The Merchants’ Capital

As cotton production shifted toward the southwestern states during the first half of the nineteenth century, New Orleans became increasingly important to the South’s plantation economy. Handling the city’s wide-ranging commerce was a globally oriented business community that represented a qualitatively unique form of wealth accumulation – merchant capital – that was based on the extraction of profit from exchange processes. However, like the slave-based mode of production with which they were allied, New Orleans merchants faced growing pressures during the antebellum era. Their complacent failure to improve the port’s infrastructure or invest in manufacturing left them vulnerable to competition from the fast-developing industrial economy of the North, weaknesses that were fatally exposed during the Civil War and Reconstruction. Changes to regional and national economic structures after the Union victory prevented New Orleans from recovering its commercial dominance, and the former first-rank American city quickly devolved into a notorious site of political corruption and endemic poverty.

Scott P. Marler is an associate professor of history at the University of Memphis, where he teaches courses in U.S., southern, and Atlantic world history. A former editor at the Journal of Southern History, his work was a finalist for the Allen Nevins Dissertation Prize of the Economic History Association, and he has also won awards from the St. George Tucker Society and the Louisiana Historical Association.
CAMBRIDGE STUDIES ON THE AMERICAN SOUTH

Series Editors:
Mark M. Smith, University of South Carolina, Columbia
David Moltke-Hansen, Center for the Study of the American South, University of North Carolina at Chapel Hill

Interdisciplinary in its scope and intent, this series builds upon and extends Cambridge University Press’s long-standing commitment to studies on the American South. The series not only will offer the best new work on the South’s distinctive institutional, social, economic, and cultural history but will also feature works in a national, comparative, and transnational perspective.

Titles in the Series
Robert E. Bonner, Mastering America: Southern Slaveholders and the Crisis of American Nationhood
Ras Michael Brown, African-Atlantic Cultures and the South Carolina Lowcountry
Christopher Michael Curtis, Jefferson’s Freeholders and the Politics of Ownership in the Old Dominion
Scott P. Marler, The Merchants’ Capital: New Orleans and the Political Economy of the Nineteenth-Century South
Peter McCandless, Slavery, Disease, and Suffering in the Southern Lowcountry
Johanna Nicol Shields, Freedom in a Slave Society: Stories from the Antebellum South
Brian Steele, Thomas Jefferson and American Nationhood
Jonathan Daniel Wells, Women Writers and Journalists in the Nineteenth-Century South

For Candice,

mia bella Luna
Contents

List of Illustrations  page x
List of Tables  xi
Acknowledgments  xiii

Introduction: Merchants of the Cotton South in the Age of Capital  1

PART I: THE ANTEBELLUM ERA
1. Merchants and Bankers in the “Great Emporium of the South”  15
2. New Orleans Merchants and the Failure of Economic Development  53
3. Rural Merchants on the Cotton Frontier of Antebellum Louisiana  85

PART II: SECESSION AND WAR
4. From Secession to the Fall of New Orleans, 1860–1862  119
5. Bankers and Merchants in Occupied New Orleans: The Butler Regime  149

PART III: RECONSTRUCTION
6. New Orleans Merchants and the Political Economy of Reconstruction  171
7. The Economic Decline of Postbellum New Orleans  206
8. Rural Merchants and the Reconstruction of Louisiana Agriculture  231

Epilogue: Merchant Capital and Economic Development in the Postbellum South  257

Bibliography  283
Index  309
Illustrations

Plates

Figures
1.1. U.S. cotton production, 1825–1861 page 29
1.2. Annual cotton prices in New Orleans, 1826–1861 30
1.3. Value of interior receipts in New Orleans, 1816–1846 41
1.4. U.S. cotton production and New Orleans receipts, 1837–1861 45
2.1. New Orleans cotton receipts as a proportion of total U.S. cotton production, 1825–1861 77
Tables

1.1. Number of Commercial Firms by Sector, 1854, New Orleans, Louisiana, First and Second Districts  

3.1. Cash and Credit Sales, 1853–1854, Lebret & Hearsey’s Store, Bayou Sara, West Feliciana Parish, Louisiana  

3.2. Stores per Thousand Inhabitants (Free Population) in Selected Louisiana Parishes, 1860  

6.1. Value of Products Received in New Orleans, 1860–1865  

6.2. Receipts of Selected Interior Products in New Orleans, 1860–1865  

6.3. Cotton Prices and New Orleans Receipts, 1860–1865  

7.1. Cotton Production (in Hundred Thousand Bales) by State, Ten-Year Intervals, 1860–1900  

8.1. Total Number of General Stores Reported, with Persistence Rates: Ascension and West Feliciana Parishes, Louisiana, 1837–1878  

8.2. Spatial Density of General Stores, 1878–1880: Ascension and West Feliciana Parishes, Louisiana, Compared with Ransom and Sutch’s “Cotton South” Estimates  

8.3. Spatial Density of General Stores, 1878: Ascension and West Feliciana Parishes, Louisiana, Including Selected Contiguous-Parish Towns  

8.4. Number and Percentage of General Stores by Range of Capital Invested, Ascension and West Feliciana Parishes, Louisiana, 1872  

page 50 95 115 178 179 181 227 241 244 245 248
### Tables

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>8.5. Combined General Store Capital by Range and Percentage of Estimated Value, Ascension and West Feliciana Parishes, Louisiana, 1872</td>
<td>248</td>
</tr>
<tr>
<td>8.6. General Stores in Louisiana (Excluding Orleans Parish), 1878</td>
<td>250</td>
</tr>
<tr>
<td>8.7. General Stores in Selected Louisiana Parish Clusters, 1878–1880</td>
<td>251</td>
</tr>
</tbody>
</table>
Acknowledgments

The debts accumulated in the creation of this work extend back many years. During my undergraduate studies, Robert Fisher (now at the University of Connecticut) took me under his wing when I was fresh from military service. Bob soon directed me to his friend Bruce Palmer at the University of Houston–Clear Lake, who helped me to begin understanding the many ironies of southern history. I will always be grateful to Bob and Bruce for the many hours they spent teaching me to read American history with a critical eye. Bruce also introduced me to Joe Austin, who now teaches history at the University of Wisconsin–Milwaukee. Comrade Joe's friendship has now sustained me for much longer than either of us really cares to remember. Thanks, too, to Marjo Avé-Lallement for her outstanding teaching and support.

During graduate work at Rice University, a succession of department chairs looked out for me, especially Peter C. Caldwell, to whom the analysis of merchant capital herein owes a great deal. Allen J. Matusow took time to direct me through extensive readings in U.S. economic history, and his later criticisms helped keep my arguments honest; thanks also to Martin J. Wiener and Thomas L. Haskell for putting up with "the last Marxist." I will always be very grateful to Michael Maas, Paula Sanders, and Alex Lichtenstein for their constant encouragement and sound advice. Charles A. Israel, Bethany L. Johnson, and Carolyn Earle Billingsley exemplified the high standards expected of us, as did Martin Woessner, Ron Haas, Ann Ziker, Benjamin Wise, Luke Harlow, and Gregory Eow. Finally, I owe a debt of special gratitude to my dear friend Melissa A. Bailar, associate director of Rice's Humanities Research Center, for her assistance with all matters French, her sympathetic ear, and our countless afternoon jogs around the campus perimeter.

Several years of editorial service to the *Journal of Southern History* gave me the privilege of working with Evelyn Thomas Nolen, Patricia Burgess, Patricia Bellis Bixel, Elizabeth Hayes Turner, Bethany L. Johnson, and Randal L. Hall.
It also allowed me to work on a daily basis with the finest boss one could ever hope for: John B. Boles, who also served as my thesis advisor. As his many students would undoubtedly attest, John is truly the proverbial “gentleman and a scholar.” I probably owe him most of all, but as with Bob Fisher and Bruce Palmer, I can only promise to keep trying to “pay forward” those debts with my own students during the years ahead.

My service at the Journal helped allow me to form relationships with scholars throughout the profession. John C. Rodrigue and Sylvia Frank Rodrigue are, quite simply, the finest academic couple I know, to whom my gratitude is matched only by my respect. Barbara J. Fields, Harold D. Woodman, Gavin Wright, and James Oakes deserve special mention for their generosity – all the more so because I spend so much time debating their brilliant scholarship. Similar thanks are in order to Walter Johnson, Brian Schoen, Jon Wells, and Frank Towers, and also to my fellow Louisiana historians Lawrence Powell, Michael A. Ross, Emily Clark, and Judith Fenner Gentry. Among the many other scholars I wish to thank are Bertram Wyatt-Brown, Douglas Ambrose, Eric Arnesen, Aaron Anderson, Peggy Hargis, Thavolia Glymph, Jennifer Green, Richard Kilbourne, Bo Morgan, Bill Scarborough, Louis Kyriakoudes, Charles Banner-Haley, Jay Mandle, David L. Carlton, and Orville Vernon Burton. And although our personal interactions were rare, this book, along with my broader understandings of southern history, were profoundly influenced by the work of the late Eugene D. Genovese. My deepest gratitude, however, is reserved for three outstanding historians who have also become good friends: Peter A. Coclanis, Louis Ferleger, and Mark M. Smith. All of the aforementioned scholars welcomed me into the “Great Conversation” that constitutes the historical profession, and they frequently challenged me to rethink and sharpen my analyses. However, let me stress that none of them should be held responsible in any way for the arguments herein. Any deficiencies that remain are entirely “my bad.”

To acknowledge all of my colleagues at the University of Memphis, I’d have to list practically the entire Department of History. Particular thanks to Walter R. Brown, Beverly Bond, Charles Crawford, Peggy Caffrey, Aram Goudsouzian, Sarah Potter, Susan Eva O’Donovan, and Kent Schull, but especially to our remarkable chair, Janann M. Sherman. Jan has not only made it her mission to provide constant support to her junior faculty, but she has successfully fostered a team-oriented department culture that makes for a fantastic work environment. Jan is now on the cusp of retirement, and she will be greatly missed by us all. I am also grateful for research funding and a sabbatical leave awarded by the University of Memphis’s College of Arts & Sciences.

Sarah Bentley, Angela Brown, and Francine Ariz Mendez of Rice’s Fondren Library were enormously helpful, as were archivists elsewhere, among them Faye Phillips, Judy Bolton, and Tara Laver (Louisiana State University’s Hill Memorial Library); Wayne Everard (New Orleans Public Library); and Leon Miller (Tulane University’s Howard-Tilton Memorial Library). I also benefited
Acknowledgments

from the highly professional staffs at the Library of Congress, the Baker Library of Harvard Business School, and the Historic New Orleans Collection. My work also benefited from travel and research grants from Harvard University, the Economic History Association, the Business History Conference, the European Business History Association, the Historical Society, and the Pitman and Nolen Funds at Rice University. Earlier versions of Chapters 3, 4, 7, and 8 appeared in *Louisiana History*, *Civil War History*, the *Journal of Urban History*, and *Agricultural History*, respectively, and are reproduced by permission. All excerpts from the invaluable R. G. Dun & Company Collection archived at the Baker Library of Harvard Business School are reproduced by express permission of Dun & Bradstreet, Inc.

At Cambridge University Press, Mark M. Smith and David Moltke-Hansen recruited my work for their new series in southern studies, and I will always be very grateful to my legendary editor, Lewis Bateman, for his advice, encouragement, and patience during the lengthy process of completing this book. Finally, special thanks to Mrs. Sydney Touchstone, who graciously allowed me to stay at her home adjacent to Audubon Park during research trips to New Orleans; my mother, Kathy Jo Weber; my father, Larry J. Marler; my longtime “surrogate family,” Jane Andrews and Dr. Joe Wood; and my close friends outside of academia: Don Parker, David Perwin, Andy Reese, Vicki Fowler, and Diana Villarreal – not to mention, Oswald and Emily. Let me end with two women who have made all the difference to me: my grandmother, Inez Killen Marler (1919–2004), a southern tenant farmer’s daughter; and my remarkable spouse, Candice L. Hawkinson. However, this book is rightfully dedicated to Candice, for I simply could not have done any of it without her support and love. As she can surely attest, via ovicapitum dura est.