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978-0-521-89764-8 - The Merchants' Capital: New Orleans and the Political Economy of the Nineteenth-Century South

Scott P. Marler

Excerpt

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## Introduction

### *Merchants of the Cotton South in the Age of Capital*

Cultural depictions of the business elites who were so influential to the mid-nineteenth-century Atlantic world are fairly rare; most artists who seemed interested in such men tended to portray them as hopeless philistines. (Here one thinks of Dickens's calculating Mr. Gradgrind; or, on the other side of the Atlantic, the repressed Wall Street broker in Melville's "Bartleby the Scrivener.") Even fewer men of commerce appeared in contemporary depictions of the American South, whose slave-produced cotton provided much of the fuel for the industrial revolution then underway. Harriet Beecher Stowe's northern-born slaveholder Simon Legree, a name synonymous with villainy to this day, was more a Louisiana planter than a businessman per se, although some scholars now maintain there was little difference between the two. And while George Washington Cable, a New Orleans native, opened his 1881 novella "Madame Delphine" with a reference to "the activity and clatter of a city of merchants," those merchants played only supporting roles in his scathing narratives about local culture.<sup>1</sup>

There is one striking depiction of nineteenth-century southern businessmen notable for its verisimilitude, and it is also set in Cable's New Orleans: French artist Edgar Degas's 1873 portrait of *A Cotton Office in New Orleans* (Plate 1). This famous painting depicts fourteen men during a routine day at a cotton-trading firm in the "Crescent City," a popular nickname for the South's then-largest city derived from its location on a sharp bend near the base of the Mississippi River. Because of its uniquely realistic portrayal of businessmen at work (a realism mostly at odds with the impressionist school of art

<sup>1</sup> George Washington Cable, "Madame Delphine," in *Old Creole Days* (1885 ed.; repr., New York, 1964), 15. Examples of studies that blur the long-accepted distinction between planters and businessmen in the antebellum South are James Oakes, *The Ruling Race: A History of American Slaveholders* (New York, 1982); and Drew Gilpin Faust, *James Henry Hammond and the Old South: A Design for Mastery* (Baton Rouge, 1982), esp. chap. 6.

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that Degas would soon help establish), scholars have frequently reproduced *A Cotton Office in New Orleans* to illustrate studies of new industrial regimes during the nineteenth century. Yet most such uses of Degas's painting have been unintentionally ironic. Rarely discussed are the contexts behind the portrait: the circumstances of its production, the actual firm and men it depicted, and the local and regional economic milieu in which it was set – all of which tend to contradict the themes of triumphant industrial capitalism that these historians imply the painting represents.<sup>2</sup>

For example, Degas's depiction of New Orleans cotton merchants adorns the cover of Eric Hobsbawm's classic study of the mid-nineteenth-century Western world, a period he memorably labeled the "Age of Capital." In this book, Hobsbawm elaborated a classical Marxist perspective on industrial development in the core regions of Europe (England, France, Germany) and the northern United States. Industrialism, in this view, fostered the formation of two new classes largely defined by their relationships to each other in the nascent economic order: the proletariat, who owned only their own commodified labor power; and the bourgeoisie, a class defined by its ownership of the means of production and employment of wage labor. But in the American South, the dominance of plantation slavery had long suppressed the full emergence of these two classes, even in metropolitan settings such as New Orleans. In fact, the sedentary Crescent City gentlemen in Degas's painting, whose use was presumably intended to typify the thrust of Hobsbawm's arguments about mid-nineteenth-century industrial change, represented a far older and less dynamic form of wealth based on the extraction of profit from exchange differentials – that is, "buying cheap and selling dear." Karl Marx referred to this qualitatively distinct form of wealth accumulation as "merchant capitalism," which was a term commonly accepted by other political economists both before and after he wrote. Unlike industrialists, who derived their profits from the organization of production itself, merchant capitalists usually operated at a cautious remove from production processes, instead concerning themselves mainly with their ability to exploit differences in commodity values in geographically separated markets.<sup>3</sup>

<sup>2</sup> Art historians have been more attentive to the circumstances behind Degas's painting, but they are clearly on less familiar turf when explicating its socioeconomic context. The best of these studies is Marilyn R. Brown, *Degas and the Business of Art: A Cotton Office in New Orleans* (University Park, PA, 1994). See also Christopher Benfey, *Degas in New Orleans: Encounters in the Creole World of Kate Chopin and George Washington Cable* (Berkeley, CA, and other cities, 1997); and Gail Feigenbaum [ed.], *Degas and New Orleans: A French Impressionist in America* (New Orleans, 1999). Subsequent references to the Musson–Degas family's activities in this introduction will be drawn from these three works. Two other examples of mainstream historians' use of *A Cotton Office in New Orleans* are Thomas L. Haskell and Richard F. Teichgraber III, eds., *The Culture of the Market: Historical Essays* (New York, 1993); and D. A. Farnie and D. J. Jeremy, eds., *The Fibre that Changed the World: The Cotton Industry in International Perspective, 1600–1990s* (Oxford, and other cities, 2004).

<sup>3</sup> Eric Hobsbawm, *The Age of Capital, 1848–1875* (1975; paperback ed., New York, 1979). This study will rely heavily on the category "merchant capital," but in keeping with the more empirical

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Merchant capitalists were, in many ways, a conservative lot. Although often chary of direct involvements with production, once they had established consistently profitable relationships on the production end of the commodity chain, they became dependent on those forms and very reticent to see them change. Such was the case with the mercantile firm in Edgar Degas's 1873 painting. Michel Musson, the seated figure in the front left foreground, was Degas's uncle, and like his father before him, he had been involved with the cotton trade in New Orleans for many years. Musson was a "factor," a commercial intermediary between southern slave-plantation owners and the distant textile manufacturers for whom cotton served as raw material. But even though he was never directly interested in planting himself, Musson, like many other New Orleans cotton factors, had been a slaveholder before the Civil War. Many antebellum merchants had routinely invested in slaves, which gave them a crucial financial stake in the maintenance of the South's "peculiar institution" at a time when it was under increasing siege from the very industrial capitalists who were the main subject of Hobsbawm's book.<sup>4</sup>

The importance of the Crescent City's mercantile community to the U.S. and Atlantic economies during the nineteenth century once led the distinguished historian Clement Eaton to declare that "New Orleans is the ideal city for the study of the business class of the Southern states." Eaton understood that the hundreds of businessmen like Michel Musson who comprised the city's "gentlemen of commerce" represented the largest concentration of merchant capital in the "Old South," with the port of New Orleans handling a disproportionate share of commodity flows to and from the region. Surprisingly, though, subsequent scholars have been slow to fulfill the promise of Eaton's commonsensical insight. Indeed, more studies have been produced about Edgar Degas's experiences in New Orleans than about the Crescent City business community

bent of historical method, its relevance will first be demonstrated throughout the course of the narrative body of the work, with a sustained examination of its more theoretical aspects deferred to the epilogue, where its use by such diverse thinkers as Adam Smith, Karl Marx, and Max Weber are discussed. For now, though, it is worth noting that merchant (or "mercantile") capital was long regarded as a distinct and important category in a great deal of twentieth-century historiography, from "progressive historians" such as Louis M. Hacker to more staid early business historians such as N. S. B. Gras, Henrietta Larson, and George Rogers Taylor. As the practice of economic history became more reliant on quantitative methods, however, the use of such categories fell from fashion – as did studies of political economy more generally. Only recently has the rise of the "new institutional economics" held out the possibility of a much-needed synthesis that takes greater account of these older and still quite valid concerns over the sociopolitical contexts of economic development; see Peter A. Coclanis and Scott Marler, "The Economics of Reconstruction," in *A Companion to the Civil War and Reconstruction*, ed. Lacy K. Ford (Malden, MA, 2005), 342–65.

<sup>4</sup> The evolution of cotton factorage in the United States is the subject of Harold D. Woodman's classic study *King Cotton and His Retainers: Financing and Marketing the Cotton Crop of the South, 1800–1925* (Lexington, KY, 1968). On the late medieval and early modern roots of factorage more generally, see N. S. B. Gras, *Business and Capitalism: An Introduction to Business History* (New York, 1939), chap. 3.

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itself, and thus Eaton's injunction remains true today. By describing the epochal "Age of Capital" as it was experienced by Louisiana merchants, this study aims to begin filling this surprising historiographical gap on the American South and the Atlantic world.<sup>5</sup>

Part I focuses on what is broadly termed the antebellum era. Like the South more generally, Louisiana was located on the nonindustrial periphery of the Atlantic world, yet the commodities produced on its slave plantations, along with the New Orleans-based commercial agents who shepherded them to national and global markets, played a crucial role in the new forms of capitalist development taking root elsewhere. In the first chapter, the development of New Orleans's merchant community during the first half of the nineteenth century is examined. Close attention is paid to some of the unique aspects of New Orleans, such as its unusual location and demographic composition, particularly the ethnocultural diversity that was a vestige of the city's lengthy Eurocolonial past. Because of its advantageous site near the base of the Mississippi River system, the city grew rapidly as an export point for agricultural products, but tensions between American migrants to the city and Creole residents of Spanish or French heritage diminished the cohesiveness of its merchant community. For example, Michel Musson's father (and Edgar Degas's grandfather) was a slaveholder of French origin who had fled the Haitian revolution in 1809 for New Orleans, where he resumed making his fortune in mercantile activities ranging from Mexican silver and New England ice to southern sugar and cotton. Despite setbacks after the national financial panic of 1837, merchants and bankers thrived on the city's monopolistic position over the fast-growing cotton trade during the 1840s. Yet the wealth they accumulated from southern staple crops caused them to downplay their city's loss of the upriver grain trade to competition from new canal and lake routes that linked midwestern states to urban markets on the northeastern seaboard. Thus, even as the regional economy continued growing during the 1850s, the city's merchants became overly dependent on slave-produced commodities from the southern countryside, and their stake in the perpetuation of the increasingly controversial labor system that underpinned plantation agriculture grew accordingly. But despite

<sup>5</sup> Clement Eaton, *The Mind of the Old South* (1964; rev. ed., Baton Rouge, 1967), 69. Despite its importance, there has been no sustained historical study of Louisiana's nineteenth-century merchant community. This neglect remains apparent in Youssef Cassis' recent study *Capitals of Capital: A History of International Financial Centres, 1780–2005*, trans. Jacqueline Collier (New York, 2007), in which New Orleans goes entirely unmentioned. Robert Earl Roeder's fine unpublished dissertation, "New Orleans Merchants, 1800–1837" (Harvard University, 1959) ended with the Panic of 1837. Significant if narrower contributions to the subject have been made by George D. Green, *Finance and Economic Development in the Old South: Louisiana Banking, 1804–1861* (Stanford, CA, 1972); Elliott Ashkenazi, *The Business of Jews in Louisiana, 1840–1875* (Tuscaloosa and London, 1988); and Richard H. Kilbourne Jr., *Debt, Investment, Slaves: Credit Relations in East Feliciana Parish, Louisiana, 1825–1885* (Tuscaloosa, AL, and London, 1995).

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its support for slavery (also reflected in its notorious slave markets), the city's cosmopolitan character caused New Orleans to be widely disparaged as corrupt and dissolute by most southerners. Particular disdain was directed toward the city's commercial elites, whose multinational composition and extensive connections with the North made them more distrusted than those in other regional seaports such as Charleston, South Carolina.<sup>6</sup>

Their reputations were further undermined by the high prices Crescent City factors charged for goods sold to their clients in the countryside. Excessive charges and inefficiencies associated with their handling of outbound commodities also struck many planters as evidence that New Orleans merchants' share of the wealth generated in the countryside had made them not only rich, but also arrogant and lazy. As discussed in Chapter 2, such attitudes were reinforced during the antebellum decades by the failure of city merchants to implement much-needed improvements to their port's infrastructure. In particular, their inept efforts to promote local railroad construction seemed to confirm that the ease of river transportation fostered complacency among mercantile elites. A few prominent members of the New Orleans commercial community, like the northern-born banker James Robb, publicly deplored the city's unique failure to sponsor railroad and industrial development, warning that the lack of such investments bode ill for New Orleans's long-term economic prospects. But although men such as Robb and commercial publisher J. D. B. De Bow sometimes blamed aspects of the fickle, speculative, and migratory nature of merchant capital for these failures, they proved less willing than outsiders to explain the regional dearth of fixed-capital investments, particularly in manufacturing enterprises, as a consequence of the southern system of slave labor.

As Crescent City merchants remained fixated on still-booming Atlantic cotton markets rather than on internal economic development during the 1850s, others began to take advantage of their inattention. The loss of the western grain trade had provided an early signal that New Orleans's river-based "natural advantages" might not be enough to ensure its continued dominance, but now the city's formerly secure hold on its plantation hinterlands also started to come under siege. Competition from other cities played a role, but commercial erosion appeared from within as well. Chapter 3 discusses the growing importance of the hundreds of country stores scattered throughout the Louisiana interior. Although such antebellum stores have been downplayed by historians who emphasize the dominance of the urban-based factorage system, rural and small-town merchants in Louisiana benefited from anti-Crescent City

<sup>6</sup> For a suggestive look at eighteenth-century South Carolina merchants see Peter A. Coclanis, "The Hydra Head of Merchant Capital: Markets and Merchants in Early South Carolina," in *The Meaning of South Carolina History: Essays in Honor of George C. Rogers Jr.*, eds. David R. Chesnut and Clyde N. Wilson (Columbia, SC, 1990), 1–18. See also the valuable essay by French historian Pierre Gervais, "Neither Imperial, Nor Atlantic: A Merchant Perspective on International Trade in the Eighteenth Century," *History of European Ideas* 34 (December 2008), 465–73.

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sentiments during the years prior to the Civil War. By increasingly selling goods on credit and marketing the crop production of small farmers, such storekeepers laid strong foundations for their expanded importance to the southern agricultural economy after the Civil War.

As described by Eric Hobsbawm and many others, the development of industrial capitalism played a decisive and often-causative role in many of the political and military events of the mid-nineteenth century, from the European revolutions of 1848 through the Franco-Prussian War of the 1870s. The same holds true for industrial development in the United States, where two divergent regional labor systems fostered conflicts between North and South on multiple fronts. Part II of this study focuses on the Louisiana merchant community's role in the South's withdrawal from the federal Union and the bloody civil war that followed. Chapter 4 discusses commercial attitudes toward the secession movement in Louisiana in late 1860 and how most New Orleans merchants rallied behind the new Confederate nation the following year. However, the city's long-standing and lucrative connections to Atlantic markets complicated the support offered by certain segments of the business community, most notably among its powerful banking sector. Furthermore, the local economy quickly began suffering as a result of the war, particularly after a Federal naval blockade of southern seaports was instituted in May 1861.

The blockade and its effects prompted significant policy divisions between the New Orleans merchant community and the Confederate government. Frustrated by the failure of European governments to intervene in the war on behalf of the South, New Orleans merchants sought to use "King Cotton" as a diplomatic weapon by spearheading a region-wide cotton embargo during the summer of 1861. Although Crescent City businessmen hoped their action would prompt Great Britain and France to break the blockade, the embargo they organized was contrary to the cautious foreign policies then being pursued by the Confederate government, which feared that such economic coercion would prove counterproductive. An earlier proposal for an official embargo had been quashed in the Confederate Congress when advanced by the Louisiana sugar planter Duncan F. Kenner, who had extensive connections to the Musson-Degas family in New Orleans and France. As the Great Powers continued to dither over intervention, regional conditions worsened and hundreds of merchants fled New Orleans, which fell to Union forces in May 1862 and never reverted to Confederate control for the duration of the war.

Their support for southern independence during the Civil War brought the Musson-Degas family even closer together. Michel Musson, who served as a Confederate quartermaster in pre-occupation New Orleans, convinced Edgar Degas's father, a French private banker, to invest heavily in Confederate bonds, and another brother published a passionate public letter in support of slavery to the French emperor Napoleon III. Soon after the city's surrender to troops commanded by the domineering Union general Benjamin F. Butler, Musson sent his daughters (including Estelle, who was widowed when her husband, a nephew of Confederate president Jefferson Davis, was killed in the



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battle of Corinth in late 1862) to safe refuge in France. During Butler's controversial eight-month rule over New Orleans, which is the subject of Chapter 5, Crescent City merchants found themselves villainized and targeted by the demagogic Massachusetts general. Butler proved especially vindictive toward Crescent City banks, which had shipped most of their ample bullion reserves out of the city before its surrender.

The strict reign of "Beast" Butler over New Orleans represented in many respects the continuation of the war by other means, and his administration exacerbated the anti-Federal attitudes held by most of the city's white residents. The consequences of his draconian regime among the business community were of particular importance, since merchants' pragmatic desire for the resumption of commerce might have been manipulated to enlist their support for the South's postwar "reconstruction," a period discussed in Part III. In New Orleans, the process of federal Reconstruction began in earnest in 1863 under the command of Butler's replacement, General Nathaniel P. Banks, another political general from Massachusetts. However, as described in Chapter 6, most Crescent City merchants continued to be frozen out of federal attempts to reestablish the flows of cotton and other commodities to Atlantic markets. Despite General Banks's less overtly hostile administration over the city, the corruption first apparent under Butler worsened and grew more diffuse in the wake of his departure, especially as interbelligerent trading became more prevalent. Upon the war's conclusion in 1865 and during the years afterward, the former mercantile and financial elites of New Orleans gradually began to realize the severe consequences permanently wrought by the war on their earlier commercial dominance. Drawn by exorbitant wartime prices for cotton, an influx of opportunistic speculators now successfully competed with the remaining resident merchants for the southern trade. Most of these arrivistes were northerners, but also among them was Edgar Degas's brother René, the rather indolent-looking man slouched in a chair reading a newspaper in Degas's 1873 portrait. As Reconstruction-era politics in New Orleans devolved into violent factionalism between racist Confederate veterans and federally backed Republicans, Crescent City merchants' political influence was reduced to ineffective calls for "good government," as well as bitter criticisms of "carpetbaggers" and newly empowered freedpeoples.

Like the portrait of the famous 1864 naval battle between the CSS *Alabama* and USS *Kearsarge* that Edgar Degas included on the back wall of his uncle's cotton office in the upper right corner of his 1873 painting, the Confederacy's defeat in the Civil War continued to hover over New Orleans merchants such as Michel Musson for many years to come. In fact, at the very moment that Degas painted his piece in late January 1873, Musson's firm was on the brink of financial failure, and its dissolution was officially announced within weeks. Chapter 6 examines how the fate of merchants like Musson and many others paralleled the rapid economic decline of New Orleans during and after Reconstruction. The city's banking sector never recovered from the wartime blows it had suffered, which contributed to a severe capital shortage in the

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wider postbellum South. Furthermore, cross-lines trading during the war had provoked a sharp rise in overland transportation routes, which worked to the long-term advantage of interior cities like Memphis at the Crescent City's expense. Postwar attempts to resecure the upriver grain trade that the city's businessmen had ceded decades before proved an ineffective panacea for New Orleans's many economic woes. As a result of numerous interrelated changes to the structures of regional, national, and global commerce, the fortunes of the quondam "Queen City of the South" plummeted during and after the Civil War. Neither before nor since has a first-rank American city fallen from economic grace so swiftly and decisively.

Even the revival of southern cotton production, which grew well beyond its pre-1860 levels before the end of the century, could not save the former factorage community of New Orleans. Unlike the "gentlemanly capitalists" of nineteenth-century Great Britain, who were able to preserve most of their City-based wealth and influence in the face of ascendant industrialism, the blows suffered by Crescent City merchants such as Michel Musson proved too numerous and powerful to be absorbed. However, the culture and practices of merchant capitalism did persist in postbellum Louisiana and the South, albeit in greatly changed form. Because of the dispersal of postemancipation cotton production from the gang labor of plantation slavery into thousands of individuated small-farming units under sharecropping, the rural and small-town furnishing merchant assumed a pivotal role in the agricultural economy of the "New South" during Reconstruction, a role they continued to play through the Great Depression and the restructuring of southern agriculture during the New Deal. Although other historians have described the importance of rural merchants to the postwar South, Chapter 8 builds on the discussion in Chapter 3, as well as on the foundations laid by historians Roger L. Ransom and Richard Sutch in their influential 1977 study of "the economic consequences of emancipation." Ransom and Sutch used econometric modeling to assert that rural merchants in the Cotton South enjoyed "territorial monopolies" as a result of their dispersal throughout the countryside. Using aggregate data and methods similar to those of Ransom and Sutch, this chapter examines the different ways that "country stores" developed in discrete local environments within Louisiana after the Civil War, with important implications for historians' understandings of the postbellum southern economy.<sup>7</sup>

<sup>7</sup> Roger L. Ransom and Richard Sutch, *One Kind of Freedom: The Economic Consequences of Emancipation*, 2nd ed. (New York and other cities, 2001), esp. chaps. 6–8. On the persistence, adaptation, and significance of "gentlemanly capitalism" to industrializing Great Britain, see P. J. Cain and A. G. Hopkins, "Gentlemanly Capitalism and British Expansion Overseas I: The Old Colonial System, 1688–1850," *Economic History Review* 2d ser., 39 (November 1986), 501–25. See also Geoffrey Ingham, *Capitalism Divided? The City and Industry in British Social Development* (New York, 1984); and Martin J. Wiener, *English Culture and the Decline of the Industrial Spirit, 1850–1980* (Cambridge, UK, and other cities, 1981).



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Although Edgar Degas never depicted these rural and small-town merchants in his art, they were later memorably portrayed in William Faulkner's epic descriptions of the Snopes and Varner clans in neighboring Mississippi. However, during his 1873 visit to New Orleans, Degas did produce another, far less well known painting that also featured his uncle in his cotton office. In *Cotton Merchants in New Orleans* (Plate 2), a painting that Degas himself thought was "better art," Michel Musson is the top-hatted figure stooped pensively over the table of cotton. The wall portrait of the Confederacy's naval loss hovers over this scene as well, yet the overall style is far less photographic than in the previous painting and clearly presages the French impressionism that Degas would soon help make famous. Although the heaped cotton is greater in quantity, it has now grown less distinct, even less substantial, than before. Indeed, Musson's hands seem to sink into the pile as if he were unable to firmly grasp either the cotton or his own current misfortunes with which it is inextricably bound. In contrast to the crowded office of the earlier portrait, this time there are only two other figures besides Musson. To the right, a derby-hatted man is only partially visible from behind the wall, almost seeming to emerge from the Civil War hanging itself – perhaps one of the many anonymous speculators who had invaded the city along with the northern armies? The other figure is red-bearded and dressed in a light suit in the southern style. Art historians have surmised that this man is probably General Frederick N. Ogden, who was a partner in the cotton business with Musson's son-in-law, both of whom were also prominent in the White League, a well-organized local paramilitary group. The charismatic Ogden, who had been a constant presence in the Musson offices and household during Degas's visit the previous year, led the white resistance that briefly overthrew the carpetbag government of Louisiana in 1874. In fact, Michel Musson addressed the assembled throng on Canal Street that September afternoon before they set off toward the Mississippi River for their showdown with the Republican-backed "Metropolitans." This event (which is discussed in Chapter 6) has been widely viewed by historians as seminal in prompting weakened northern support for federal efforts to maintain Reconstruction governments in the South by military force, a failed process that officially ended just a few years later.

In all of these senses, then, it is difficult not to view Degas's lesser-known painting as representative of the precarious state of his uncle's fortunes, about which the young artist was undoubtedly aware. More broadly, the other two figures in this more liminal work seem to typify the "new men" largely responsible for the changed and decimated condition of the New Orleans-based factorage system. In the epilogue, the significance of the newly dispersed culture of merchant capitalism for economic underdevelopment in the postbellum South is broadly assessed in a transatlantic context. Merchant capital, a qualitatively distinct form of wealth and investment, had made the Crescent City a dominant player in national and global commodity markets for most of the nineteenth century, but during and after the Civil War, it was exiled

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from its urban stronghold by the literal armies of industrialism and forced to seek refuge among the impoverished hamlets of the southern countryside. Even more so than Degas's similarly themed piece from Reconstruction-era New Orleans, which has been misleadingly appropriated by historians of industrial capitalism, *Cotton Merchants in New Orleans* provides a shrewd figurative expression of the swift decline of this last bastion of the old Atlantic world economy – and the system of southern slavery under which it had thrived – during the “Age of Capital.”

There is a great deal that the study of merchant capitalism in Louisiana, both in New Orleans and the interior parishes, can add to our understanding of the nineteenth-century South. Such a study should help to repopulate the historiographical Old South with more than just masters and slaves, thereby better illuminating the often-contentious relationships between city and countryside before and after the Civil War. It should also cast fresh light on debates concerning the socioeconomic ramifications of plantation slavery. Much recent scholarship has relied heavily on the notion of a “market revolution” to portray a convergence of classes and interests in the antebellum United States, but such perspectives are hard-pressed to explain why the nation became so bitterly divided that it ultimately engaged in four years of bloody civil war. This study, by contrast, remains convinced by the testimony of most northern, southern, and foreign contemporaries about the growth of “irreconcilable conflicts” between the North and South during the 1850s, focusing on how southern merchant capital helped buttress the system of plantation slavery and thereby helped inhibit processes of class formation, urbanization, and fixed-capital investments that typified modernization elsewhere. It is also skeptical of a similar historiographical consensus that views elites' attitudes and actions in the postemancipation era through the lens of global capitalist development. Rather than creating a bourgeois “New South,” postbellum merchants formed political and economic alliances with planter-landowners that institutionalized racism and fostered new forms of labor exploitation, all of which demonstrably suppressed southern economic development for nearly a century after the Civil War.<sup>8</sup>

This study of southern merchants will not only have implications for comparative regional development in the United States, but by situating their actions in wider international contexts, it should also contribute to our understandings of what is now called “the Atlantic world.” Recent scholarship in this vein has done a great deal to revise and advance our knowledge of the connections between transatlantic slavery and early capitalism, but the vast majority

<sup>8</sup> A recent collection that promotes a “convergence” view of the antebellum South's business culture is L. Diane Barnes, Brian Schoen, and Frank Towers, eds., *The Old South's Modern Worlds: Slavery, Region, and Nation in the Age of Progress* (New York, 2011). For a discussion and critique of the similar consensus about capitalism's pervasive influence in the “New South,” see Scott P. Marler, “Fables of the Reconstruction: Reconstruction of the Fables,” *Journal of the Historical Society* 4 (Winter 2004), 113–37.