized as the impact of slavery (macroeconomically) on the South.

B. A word about the legacy of slavery in historic context

C. Text deals here with what has come to be called the "flawed institutional" development of postwar southern economy:

(1) Evolution of sharecropping and the breaking up of the large plantations. Was sharecropping a negative incentive system as far as improvement of agriculture and increase in productivity? Was the end result of the fragmentation of the large plantations a loss in the economies of scale?

(2) Debt peonage or crop lien system--} the lock-in with overproduction of cotton

(3) racism as a mechanism of control but a definite economic discentive