The agrarian origins of US capitalism: The transformation of the northern countryside before the civil war

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The Agrarian Origins of US Capitalism: The Transformation of the Northern Countryside Before the Civil War

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This essay attempts to bring insights from the debates on the European transition to capitalism to the discussions among US historians about the transformation of the northern countryside in the century before the US Civil War. Neither the 'market' (Lemon, Rothenberg) nor 'social' (Clark, Merrill, Kulikoff) historians' analysis of the character of antebellum agriculture or their explanation of its transformation are adequate. Borrowing Brenner's concept of 'social property relations' and the role of class conflict in transforming rural social structures, the article presents an alternative analysis of the development of antebellum northern US agriculture.

The origins of capitalism has long been a major focus of historical research and theoretical debate among social scientists. Almost from the beginning of the English industrial revolution, historians, economists and sociologists have attempted to locate the conditions for the emergence of capitalism. The classic discussions of these issues in Smith [1937: Book I, Chs. 1–III], Marx [1976: Chs. 26–30; 1981: Chs. 20, 47] and Weber [1958] continue to define the basic parameters of research. Whether in the original debates on the European transition from feudalism to capitalism and the crisis of the seventeenth century of the 1950s and early 1960s [Hilton, 1976; Aston, 1967], through the broad-ranging discussions of the 'development of underdevelopment' in Latin America, Africa and Asia since the 1960s [Cardoso and Faletto, 1979; Furtado, 1971; Frank, 1967; Laclau, 1977; Murray, 1980;...
1982; Rhodes, 1970; Warren, 1980] to the renewed debates on origins of capitalism in its European heartland during the 1970s and 1980s [Aston and Philpin, 1985; Brenner, 1977; Smith, 1991; Wallerstein, 1974] social scientists have weighed the relative importance of the growth of trade and the division of labour, the alteration of class relations, and the transformation of cultural values to the origins and dynamics of capitalism.

A consistent theme in these varied discussions is the central importance of the transformation of countryside in the process of industrialisation. Whether conceived as the result of the expansion of the market, the development of new social property relations or the emergence of new values and norms, there is a consensus that an agrarian revolution is a necessary precondition of an industrial revolution. Perhaps the most rigorous presentation of the rural roots of capitalist industry is made by Robert Brenner [1977; 1985a; 1985b]. For Brenner, the elimination of non-market ('extra-economic') restrictions (serfdom, slavery) and so on on the mobility and productive activities of rural labour and the emergence of new forms of agricultural production subject to 'market discipline' result in systematic economic growth as the result of productive specialisation and technical innovation. These rural social property relations 'free' a growing portion of the population to work in manufacturing and industry, while simultaneously providing a growing demand for industrial produced consumer and producer goods. The creation of a class of propertyless wage workers and the deepening of a home market were crucial preconditions for industrialisation in England in the eighteenth century, the rest of Europe, North America and Japan in the nineteenth century and the 'newly industrialized countries' (Brazil, Mexico, South Korea, Taiwan and so on) in the twentieth century. Conversely, the survival of agricultural social structures resting on non-market coercion or 'subsistence' production remain the major obstacle to economic development in many parts of the so-called 'third world' [Harris, 1978]

While the 'transition to capitalism' is a central issue in the economic and social historiography of the rest of the world, it has been only recently been discussed among US historians. The idea that 'capitalism came in the first ships' [Degler, 1959: 1] to the North American colonies, producing 'the mentality of an independent entrepreneur' [Hartz, 1955: 89] in all of the colonies' white inhabitants became the orthodoxy of the dominant 'consensus' school of US historical writing from the late 1940s. The notions that northern agriculture was profit oriented from the early eighteenth century, and that world market production on the basis of plantation slavery was essentially capitalist blocked serious consideration of the problem of the transition to capitalism in the US [Bushman, 1967; Gray, 1933; Grant, 1961; Loehr, 1952; Lemon, 1967; Schumacher, 1948]. Since the 1960s, the equation of the absence of a 'feudal past' with an 'eternal capitalism' has been challenge from
two directions. First, the work of Eugene Genovese [1967] on the slave south has raised serious questions about the ‘capitalist’ character of plantation slavery. Despite questions concerning aspects of his empirical research and theoretical approach, Genovese’s basic thesis that southern slavery was a non-capitalist form of production remains convincing. Second, the past 15 years has seen a burgeoning literature on the nature and dynamics of agriculture in the northern US before the Civil War. Path-breaking research into probate and tax records and farmers’ account books has given rise to a new debate on the social character and logic of antebellum rural production and exchange. At the center of the debate is the relationship of family farmers to markets for farm products, wage labour and capital. While the participants in this debate draw upon a variety of theoretical sources (neo-classical economics, Weberian sociology, cultural anthropology and various strands of Marxism), we can, following Alan Kulikoff [1989: 122–126] distinguish two major positions. While the ‘market historians’ [Rothenberg, 1981; 1985; 1988; 1992 and Lemon, 1980] defend the older thesis that northern farmers were profit maximisers who enthusiastically engaged in market production when opportunities were presented, the ‘social historians’ [Clark, 1990; Henretta, 1978; 1988; Merrill, 1986; Weiman, 1989] tend to emphasise the persistence of non-commercial production and exchange in the northern countryside.

This essay will review and assess the debate on the rural origins of US capitalism in light of the theoretical insights generated by the discussion of the transition to capitalism in Europe. As Kulikoff [1989: 132] commented: ‘the debate over the transition to capitalism in rural America has generated substantive new historical evidence, insight, and questions. But it has remained remarkably insulated from other theoretical frameworks. It needs to incorporate insights from the European debate over the transition from feudalism to capitalism …’. This theoretical insularity prevents either the ‘market’ or ‘social’ historians from effectively synthesising the enormous volume of new historical evidence into a coherent explanation of the specifically US path to capitalism.

Before embarking on a detailed analysis of the US debate, we must first define precisely what is meant by ‘capitalism’ and what elements of the European ‘transition’ debate are relevant to the analysis of the transformation of the antebellum northern countryside. Briefly, capitalism is a form of social production in which capitalists, a class of non-producers, own and control productive property (land, tools, machinery and so on), buy the capacity to work (labour-power) of wage workers, direct producers who do not possess means of production, and organise the latter in a labour process to produce commodities (products for the market). While the capitalists pay the wage workers the value of their capacity to work (the monetary equivalent of those commodities that the workers need to survive day to day and reproduce them-
selves inter-generationally), capitalists are able to extract a surplus product (surplus value) through their command of the labour process, which allows them to force workers to produce commodities in excess of the value of their wages. Since both the capitalists’ means of production and the workers’ labour power themselves take the forms of commodities, the continued economic survival of both capital and labour requires successful competition in the market-place. The social property relation between capital and wage-labour makes possible (through capital’s ability to adjust the size of their labour force), and inter-capitalist competition makes necessary (through the need to minimise costs) the specialisation of production and the continuous investment of surpluses in new productive technology (labour-saving machinery). Thus, capitalism’s unique social-property or ‘surplus extraction’ relationship shapes a labour process that is the basis of industrialisation and its attendant social changes [Marx, 1976; 1981].

The relative unimportance of wage-labour in the northern US countryside before the Civil War makes much of the discussion of the development of capitalist agriculture in Europe or other parts of the world irrelevant to our analysis. While rural waged work was more common in the late eighteenth and nineteenth centuries than once believed, it was not an essential feature of northern agriculture. Even after the 1820s, when the number of poor and landless farm families increased with the intensified commercialisation of agriculture, rural waged labour did not become a permanent class situation for a large portion of the population of the north. The poorest rural families more commonly engaged in capitalist ‘outwork’ or migrated to the burgeoning urban-industrial centres. Nor did wage-labour ever provide the majority of labour for even the most ‘marked embedded’ farmers. Throughout the nineteenth and twentieth centuries, despite the major transformations in rural class structure, household-family members were the chief source of labour for northern agriculture.¹

Nor is the concept of feudalism particularly useful to an analysis of antebellum northern agriculture. Despite the existence of large tenant-farmed estates in the Hudson River valley of New York state in the eighteenth century and the development of agricultural tenancy in some parts of the middle west in the mid-nineteenth century, the vast majority of farmers legally owned their farms. Not only did the relative ease of obtaining land in the northern US severely limit the development of a landlord class, but the ground rent appropriated by landlords was commercial rent. Different costs of production, as shaped by disparate soil fertility and geographic locations, rather than ‘custom’, ‘tradition’ and the relative strengths of landlords and peasants determined the level of rents. In other words, the ‘market historians’ are quite correct when they claim that the US has no ‘feudal past’.³

While the dynamics of feudalism and specifically capitalist agriculture are
not of immediate relevance to an analysis of rural social structure in the US before the civil war, the problem of different forms of household based agricultural production and their relationship to the emergence of industrial capitalism certainly are. ‘Peasant economies’, rural social structures based on family farms with only limited relationship to external markets, have been a central theme in the debates on post-serfdom agriculture in western Europe and the discussions of capitalist penetration in the so-called ‘third world’. The theoretical and historical insights these debates provide into non-commercial family agriculture – its reproduction requirements, its retardation of capitalist development and the role of merchants, land speculators and capitalist state agencies in its replacement by commercial family farming – will be central to our assessment of the debate on the rural origins of US capitalism.

Our discussion of the recent literature on antebellum northern agriculture is divided into three parts. First, we examine how various ‘market’ and ‘social’ historians analyse the socio-economic structure of rural production before the Civil War. Specifically, we assess how different historians determine the extent to which the needs of household and community consumption (use-values) or market prices (exchange values) determine the economic behaviour of family farmers in the eighteenth and early nineteenth centuries. Second, we examine how the participants in the US debate explain the transition from ‘non-commercial’ to ‘commercial’ agriculture in the nineteenth century. Finally, we will offer an outline of an alternative analysis the transformation of northern rural social property relations in the antebellum period.

I

Before the Second World War, US historians generally treated late eighteenth and early nineteenth century northern farmers as subsistence producers. Following the lead of Percy Bidwell [1925: 126-44], historians viewed the family farmers and rural artisan-farmers as successfully providing the overwhelming majority of their needs through their own labour, rather than market exchange. In the eyes of the ‘Progressive’ historians, the rural households had limited if any contact with the market, and certainly were not subject to the demands of price competition. In the late 1940s and early 1950s, the ‘Consensus’ historians assailed this perspective as rural romanticism [Bushman, 1967; Grant, 1961]. Where the ‘Progressive’ historians saw self-sufficient farmers content in their isolation from the risks of the market, the ‘Consensus’ historians saw commercially-oriented, profit maximising rural entrepreneurs optimising their marketable output and seeking new ways to bring their product to market. The historiographic pendulum began to swing back in the other direction in the 1970s and 1980s, as the first ‘social historians’ of northern agriculture began to argue that the rural communities
of the colonial and early national period were basically self-sufficient [Clark, 1979; Merrill, 1977]. Despite the sale of ‘surpluses’, non-commercial exchange among neighbours sheltered northern farmers from the effects of market competition.

Winifred Rothenberg [1981; 1985; 1988; 1992] rigorously interrogated the claim that the consumption requirements of family and community, rather than market prices and potential profits systematically determined the production decisions of north-eastern farmers. Applying sophisticated econometric techniques to data gathered from hundreds of farmers’ account books and probate records, she demonstrated that Massachusetts family farmers increasingly produced for competitive commodity markets, invested in a variety of financial instruments and employed wage workers (whose wages were set in competitive labour markets) in the decades after 1790–1800. The most important evidence for the dominance of the ‘market process’ in Massachusetts agriculture was the increasing convergence of prices for key agricultural commodities after the last decade of the eighteenth century [Rothenberg, 1981: 303–51]. In neo-classical economic theory, price convergence indicates that the producers in a given market are competing with one another. In other words, the fact that prices are converging toward an ‘equilibrium’ point implies that each producer in the market is forced, by other producers’ similar behaviour, to reduce costs in order to enlarge market share at the expense of other producers. Failure to ‘meet or beat’ the equilibrium price in a market with converging prices brings with it the penalty of the loss of market share and possible bankruptcy. Put simply, price convergence is an index of the extent to which producers are subject to a ‘market discipline’ where price and profit signals determine the choice of products and techniques.

In a Marxian framework, price convergence indicates that producers are subject to the ‘law of value’. Competition compels each and every producer to produce commodities at or preferably below the ‘socially necessary average labour-time’ which is manifested in the price around which all the other prices for a given good or service tend to oscillate. Those producers who produce above the social average, whose costs of production are too high, are penalised by shrinking market shares, falling profit margins and possible bankruptcy; while those producers who produce at or below the social average, whose costs of production are low, are rewarded by growing market shares, rising profit margins and growth in the scale of their operations (accumulation). In other words, the operation of the ‘law of value’ – ‘the discipline of the market’ – forces producers to raise the productivity of labour, either through the intensification of labour or mechanisation [Marx, 1976: Chs. 1–3; Mandel, 1970a: Ch. 2].

Producers are subject to the operation of the law of value only when they
depend upon the sale of goods and services on the market to maintain their possession of land or other means of production. This is of course a central feature of capitalist production, where the transformation of capital (means of production) and labour power (labour services) into commodities bought and sold on the market creates a situation of 'generalized commodity production'. In other words, the economic survival of both capitalists and workers depends upon successful production for the market. Marxian economics also recognises a form of household-based production that is subject to the operation of the law of value 'simple' or 'petty commodity production'. In situations where household producers (independent artisans or family farmers usually the eldest male organising the labour of women and children and occasional wage-labourers) depend upon production for the market for their survival as small property owners, a dynamic of specialisation, competition, accumulation and technical innovation similar to capitalism ensues [Engels, 1981: 1028-45; Friedmann, 1980: 161-4, 167-170; Mandel, 1970a: 65-71].

From a Marxian viewpoint, the price convergences described by Rothenberg denotes the dominance of petty-commodity production in Massachusetts agriculture after 1790-1800. Massachusetts farmers, while continuing to rely primarily on family labour became progressively subject to the 'dictates of the market' – they had to specialise output, to organise their labour process to increase labour productivity, and the like in order to lower production costs and to compete effectively with all other petty-commodity producers. Those that failed to lower costs experienced shrinking profit margins and possible loss of landed property, while those who succeeded in lowering costs experienced rising profit margins and the possible expansion of production through the purchase of their less fortunate neighbors' land and labor services. This process of social differentiation both freed capital and labour for the developing manufacturing sector; and made the farmers, as specialised commodity producers, a market for factory produced consumer and capital goods. In short, the development of agrarian petty-commodity production in rural New England in the last decade of the eighteenth and first decades of the nineteenth century was the basis of a growing 'home market' for capitalist industry during the nineteenth century.

The Massachusetts farmers' need to compete successfully on the market in order to maintain possession of their farms, did not mean either that the farmers immediately specialised production, ceased producing a portion of their own subsistence, or began to buy and use new and more effective tools and implements immediately after 1790-1800. Instead, the transition to the dominance of petty-commodity production took various intermediary forms, as rural households responded to the new requirements of commodity production while simultaneously attempting to preserve their independence from the 'dictates of the market.'
Christopher Clark [1990: Ch. 3] mistakenly interprets western Massachusetts farmers' continued production of a part of their own consumer goods and the reorganisation and intensification of their families' labours as evidence of 'agricultural involution' and the persistent autonomy of the countryside from the "market process" before the 1820s. Two new developments, amply documented by Clark, indicate the progressive dominance of petty-commodity production in this region after 1790–1800. First, farmers began to increase the output of marketable goods (flax, livestock, broomcorn, dairy, eggs, wheat) to an extent that even the largest farmers began to purchase some new consumer goods previously produced in the household or community. Second, farmers reorganised household labour processes in order both to maximise the family labour-time devoted to the production of commodities, and to increase their output of commodities per person hour without introducing new technologies — through the intensification of labor. In sum, farmers in western Massachusetts were devoting greater and greater quantities of human labor to the production of exchange-values rather than use-values.

Additional evidence for increasing market embeddedness in the early nineteenth century comes from Thomas Dublin's [1991] work on capitalist rural 'outwork') in the environs of Fitzwilliam, New Hampshire. Farm households in this region responded to the new market pressures by increasing production of non-agricultural commodities. Before 1820, better-off farm households utilised female and child labour to produce cloth at home for sale on the market. After 1820, local merchants paid poorer farm women and children to fabricate palm-leaf hats in their homes, which the merchants then sold to farmers and planters in the west and the south. Whether they sold the products of their labour or their capacity to labour, these farm families were devoting more and more labour time to the production of commodities in order to survive economically. In sum, while the complete integration of New England farmers into market competition was not accomplished until the 1830s (with the increasing specialisation in cash crop production; the introduction of new tools and implements; growing rural consumption of store-bought flour, cloth and so on; and radically increasing social inequality), the 'turning-point') in these farmers’ subordination to 'market discipline' came much earlier, in the 1790s and 1800s.

The question remains, if price convergence for crucial agricultural commodities in Massachusetts (and possibly other parts of the north-east) after 1790–1800 indicates systematic production for the market (petty commodity production), what do the price divergences before 1790 indicate? Clearly price divergence for agricultural commodities denotes an absence of competition among suppliers in a market. In Marxian terms, the disparities in prices manifest the absence of a socially average necessary labour time for the production of agricultural goods among a set of producers. The absence of
'market discipline' over the farmers in this period is an indication of the sporadic and irregular character of market exchange. As Alan Kulikoff [1989: 128] put it 'to write of increasing market embeddedness and increasing price convergence as Rothenberg does, after all, suggests a time – when market exchange was less common.'

The dominance of non-commercial family farming in the north-east during the late eighteenth and early nineteenth century is, of course, the central thesis of the 'social historians.' There is a consensus among these historians regarding the main features of the social structure of rural self-sufficiency in the north. While individual farmer or artisan-farmer households (organised along a strict sexual and generational division of labour) did not produce all the food or handicrafts needed for household subsistence, most rural communities were 'self-sufficient'. Exchanges between farmers, and between farmers and artisans, while quite extensive, did not take the form of commodity or market exchange. Most 'neighbourly exchange' took the form of barter (most frequently the labour services of poorer farmers were exchanged directly for food produced on the farms of better-off farmers). Debts between neighbours and extended family members (including local merchants and artisans) were payable in labour, produce or cash, often ran for years before being partially or wholly forgiven, and interest was rarely if ever charged on unpaid balances. While most farmers and merchants assigned monetary values (derived from urban markets) to the exchanges of goods and services with neighbours recorded in their account books, custom, not 'supply and demand' (or, in Marxian terms, socially average labour, relative labour time or relative cost of production), determined the proportions exchanged.4

Non-commercial farmers only sold 'surpluses' (that portion of their output over and above what was consumed by family and neighbours) in local and long-distance markets. Cash was needed only for the limited number of commodities that could not be produced locally (salt, gunpowder, coffee, tea, glass, patent medicine), and to buy additional relatively inexpensive land for the farmers and their sons in order to ensure the inter-generational maintenance of the farm household. As a result, social inequality among farm households corresponded to the age of the eldest male in non-commercial agriculture, rather than the soil fertility, technique, location and other factors shaping costs of production in petty commodity or capitalist production. Older farmers, with fewer dependents tended to have the largest farms and marketed the largest surpluses; younger farmers, with the most dependants, tended to have the smallest farms, rarely marketed surpluses and often exchanged labour services for food or manufactured goods produced in the households of better-off farmers and farmer-artisans (including those of their parents or other relatives).

Despite a general consensus concerning the description of non-commercial
agriculture, the 'social historians' differ in their analysis of this form of production. Specifically, there is considerable disagreement about the conditions that allow farm households to remain impervious to 'market discipline'. Michael Merrill's theory of a 'household mode of production' is the most ambitious attempt to theorise the specific dynamics of northern 'self-sufficient' agriculture. Merrill's concept of a 'mode of production' differs considerably from the classical Marxist conception. Most Marxists argue that the combination of distinct 'relations of production' (relations of surplus production and appropriation based on the distribution of means of production between producers and non-producers) and 'forces of production' or labour processes (relations of producers to one another and the means of production in the immediate process of production) define different forms of social labour [Marx, 1970; Balibar, 1970; Brenner, 1985a: 10–11]. In contrast, Merrill [1986: 27] defines a mode of production fundamentally in terms of 'a necessary relation between the produced wealth and the distribution of the available social labor to produce that wealth'. In other words, the mechanisms for distributing and coordinating labour and means of production among different productive activities provides the basis for classifying different social forms. Class relations ('the distribution of the products which function as means of production') and class struggle ('the division of the product and labor of society, that is, who gets what and works for whom') [Merrill, 1986: 32] are effects of the different mechanisms of socio-economic coordination.

According to Merrill [1986: Ch. 1], societies have developed two basic mechanisms for coordinating labour and means of production in the creation of different goods and services. The first, characteristic of capitalism and petty-commodity production, is through the exchange of commodities – the unconscious, unplanned distribution of labour and means of production to different activities based on relative exchange values (relative amounts of labour embodied in different commodities). The second, which characterises most non-capitalist social property forms, is through direct, conscious coordination based on planning (in so-called 'socialist' societies like the former Soviet Union) or custom and tradition (in pre-capitalist economies). The property-owning direct producers of the 'household mode of production' coordinated their labour through 'non-commercial exchange'. Citing 'neighborly exchange' (governed by need rather than price, allowing long-term, interest-free debts and so on), the direct coordination of labour during harvests, barn-raising, husking corn, and the like, and the role of local government in fixing prices, banning hoarding and speculating in agricultural produce, and attempting to attract needed labourers (often artisans) and to exclude ('warn out') redundant labourers (additional farmers), Merrill argues that these non-commodity relations among rural households allowed them to avoid dependence upon the market for their basic subsistence. As a result of
this community self-sufficiency in consumption, the household producers are able to retain their autonomy from the ‘discipline of the market’.

The greatest strength of Merrill’s theory is his insistence that social structural factors, not subjective motivations, values and the like are central to the reproduction of non-commercial household production in the antebellum north. According to Merrill [1986: 145], ‘Commercial farmers need not be selfish or even individualistic, they need only pay and insist on being paid in hard cash. By the same token, non-commercial farmers need not be selfless or altruistic. They only need neither to pay nor to insist on being paid in hard cash.’ In other words, it is the non-commodity relations of exchange among farmers and artisans in the household mode of production – their ability to collectively produce their own subsistence without recourse to the market – that allows them remain independent from market forces. Farmers become subject to the ‘dictates of the market’ when the procurement of consumption goods requires market exchange, not when their ‘economic culture’ changes from a ‘subsistence’ to ‘profit’ orientation. Merrill’s insistence upon the centrality of forms of exchange as objective relations among producers leads him to develop a very rigorous set of indices for determining whether agriculture is ‘commercial’ or ‘non-commercial’ [Merrill, 1986: Chs 2–3].

Merrill’s emphasis on ‘relations of exchange’ (commodity or non-commodity exchange among households), however, leads to a circularity in his argument. Merrill claims that households’ ability to obtain subsistence without access to commodity exchange was the key to the non-commercial character of northern agriculture in the early nineteenth century. Clearly, farmers and artisans had to be free to devote the bulk of their labour time to the production of use-values (items for immediate consumption) rather than exchange values (items for sale on the market) in order to provide subsistence for themselves and their neighbours. What allowed these households to expend the majority of their productive energy producing goods for immediate consumption rather than marketable commodities? Merrill’s answer appears to be the existence of non-commodity forms of exchange among households. In other words, Merrill explains the antebellum rural artisans and farmers’ autonomy from the market as the result of their autonomy from the market. An explanation, rather than a simple description, of the household producers’ independence from commodity production requires placing ‘relations of production’ (the relation of households to the means of production) at the centre of our analysis. As I will argue in more detail below, non-market access to consumption goods required non-market access to means of production.’

Christopher Clark’s analysis of the rural economy of western Massachusetts, while not as theoretically explicit as Merrill, offers a quite different explanation of the farmers’ and artisans’ independence from the logic
of commodity production. A particular economic culture — a set of motivations, goals and strategies — allowed rural households to retain their autonomy from the strictures of market competition. 'Rooted in the possession of freehold property' (legal title to land), non-commercial, non-capitalist values provided the basis for 'distinctive ways of conducting economic life' [Clark, 1990: 16]. Individual acquisitiveness, profit maximisation and other elements of a commercial orientation did not direct the productive activities of the household producers. Instead, the desire to maintain the lineal family's landholding and to preserve their 'independence' from the vagaries of a market that could threaten land ownership were the central goals of farmers and artisans in the eighteenth and early nineteenth-century north-east: 'Families' desire to acquire and hold onto the means of controlling their own efforts and resources powerfully influenced rural economic life' [Clark, 1990: 23–4].

Independent household producers pursued a 'subsistence-surplus' strategy of first ensuring the consumption needs of the family and community before entering the market-place. Subsistence was guaranteed in two ways. First, a strict and unequal generational and gender division of labour developed within the household, with men working in the fields and artisan workshops, women in the house (including gardening, production of cloth and clothing for domestic consumption, preparing food, child care), and children assisting their elders. Second, 'neighbourly exchange' provided the elements of subsistence that no single household could produce alone. Secure in their basic consumption requirements, the independent household producers (especially the older and larger) would produce 'surpluses' for sale in long-distance markets. This 'safety first' strategy permitted farmers to ensure the survival of the family's landholding, while attempting to obtain the means of expanding the farmstead through trade [Clark, 1990: 23–44].

The centrality accorded economic goals and strategies is most evident in Clark's critique of Rothenberg's thesis that the last decade of the eighteenth century marked a turning-point in the Massachusetts farmers' relationship to competitive markets. Clark argues that rural producers were not subject to 'market discipline' before the 1830s, notwithstanding Rothenberg's evidence of growing price convergence and his own evidence of increased household labour being devoted to commodity production. Despite these changes, Clark [1990: 87] insists that the farmers and artisans retained their independence from the market because they continued to produce most of their consumption goods and they sought to preserve and expand the family's landholding without regard to the demands of profit maximisation:

Closer examination of farmers' reasons for increasing production reveals the importance of household concerns and strategies in creating surpluses. New farming strategies developed firmly within the context
of the household system. Households retained control of production and tried to make it serve their needs. Preserving independence and providing for offspring were the motives that impelled many of them. Other facets of the system, including local exchange and the rituals of ‘neighborhood’, also continued to play an important role.

Clark’s analysis of non-commercial rural household production marks an advance over Merrill’s theory of a ‘household mode of production’ in its emphasis on the connections between local ‘neighbourly exchange’ and long-distance commodity circulation on the one hand, and the importance of the gender and generational division of labour within the household on the other. However, Clark’s contention that non-commercial economic values, goals and strategies – subjective motivations – were sufficient to allow household producers to escape ‘market discipline’ is not convincing. The attempt to make ‘economic culture’ or mentalité a determinant of economic relations and actions tends to ignore how the structure of social property relations places limits on all individual economic actions. As Brenner [1985b: n.167, 300–301] argued in the debate on the European transition from feudalism to capitalism: ‘Different forms of social-property relationships made different forms of economic behaviour rational, possible and necessary for the individual economic actors and, in this way, conditioned different overall patterns of economic development/non-development.’ The same goals and strategies can be pursued under different social and economic constraints with quite different results. Both capitalist landlords and tenant farmers in England and feudal landlords in Eastern Europe during the sixteenth and seventeenth centuries were inspired by an ethic of ‘profit maximisation’. However, the structure of the capitalist landlord–capitalist tenant farmer–wage labourer relation made specialisation, technical innovation and rising labour productivity the necessary result of English landlords and farmers’ quest for the maximum return on investment in the developing world market. In contrast, the structure of the feudal lord–serf relation made diversification, technical stagnation and level or declining labour productivity the necessary result of the Eastern European lords’ search for maximum revenues [Brenner, 1985a: 36–54; 1985b: 275–84; Dobb, 1947: 50–70; Hobsbawm, 1967: 5–62].

Clark’s [1990: Chs. 2, 4–5] own research, and that of James Henretta [1978: 20–26, 30–32], demonstrates that similar subjective motivations and economic strategies led to quite different results, depending upon the structure of social-property relations in the antebellum US. In the eighteenth century, the farmers’ pursuit of the goal of maintaining the lineal families’ landholding through the ‘subsistence-surplus’ strategy led to the reproduction of independent household production. In the early nineteenth century, under different social and economic conditions, their quest for stable family landholding
through a ‘safety first’ approach to the market led to a quite different set of results – the rise of commercial and capitalist agriculture. Thus, the key to understanding the preservation (and eventual destruction) of the farmers and artisans’ independence from the market cannot be their subjective motivations and values, but the structure of social property relations – particularly the social conditions for the maintenance and expansion of land holding.

James Henretta’s main concern in his seminal contribution to the US debate on the origins of capitalism were the mentalités – values, norms, world-views – produced by (but not necessarily shaping) different forms of rural household production. However, he identified three socio-economic elements that allowed northern farmers to retain their autonomy from ‘market forces’ in the eighteenth and early nineteenth centuries. Arguing against Grant and Lemon’s assertion that northern farmers were profit oriented from the seventeenth century onward, Henretta [1978: 14] asserted that ‘environmental opportunities’ profoundly shaped ‘human goals’: ‘... everyone was affected by the structural possibilities and limitation of the society, whatever their cultural propensities or economic aspirations. There was a direct relationship between the material environment, on the one hand, and the consciousness and activity of the population on the other.’

The first element of the material environment was the lack of transportation facilities to carry their products to distant urban and international markets. ‘Given the absence of an external market, there was no alternative to subsistence or semi-subsistence production’ [Henretta, 1978: 15]. Henretta recognises that mere physical isolation from markets was not a necessary condition for the maintenance of non-commercial agriculture and handicrafts. Although European and Caribbean markets for North American foodstuffs grew rapidly after 1750, northern farmers, even in the most ‘commercialised’ mid-Atlantic region, consumed the vast majority of their product. In other words, the growth of markets alone did not end the ability of rural households collectively to produce the bulk of their subsistence [Henretta, 1978: 15–191].

Of much greater importance to the preservation of non-commercial relations in the countryside were the ‘web of social relationships and cultural expectations that inhibited the free play of market forces’ [Henretta, 1978: 19–20]. Ties of kinship and community (often involving shared religion, ethnicity and language) made the provision of subsistence the primary activity in the rural villages and towns of the eighteenth and early nineteenth century, even when opportunities for commodity production expanded. David Weiman presents a similar, but more theoretically explicit argument. According to Weiman, co-operative labour and a diversified occupational structure (farmers, artisans and merchants), common land, and obligations to provide land for male offspring limited commodity production and the private accumulation of wealth. Not only did ‘complex familial and communal
obligations among petty producers' make the provision of household and community subsistence the first economic priority, but they also:

... circumscribed the productive activities of individual households and, in turn, dampened the impact of private wealth as a force in differentiating households socially and economically. Wealthier households were prevented from aggrandizing themselves at the expense of their economically weaker neighbors, while communal arrangements effectively transferred wealth to those at the lower end of the distribution ... differences in wealth and economic status among households depended largely on the age of the household head and reflected the transitory effects of the life cycle pattern of wealth accumulation [Weiman, 1989: 259–60].

Clearly, ties of family and community facilitated the ability of rural producers to pursue 'subsistence-surplus' strategies and limited the development of unequal landholding. However, the significance given these relations by Henretta and Weiman are subject to many of the same criticisms of the significance given to exchange relations by Merrill. What social and economic conditions allowed the obligation to provide subsistence to family and neighbours to assume such a great importance in the activities of rural households? What allowed these producers to devote the majority of their labour time to providing consumption goods as use-values? What prevented larger, wealthier farmers from appropriating the land of their less fortunate neighbours? What allowed fathers to obtain land for their sons without becoming embedded in the logic of commodity production? None of these questions can be answered by reference to kinship and communal relations, which Weiman acknowledges when he describes these social relations of 'petty production' as 'transitional.' Their answers must be sought in the structure of social-property relations.

In the course of his discussion, Henretta briefly mentions what was in fact the main condition of non-commercial household production in the antebellum northern countryside. Relatively inexpensive land, continually renewed through the expropriation of native American tribal societies, 'enabled a rapidly growing Euro-American population to preserve an agricultural society composed primarily of yeoman farm owning families in many eastern areas, and to extend these age- and wealth-stratified communities into western regions' [Henretta, 1978: 9; emphasis in the original]. The general ease of obtaining landed property in the eighteenth and early nineteenth century allowed the development of a distinctive social property relation that provided the basis for the entire structure of non-commercial household production in the rural north.

162–4, 167–8, 170–84] point out that the need to ‘sell to survive’ is the condition for systematic competition. In other words, only rural producers whose continued possession of land and other means of production required successful commodity production were subject to the ‘law of value’ and must specialise output, systematically reinvest surpluses and develop the productivity of land and labour through technical innovation. The absence of market competition among household producers was only possible when farmers and artisans were under no compulsion to sell their output in order to maintain their possession of land. In other words, the economic survival of the farmers as independent property owners was not conditioned upon successful sale of agricultural goods. The expansion of market opportunities alone were not sufficient to displace less efficient producers – there was no economic compulsion for farmers to specialise production, rationalise agrarian labour processes and raise labour-productivity. ‘Independent household production’ was a social-property form capable of reproducing its independence from ‘market discipline’ in the absence of profound social disruptions and conflicts. Such autonomy from the market is only possible in situations where the price of land is relatively low (because of the relative abundance of unoccupied or recently expropriated land), taxes are minimal, and debts to mercantile capitalists are either small or can be paid in kind, rather than in cash.

The social-property relations of ‘independent household production’, or ‘peasant economy’ as it is often mislabelled, provided the material basis for the rural social forms described by Henretta, Merrill, Clark and Weiman. Put theoretically, the ability of the direct producers to reproduce their possession of landed property without recourse to commodity production determined both the nature of exchange relations with other farmers, artisans and merchants, and the importance of kinship and community in organising the social structure of the antebellum northern countryside. Free from the constraint to produce for the market in order to survive economically, northern rural households in the eighteenth and early nineteenth centuries were able to devote the bulk of their labour time to the production of consumption goods as use-values, providing the basis for the dense web of kinship and communal relations that structured ‘neighbourly’ non-commodity exchange among households. Households and communities, secure in their possession of landed property, could pursue a ‘subsistence-surplus’ strategy of combined use-value and commodity exchange. Finally, the preservation and expansion of family landholding was a perfectly rational goal in a class structure where obtaining, maintaining and enlarging landed property did not require production for the market. As long as land remained relatively cheap and easily accessible (had not become monopolised by a class of land speculators or landlords), appropriating sufficient land to provide for male heirs did not pose any obstacles to the reproduction of independent household production.
Our concept of independent household production raises questions about Merrill's description of the dynamics of the household labour process. Merrill rejects the notion that capitalist or petty-commodity social relations of production (the need to produce commodities in order to maintain possession of means of production) are necessary conditions for the development of labour productivity through technical innovation. Citing such diverse examples as the growth of labour productivity in the USSR in the twentieth century and the slave south in the nineteenth century, Merrill [1986: 66-9] claims that 'self-sufficient' household producers sought to innovate and raise labour productivity: 'The maximization of profit is not the only reason for innovation. The minimization of labor can be equally compelling, especially where the labor you save is your own, or that of the people you love. Farmers could easily be “subsistence producers” and still look for ways to raise their productivity’ [Merrill, 1986: 83].

Merrill's case for the development of labour productivity through improved instruments of production under independent household production rests upon his research on Ulster County, New York in the late eighteenth and early nineteenth centuries. In the period 1785-1815, which Merrill asserts is prior to the 'commercialisation' of Ulster County agriculture, both output per farm and the percentage of farms using 'improved' ploughs grew considerably. This evidence can be evaluated in two ways. First, I would question (based on Rothenberg's research on Massachusetts and other sources) whether stable independent household production dominated rural production in upstate New York in this period. Throughout the northeast land prices rose precipitously (as the result of land speculation) in the decades after the revolution, making the maintenance and expansion of landholding more and more dependent upon production for the market [Henretta, 1978: 24-5]. Faced with new pressures flowing from the transition from independent household to petty-commodity production, those farmers who did innovate and increase their output (usually the largest and wealthiest) would best be able to survive the competitive battle in the market-place.

Even if we grant Merrill's assumption that the social-property relations of independent household production remained dominant in Ulster County before the 1840s, we do not have to accept his argument that technical innovation was a necessary feature of non-commercial agriculture. Anderson [1974: Ch.4], Brenner [1985a: 31–5; 1985b: 228-42, 311–141, Dobb [1947: 42–50] and Hilton [1985: 119–37] all point to the periodic introduction of new methods and implements in the feudal labour process in medieval Europe. In other words, feudalism, like slavery and other pre-capitalist modes of production, was not completely technologically stagnant. However, the absence of market compulsion to specialise productive activities and lower costs per unit of output (or suffer loss of landed property) in pre-capitalist economies meant
that the development of labour productivity through the introduction of new instruments and techniques was sporadic, occasional and of a 'once and for all' character. By contrast, capitalist and petty commodity class relations, where the survival of both non-producers and direct producers depend upon market competition, necessitates continuous and progressive development of new methods, tools and machinery. The independent household producers’ ability to maintain and expand their land holdings without commodity production put strict limits on the development of labour productivity in agriculture and handicrafts. As a result, labour was not ‘freed’ from agriculture for manufacturing and industry, and the countryside did not provide a growing market for factory produced means of production or consumption. In other words, independent household production, where and when it shaped rural production, was an obstacle to the development of capitalism.

II

Two of the major accomplishments of the recent discussion of the US transition to capitalism have been first, to document the existence of a non-commercial, family-based form of social labour in the northern countryside before the Civil War; and second, to demonstrate that a transition from this form to a commercial, family-based form began during the last decade of the eighteenth century in New England and other parts of the north-east. Rothenberg’s evidence, in particular, reveals that farmers in Massachusetts became progressively embedded in competitive markets for commodities, capital and labour services. The farmers’ autonomy from market coercion during the eighteenth century was the consequence of their ability to maintain their status as small property owners without recourse to effective production for the market, and their progressive subjugation to commodity production in the nineteenth century was the consequence of their new-found need ‘to sell to survive.’ In Marxian terms, the transformation of Massachusetts and northeastern agriculture generally after 1790-1800 marked the transition from independent household production to petty commodity production.

How do the different participants in the debate on the US transition to capitalism explain this transformation of the northern countryside? Drawing on the work of Bushman [1967], Lemon [1980] and other ‘market historians,’ Rothenberg explains the transition from independent household production to petty commodity production in Massachusetts agriculture as the result of a radical shift in the dominant cultural values during the mid-eighteenth century. After the ‘Great Awakening’ of the 1740s, New England culture became imbued with the ‘antinomian notion of the individual: the individual as ultimately singular in society, as ultimately alone in worship, as ultimately the sole perceiver of reality, alone in judgement, alone in action’ [Rothenberg,
The dominance of these new values, systematised in a ‘Lockean paradigm’ of possessive individualism, were first evidenced in the privatisation of decisions that had formerly been community/parental prerogatives: the choice of marriage partners, places of residence, names of children and the like. This culture of individualism – in which all social relations were freely contracted in the pursuit of individual self-interest – swept away such manifestations of communitarian and collectivist values as legally-fixed ‘just’ prices, wages or interest rates. This ‘intellectual revolution ... privatized economic decision making, put the individual at the center of society and wrenched (“disembedded”) the expanding economy from the dominant of state, crown, and church’ [Rothenberg, 1992: 15]. Fully freed from the burdens of traditional culture, Massachusetts farmers transformed the universal human tendency to ‘utility maximisation’ (recognition of economic choices, budgetary/resource constraints and the ability to rank order preferences) into market-oriented ‘profit maximisation’ in the last decades of the eighteenth century [Rothenberg, 1992: 15–23, 38–46].

Rothenberg’s arguments are, of course, quite similar to those of Max Weber. In The Protestant Ethic and the Spirit of Capitalism [1958] and his magisterial General Economic History [1981], Weber attempts to account for the origins of capitalism in a world historic shift in values. According to Weber, the Renaissance and the Protestant Reformation marked the transition from ‘substantive’ to ‘abstract’ economic rationality. No longer were substantive results that is (the satisfaction of immediate needs, preservation of family or community ties and so on) the driving force of economic activity. Instead the abstract ‘means-ends’ calculation of individual self-enrichment – profit – motivates human economic action (‘enterprise’) in the modern era. This ‘spirit of capitalism’ was manifested in institutions (transformation of means of production into private property, free commodity markets, mechanisation, calculable law, free labor, use of commercial instruments in transfer of property) that facilitated ‘rational economic calculation’ [Weber, 1981: 275–8].

It is not necessary to enter into the complex psychological and philosophical debates about human nature and motivation. Rather I would again assert that economic culture – the choice of economic goals, needs, strategies, choices does not depend upon values and beliefs, but on the structure of social-property relations. [Godelier, 1972] My discussion will focus, instead, upon the adequacy of Rothenberg’s notion of ideology, and its usefulness in explaining the actual transformation of the Massachusetts countryside in the late eighteenth century. The late English historian J.P. Cooper [1985: 140], in discussing a similar attempt to posit changes in mentalité as the cause of socio-economic transformations in early modern Europe, argued: ‘The whole conception of mentalités ... stresses the absence or impossibility of certain
concepts and attitudes existing in given periods. In so doing, it tends to create a uniformity which hides or denies the capacity of individuals and societies to hold contradictory or incompatible ideas and ideals simultaneously.' In other words, asserting that changes in ideas and values bring about major changes in socio-economic behaviours and relationships necessarily implies that individuals, social groups and societies hold consistent and formally logical world-views at all times. Much of the confusion about the ideology of northeastern farmers and artisans in the eighteenth and early nineteenth century, on both sides of the debate is the result of this problematic notion of ideology. The ‘social historians’ attempts to document a consistent ‘familial/communitarian’ farmer ideology is as futile as the ‘market historians’ efforts to document a consistent ‘individualist’ rural ideology. Neither are successful because ideologies are not formally logical sets of ideas and values ‘with a life of their own.’ In the words of the US historian Barbara Jeanne Fields [1990: 110].

Ideology is best understood as the descriptive vocabulary of day-to-day existence, through which people make rough sense of the social reality that they live and create from day to day. It is the language of consciousness that suits the particular way in which people deal with their fellows. It is the interpretation in thought of the social relations through which they constantly create and re-create their collective being, in all the varied forms their collective being may assume: family, clan, tribe, nation, class, party, business enterprise, church, army, club, and so on.

From this perspective on ideology, it should come as no surprise that the world-view of eighteenth-century New England farmers who were both small property owners commanding the labour of family members and labourers themselves, both involved in the market and sheltered from its discipline, contained elements of both ‘possessive individualism’ and ‘communitarianism’. Daniel Vickers [1990: 1], in his path-breaking essay, analyses the commonly held eighteenth and early nineteenth century ideal of ‘competency’: ‘the possession of sufficient property to absorb the labors of a given family while providing it with something more than a mere subsistence. It meant, in brief, a degree of comfortable independence.’ ‘Competency’ proved to be a world-view perfectly compatible with either co-operative or competitive economic behaviour. In a sense it was the ‘natural ideology’ of the antebellum northern farmers’ and rural artisans. No other ideology could provide an adequate mental ‘road map’ to the highly contradictory reality of their lived social relations.

Temporarily granting some of Rothenberg’s assumptions will demonstrate other, more profound problems inherent in her explanation of the transformation of New England agriculture. While Rothenberg does not present the precise mechanisms by which the new ‘Lockean paradigm’ altered the behaviour of family farmers, the ‘market historian’ James T. Lemon did in his
essay ‘Early Americans and Their Social Environment’ [1980: 118–201]. According to Lemon, a minority of farmers adopted new individualist, wealth-seeking values in the aftermath of the ‘Great Awakening’ and adapted their agricultural practices to their newly-found world-view. While a minority, these farmers (and their allies among wealth-seeking merchants) became the dominant social groups and made these values the basis of the northern colonies’ status-esteem hierarchy. Put simply, the rest of the farmers were compelled to adapt these new values, and the behaviour that corresponded to them, or lose social esteem.

Granting the assumptions of this model of socio-economic change, the bulk of the farmers would stand to lose social honour if they failed to adapt a ‘market orientation’, but they would not be in any danger of losing possession of their farms. Independent household producers as a class were not dependent upon successful market competition for their economic survival. A significant minority of farmers could act on the basis of ‘abstract economic rationality’ (specialising in production in response to market signals, reorganising their labour processes and so on), but their more recalcitrant neighbours would be under no economic compulsion to do so – they would not face any of the usual market penalties (loss of market share, unsold product, declining profits, and the possible loss of landed property) for their failure. Those who continued to act on the basis of ‘substantial economic rationality’ could ignore market signals and still keep their farm, as long as they could sell enough of their output to pay minimal mortgages and taxes. As a result, the land and labour power of the ‘subsistence oriented’ majority would not become available to the ‘market oriented’ minority. The ability of the enterprising farmers to consolidate landholding large enough to use new fertilisers, crop rotation methods or implements, to hire their poorer neighbours, and to raise the productivity of agriculture sufficiently to allow an ever-growing portion of the population to work in industry would be severely limited [Bernstein, 1977: 60–73; Brenner, 1977: 73–5; Luxemburg, 1968: Chs. 27 and 29]. In sum, the development of market production, technical innovation, rising labour productivity and the like were not the result of the value-driven choices of groups of producers. Instead the source of these momentous social and economic changes must be sought in the destruction and construction of social-property relations in the struggle between social classes.

The ‘social historians’, according to Kulikoff [1989: 123], tend to see the process of transition to commercial agriculture and capitalist industry ‘not [as] an automatic process but one fraught with conflict and violence’. Unfortunately, there is neither little consensus among the ‘social historians’ on the transition in the northern countryside, nor considerable emphasis on class conflict. While Merrill provides no explanation of the transformation of northeastern agriculture, Clark [1990: Ch. 3] presents a detailed historical
description of the transition in western Massachusetts. The disappearance of unoccupied land in western Massachusetts with the completion of settlement between 1720 and 1760, combined with population growth and growing inequalities in land holdings in the 1750s and 1760s, produced rising land prices in the decades after the Revolution. The rising cost of providing land to male heirs forced rural households to engage in new economic activities in order to maintain the lineal family landholding in the 1780s and 1790s. First, rural households cleared unsettled lands in their possession, and brought these new lands into intensive cultivation primarily to produce commodities for sale in distance markets (cattle for meat and dairy, hay and other grasses to feed cattle and other livestock, and broomcorn). Second, the labour of rural women and children was directed to the production of shoes and linen and other textiles. Nearly one in every five or six households engaged in rural manufacture of both use values for local consumption and exchange values for the northern urban and southern plantation markets. Finally, households attempted to use the mechanisms of 'neighbourly exchange' to obtain long-term, low or no interest loans from local merchants to finance the purchase of additional land.

These new economic practices, whose goal was the preservation of the household's 'independence', created a crisis of rural production relations in the 1820s and 1830s that led to the complete subordination of the households to the market. On the one hand, augmented rural manufacture for both consumption and exchange radically increased the burdens on rural women, adding highly labour-intensive tasks to their domestic responsibilities to make cloth, sew clothing, prepare food and care for children. On the other, borrowing cash for land purchases from merchants through the mechanisms of 'neighbourly exchange' began to break down as local storekeepers (themselves under pressure to pay debts from urban merchants) began demanding the prompt and regular payment, with interest, of debts. These pressures spawned a new set of priorities in the deployment of household labour. Cloth and several other consumption goods previously produced by rural women were now purchased on the market, and household labour was expended in activities that could produce a cash income to pay debts, taxes and to purchase new 'store-bought' commodities. Wealthier households began to specialise in the production of agricultural commodities such as wheat, meat, dairy and eggs; while poorer households began to provide labour power to local merchants who were organising capitalist 'outwork' production of buttons, palm-leaf hats and other manufactured goods. By the 1840s and 1850s, the deepening dependence of rural households on the market for their consumption requirements and the resulting changes in their labour processes transformed the western Massachusetts countryside. Larger, better-located farmers specialised in the production of tobacco (competition from western farms
undermined the production of wheat, cattle and broomcorn); and smaller, less well-located farmers intensified their dependence on ‘outwork’ or became wage workers in the region’s growing manufacturing and industrial centers. In sum, western Massachusetts had been transformed from an area populated by independent household producers into a region dominated by agrarian petty-commodity production and industrial capitalism [Clark, 1990: Chs. 4–8].

For Clark, the development of commercial agriculture and capitalist manufacture in the north-eastern US was a ‘process of accretion, rather than a single “transition”’ [1990: 15]. He claims, further, that the two decades after the Revolution were not the turning point in rural social development. Clark argues that farmers and artisans ‘had succeeded in retaining effective control of rural production and the patterns of exchange’ well into the nineteenth century [1990: 54–5]. No single factor had any greater importance than any other in determining the course social change in the north-east: ‘Demography, land shortage, the “market,” household strategies, or capital accumulation were not single, outstanding motors of change, but came together, taking different forms at different periods, to alter the character of rural New England profoundly and relatively rapidly .... The search for livelihoods and security was a crucial driving force for change’ [Clark, 1990: 318].

Despite Clark’s commitment to causal pluralism and an analysis emphasising a gradual transition from non-commercial to commercial agriculture and manufacture, his own empirical research points to the centrality of the social conditions of land ownership and to a sharp discontinuity in development before and after the Revolution and Constitutional Settlement. It is quite clear that land prices, taxes and debts rose sharply in the late eighteenth century. Clark attributes rising land prices to population pressure on land. None the less, he provides evidence of a social causation for this phenomenon – the speculators’ growing monopolisation of land. Land speculation on the New England frontier (north-western Massachusetts, Vermont, New Hampshire, Maine) began to raise land prices in the 1740s and 1750s, and intensified during and immediately after the Revolution. Clark dismisses land speculation as ‘marginal’ to production, missing its effects on the relationship of rural households to their major means of production – land. As I will argue below, heightened land speculation and other social disruptions of the Revolutionary period led to major social conflicts in the 1780s and 1790s, whose outcomes fatally undermined independent household production in the north-east. In sum, Clark [1990: 42–3, 54–5] profoundly underestimates the impact of the Revolution and its aftermath on the northeastern countryside, when he claims that Shays’ Rebellion and other rural revolts of the period ‘did little to alter the real balance of power’ [1990: 49].

David Weiman [1989: 260–61] provides another, more theoretical, analysis of the transition from independent household production (in his terms
petty production) to simple commodity production. Inherent in independent production is a tension between 'kinship/communal' relations ('neighbourly exchange' and the like) and production of goods for long distance markets. Growing involvement in the market on the part of older and wealthier households promoted the development of a merchant class, which sought to expand commodity production through investments in transportation infrastructure (roads, canals, railroads) and land (speculation and mortgage lending). While the increasing embeddedness of larger farmers in the market was a necessary condition for the breakdown of independent household production, it was not sufficient. Arguing that the development of commercial agriculture was not a 'market process', Weiman asserts that the merchants and the richer farmers engaged in political struggles over taxation, construction of 'internal improvements', use of common lands and the like in order to replace 'kin and communal bonds with contractual relations based solely on the exchange of private property'. Once kinship and communal relations were uprooted, households became increasingly dependent on commodity production to obtain needed consumer goods (no longer available through non-commodity 'neighbourly exchange'), and market integration of the petty producers became 'an irreversible process'.

Weiman's analysis is distinguished by the importance it accords to the economic activities of merchants, particularly their role in land speculation, and to class conflicts in the transformation of rural household production. His emphasis on the incipient class divisions among the independent producers goes a long way to help explain the divergences in political behaviour among farmers in the late eighteenth and nineteenth centuries. However, Weiman's claim that there is an inherent tension in non-commercial agriculture between the demands of 'kinship and communal relations' and commodity production and exchange is highly problematic. Like Rothenberg and Lemon, Weiman tends to ignore how the social property relations of independent household production - the ability of the direct producers to maintain their landholding without recourse to commodity production because of the low costs of appropriating land - shield all the farmers and artisans from the logic of market competition. As Brenner [1985: 59–60] put it:

... the peasant [or independent household producer – CP] was under relatively little pressure to operate his plot as profitably and effectively as his potential competitors in order to survive, for there were no direct means for such competitors to 'defeat' him. In other words, the peasant did not have to be competitive, because he did not really have to be able to 'hold his place' in the world of the market – Unlike the independent artisan [or family farmer with a large mortgage or debts – CP], he did not have to be able to produce cheaply enough to sell good profitability
at the market place - or else go out of business. All that was necessary for survival for the peasant proprietor - was sufficient output to provide for his family’s subsistence and to pay his taxes . . . .

On the one hand, wealthier households could participate in the market without risk. If agricultural prices and their revenues fell, richer farmers could re-deploy most of their household labour to the production of use-values without danger of losing their farms. On the other, the successful commodity production of richer households could not threaten the poorer households’ possession of land. Secure in their ownership of their farm, poorer farmers could ignore price signals and still keep their farm. In sum, there was no necessary tension between use-value and exchange-value production in independent household production that made it ‘an inherently transitory system of economic and social relations’ [Weiman, 1989: 260].

In Weiman’s defence, one could argue that he does not hold to a ‘Smithian’ notion of an immanent tendency toward commodity production among all economic actors because he emphasises the role of political conflict in undermining ‘kinship/communal’ relations and replacing them with ‘contractual relations.’ However, Weiman’s discussion of class conflict is open to related criticisms. As I argued above, ‘kinship and communal relations’ are not the source of the independent producers’ ability to withstand the demands of market competition. Instead, these relations rest upon the ability of the ‘non-commercial’ farmers to obtain, maintain and expand their landholding without recourse to commodity production. Similarly, ‘contractual relations’ are the product of the householders’ need to successfully compete on the market to preserve their farm. Since he provides no discussion of how the class struggle between merchants and wealthier farmers, on one hand, and poor and middling farmers, on the other, changes the conditions for the reproduction of the farmers’ possession of landed property, Weiman’s analysis remains highly problematic.

Alan Kulikoff explains the transformation of the countryside as the result of the spread of commodity production that accompanied the development of industrial capitalism. According to Kulikoff [1989: 141–2], the transformation of the northern countryside during the nineteenth century can best be understood in terms of how capitalist development changed the conditions in which ‘yeoman’ farmers (independent household producers) attempted to maintain land ownership:

The strategies yeoman pursued to achieve economic independence – what crops they grew, how deeply they committed themselves to market production, what tools they purchased, how often they hired workers – were shaped by capitalist expansion ... As industrial capitalist replaced the petty manufacturers of the late eighteenth century, yeoman were
forced into greater indebtedness by financial capitalists or railroad magnates and saw their sons and neighbors adopt capitalist agriculture or fall into wage labor.

Specifically, there were two major mechanisms through which capitalist development in the urban areas drew 'yeomen' farmers and artisans into petty-commodity production. First, the development of capitalist production outside agriculture created markets for food and other agricultural products: '... wherever capitalists (even the early hand “manufacturing” capitalists before the machine age) invested their profits and created new markets, an important minority of farmers rushed to invest and participate, and soon entire communities found themselves dependent on markets and forced to share profits with distant capitalist' [Kulikoff, 1989: 134–19]. Second, the development of manufacturing and industry undermined household production by drawing labour-power (especially female and juvenile labour-power) out of the household, providing cash income and encouraging the purchase of consumer goods previously produced in the household [Kulikoff, 1989: 354]. In sum, it was the development of capitalism and commodity production outside of agriculture that transformed the countryside in the nineteenth century.¹⁵

The weight Kulikoff assigns to the growth of urban manufacture and industry and its attendant demand for food stuffs and labour-power is reminiscent of Paul Sweezy's [1976a: 33–56; 1976b: 102–8] and Immanuel Wallerstein's [1974: Ch. 2] analyses of the European transition from feudalism to capitalism. For both Sweezy and Wallerstein, the growth of medieval cities was the central cause of the decline of feudalism in the western European countryside. Not only did these cities provide a market for the output of the peasants' and lords' lands, but they provided a 'refuge' for runaway serfs, undermining the lords' authority and promoting the decline of serfdom in the fourteenth and fifteenth centuries. Unfortunately, Kulikoff's argument suffers from the same shortcomings as Sweezy and Wallerstein's.

As Brenner [1977: 34] pointed out in his critique of Sweezy and Wallerstein, the growth of commodity circulation can only promote the transformation of agriculture if three conditions exist:

1. the potential 'mobility of labor power' in response to the market – which is, however, bound up with the degree of freedom/unfreedom and with the economic dependence/independence of the direct producers; 2. the potential for developing the productivity of labor through separation and specialization of tasks – which is, however, bound up with the possibilities of developing co-operative labor in connection with growing means of production; 3. the potential for enforcing continuing pressure to develop labor productivity – which is, however, bound up with the survival and reproductive needs of the direct producers and
exploiters in relation to their access to the means of subsistence and production.

None of these three conditions were present in the independent household social property relations that structured agricultural production in the late eighteenth and early nineteenth century north. The ability of ‘yeoman’ farmers to preserve their landholdings without recourse to successful market production meant, first, there was no economic necessity for even the most inefficient household producers to leave agriculture for urban industry. Second, there was no market mechanism to allow the more efficient farmers to gain access to the land and labour-power of their less productive neighbours, blocking the reorganisation of the agricultural labour-process. Third, there was no competitive compulsion for any (even the most productive, wealthy and market-oriented minority of) ‘yeomen’ farmers to continuously develop labour productivity. In other words, the transformation of rural social relations – making ‘yeoman’ farmers incapable of maintaining their landholding without commodity production – was the necessary precondition for the development of capitalist manufacture and industry. Only when rural households were subject to the ‘dictates of the market’ (law of value) were they forced to innovate and develop labour productivity to survive, economically compelling a growing portion of the rural population (those who lost the competitive battle) to work in manufacture and industry, and providing a growing market for factory produced means of production and consumption.

III

The key to the transformation of northern agriculture before the Civil War from independent household production, a social-property form relatively impervious to market forces, to petty commodity production, a social-property form embedded in competitive markets, is located in the outcome of class struggles between merchants (including local storekeepers, larger town and urban wholesales, land speculators and so on) and the bulk of the ‘yeomanry’ over the social conditions for appropriating, maintaining and expanding the central agricultural means of production – land. European settlement of the northern British colonies began in the late seventeenth and early eighteenth century, after native Americans were forcibly removed from the eastern seaboard. The goal of the British colonial administrations, representing large landholders and merchants, was to promote commodity production in the colonies. To this end, they attempted to establish private property rights in land in North America through two forms of land grants. In New England, colonial governments granted land to groups of settlers in the form of townships. These original settlers, or ‘proprietors’, divided land among
themselves as freeholds and common lands. Later settlers, faced with the proprietors' possession of the most fertile and best located land and their exclusive use of commons, were forced either to buy or lease land from the original settlers. In the 'middle colonies', the colonial governments of New York, Pennsylvania and New Jersey granted land to large mercantile companies, who in turn sold land to large landowners, who leased land to tenant farmers. Despite growing social inequalities in land distribution and the rapid increases in the size of agricultural 'surpluses' (grain, timber, meat and dairy, and 'homespun' cloth) sold to the northern cities and towns and the plantations of the southern colonies and the Caribbean in the 1740s and 1750s, the 'yeomanry' of the northern colonies retained their autonomy from 'market discipline' [Bidwell and Falconer, 1925: 49-62, 115-17, 126-33; Henretta, 1988: 48-55, 58-60, 64-67; Main, 1965: 8-30].

The existence of unoccupied land within easy reach of poor and 'middling' settlers undermined the ability of landowners to create a social monopoly of land in the eighteenth century. However, the eighteenth-century frontier was not a 'Turnerian' utopia of independent 'freeholding' pioneers. Settlers in the 'interior' found urban merchants had invested their revenues from the colonial trade in large tracks of land, which the latter hoped to sell to 'enterprising' farmers for a considerable profit. Unable to obtain legal title to land, prospective farmers and artisans (often migrating with groups of co-religionists, kin, or former neighbours) illegally occupied ('squatted') the speculators' lands. As long as the colonial militia could not enforce the land speculators' private property rights on the frontier, farmers and rural artisans could establish, maintain and expand their landholding without extensive commodity production [Henretta, 1988: 67-8; Nobles, 1989: 647-50, 654-61].

In New England, settlers took up illegal occupation of lands in the Connecticut River valley and in uninhabited areas of Vermont, New Hampshire and Maine. Some pioneers eventually established legal 'freehold' rights to these lands at minimal cost, and new waves of illegal occupations kept land prices relatively low throughout New England before the Revolution. In the 'middle colonies' settlers 'squatted' on lands far removed from the coastal settlements, undermining the ability of landlords to impose capitalist landlord-tenant relations. The 'rent wars' of the mid-eighteenth century resulted in the abolition of tenancy and the rise of 'freeholding' in most of the mid-Atlantic region. Tenancy was abolished almost completely in the north-east during the Revolution, when landlords (mostly British sympathisers) were expropriated and their lands distributed among their former tenants [Hacker, 1949: 10-44; Main, 1965: 8-30].

By the time of the Revolution, 'freeholding' independent farmers and artisans with minimal mortgages and other expenses (taxes, debts and so on) populated the northern colonial countryside. While able to reproduce them-
selves economically without recourse to the market, these farmers engaged in exchange relations with local and regional merchants. Small ‘country merchants’, often in partnership with more substantial merchants in the larger inland towns (for example, the ‘River Gods’ of the Connecticut River valley), gathered together the farmers’ scattered ‘surpluses’ of grain, timber, cattle and dairy products for shipment to the major coastal urban markets of New York, Philadelphia and Boston. These rural and small town entrepreneurs also sold imported manufactured and agricultural goods (glass, iron, gunpowder, medicine, tea, sugar) that could not be produced in the self-sufficient rural communities. Local merchants continually encouraged farmers to buy more items of consumption in order to widen their scale of operations and enrich themselves. However, the farmers’ and rural craftsmen’s non-market access to land enabled them to produce the bulk of their own subsistence, and prevented them from being drawn into dependence upon the market [Nobles, 1989: 655–6; 1990: 5–12; Szatmary, 1980: 12–18].

The Revolution and its immediate aftermath radically altered the relationships between the ‘yeomanry’ and the merchants and land speculators [Kulikoff, 1992: 100–151]. State governments began to purchase food, cloth and other supplies from farm households throughout the north. In order to meet the requisitions and support the revolutionary war effort, the ‘yeomanry’ were forced to devote more and more family labour to the production of commodities. Unable to produce the variety of goods previously manufactured in their self-sufficient communities, rural households borrowed from local storekeepers to purchase the output of US urban artisans and manufacturers during the war and British manufacturers after the war. In the aftermath of the war, these debts became particularly burdensome, as the northern state governments began to raise taxes (mostly land taxes which fell heavily upon farmers and rural artisans) to fund the mushrooming public debt accrued during the war. The combined growth of debts and taxes forced northern households to market larger and larger portions of both their ‘subsistence’ and ‘surplus’ output in order to keep their land in the 1780s [Henretta, 1988: 70–79; Kulikoff, 1989: 130–31; Nobles, 1990: 12–13; Szatmary, 1980: 19–23].

The war also strengthened the position of land speculators on the frontier. Urban and small town merchants were able to garner tremendous ‘windfall’ profits from the war’s disruption of commerce. The British naval blockade of their former mainland colonies closed off legal trade with Europe and the Caribbean, allowing urban merchants to make enormous returns on smuggling and privateering. Similarly, the collapse of the British backed currency and banking system presented new opportunities for mercantile profit-making. As the new central and state governments began to issue a torrent of paper money and bonds to cover the public debt, merchants amassed huge fortunes in currency and financial speculation. The favoured venue for the investment of
these revenues was land on the frontier. These absentee landlords hoped that a US victory would rapidly open the ‘west’ to settlement and help create new political institutions that could enforce their private property rights in land. The wake of the war saw increasing inequalities in landholding on the frontier (including the revival of tenancy in western Pennsylvania) and rapidly rising prices for land throughout the north-east. The speculators’ engrossment of land on the frontier, together with the growing burdens of taxes and debts, seriously undermined independent household production immediately after the revolution. By the mid-1780s, farmers and rural artisans found themselves needing ‘to sell to survive’ – to participate successfully in competitive markets in order to keep their farms [Henretta, 1988: 67–69; Slaughter, 1986: 64–70, 78–88].

The crisis of independent household production in the north-eastern US spawned a major social explosion in western Massachusetts in 1787. The simultaneous glutting of the US market for British manufactures and the closing of the British Caribbean to US merchant shipping, produced a ‘strangling chain of debt collection’ [Szatmary, 1980: 26] in 1784–85. As British manufacturing wholesalers pressed their merchant clients in Boston for speedy repayment, the Boston merchants in turn solicited their clients in the rural towns, who in turn demanded that local farmers pay their debts in specie, rather than devalued paper money. The result was a marked growth in the number of lawsuits for the collection of debts in central and western Massachusetts. The least efficient farmers, hard-pressed by falling prices and rising taxes, faced the possibility of losing their land through foreclosure. Their demands for debt relief (‘stay’ laws to delay the collection of debts, property exemptions from seizure for debt, inflationary paper money) and the reduction of land taxes were rebuffed by the merchant dominated Massachusetts General Assembly. In response, the farmers and their allies in western Massachusetts began to harass tax collectors and close courts involved in foreclosure proceedings before launching an unsuccessful insurrection in early 1787 [Brooke, 1989: 426–62; Rothenberg, 1992: 234–7; Szatmary, 1980: Chs. 2–4].

Shays’ Rebellion has often been misinterpreted as either ‘a deeply conservative impulse, a fist shaken at impending change’ [Rothenberg, 1992: 236] by the ‘market historians’ or ‘an economic conflict exacerbated by a cultural clash between a commercial society and a rural, subsistence-oriented way of life’ [Szatmary 1980–18] by the ‘social historians’. Instead, it was part of a cycle of class struggles during the 1780s and 1790s which destroyed independent household production and established petty-commodity production throughout the north-eastern countryside. In addition to Shays’ Rebellion, independent farmers and artisans contested tax collectors, merchant-creditors and land speculators over the conditions of their economic survival in Maine.
(the ‘White Indians’ or ‘Timber Pirates’) Vermont (the ‘Green Mountain Boys’), Pennsylvania (‘Whiskey Rebellion’ and the lesser known ‘Fries Uprising’) and Ohio (the destruction of ‘squatter’ settlements in Ohio in 1785–86) [Cayton, 1986; Ch. 1; Nobles, 1989: 644: 69; Slaughter, 1986; Taylor, 1989]. The turning-point in this cycle of class conflict was the Constitutional Settlement of 1787, which established the political dominance of the mercantile capitalists and created state institutions (a corps of tax collectors and a federal army) capable of implementing pro-merchant state policies [Kulikoff, 1992: 141–51; Lynd, 1967: 135–213; Main, 1973: 135–67; Mayer and Fay, 1977; Szatmary, 1980: Ch. 7]. The victory of the merchants and their allies in these struggles did not reduce the family farmers to tenancy or wage-labour. Instead, by closing off access to cheap or inexpensive land on the frontier, levying burdensome taxes and enforcing the payment of debt in specie, the merchants’ political hegemony ensured that the farmers marketed both the ‘surplus’ and portions of their ‘subsistence’ output. In other words, the farmers became dependent upon successful market production for their economic survival – they became agrarian petty-commodity producers.

There is considerable evidence of the north-eastern ‘yeomanry’ attempting to meet the new conditions for the acquisition, maintenance and expansion of landholding while continuing to produce the bulk of their ‘subsistence’ through the first two decades of the nineteenth century. The increased and reorganised labour devoted to the production of marketable ‘surpluses’ was not limited to western Massachusetts or New England. From around 1790 until the commercial crisis of 1819, northern farmers noticeably expanded their output of grain, meat and other agricultural commodities for sale in US urban and European markets. In the mid-Atlantic region, increased commodity production in response to the changed social conditions of economic survival led many farmers to reorganise their agricultural labor process. ‘Up and down husbandry’, the crop rotation method between fields, pastures and meadows that allowed the interdependent growth of animal and arable output associated with the development of capitalist agriculture in England in the seventeenth century, radically increased labour and soil productivity in the north-eastern US in the early nineteenth century. As in seventeenth-century England, the subordination of the rural population to ‘market coercion’ promoted the consolidation of landholding and relative product specialisation required for ‘up and down husbandry’ [Appelby, 1982: 838–84; Clark, 1990: Ch. 3; Rothenberg, 1992: 218–33].

The growth of handicraft commodity production in the north-eastern countryside accompanied the farmers’ and artisans’ attempts to revolutionise agricultural production without abandoning the production of ‘subsistence’ in the household. The production of woollen, linen and other cloth, both for
household and community consumption and increasingly for sale, grew markedly before 1820 in both New England and the mid-Atlantic region. This increase took place primarily on the basis of a Kaufsystem of ‘proto-industrialisation’ in which the households continued to own their means of production (looms). These producers enjoyed a much greater autonomy from merchants and manufacturers, whose role was limited to occasionally supplying raw material and buying up finished products, than the de facto wage laborers of the verlag or capitalist form of ‘proto-industrialisation’. None the less, there is evidence of growing intra-regional specialisation, with some townships becoming centers of craft production and others centers of agricultural production in the late eighteenth and early nineteenth centuries. In other words, the growth of handicraft output for market in this period was not a by-product of a thriving independent household economy of ‘subsistence-surplus’ production, but was evidence of the growing dependence of northeastern households on commodity production for their economic survival [Clark, 1990: Ch. 3; Dublin, 1991: 538–48; Henretta, 1988: 76–84].

The commercial depression of 1819–21, with its falling commodity prices, appears to have created a crisis for the ‘yeomanry’s’ attempt simultaneously to increase the amount of labor devoted to the production of commodities and to continue to produce the bulk of their own subsistence. There is evidence of the increasing demands on rural women to produce cloth and to carry out their ‘traditional’ tasks of child-rearing, house cleaning, food preparation, gardening, dairying and the like becoming intolerable by the early 1820s. These intra-household conflicts were resolved through the shift of female labor from weaving cloth to dairying and other commodity producing activities [Clark, 1990: Ch. 4; Jensen, 1986: 87–92; Kulikoff, 1989: 138–40].

As household production of cloth was abandoned, the ‘yeomanry’s’ dependence upon the market deepened in the 1820s and 1830s. The results were increased specialisation in agricultural products that could be sold in distant urban and foreign markets, and the growth of capitalist domestic outwork. The capacity to work of women and children in poorer rural families, unable to raise sufficient cash to pay mortgages, taxes and other debts through agricultural production, became available to merchants and manufacturers who organised a verlag system of ‘proto-industrialisation’ in the northeast. The merchants and manufacturers no longer traded with essentially independent producers, but instead provided the raw materials and means of production (tools, etc.) to rural wage workers who produced finished or semi-finished products owned by the ‘proto-industrial’ capitalist. While the merchants in palm-leaf hat manufacture operated autonomously, organising a self-contained production process carried out entirely in rural households; those in button, shoe, boot and other capitalist domestic manufacture were often partners of manufacturers, who organised a centralised labour process in
a small workshop and ‘put out’ parts of the production process to workers in the countryside [Clark, 1990: Ch. 5 4–6; Dawley, 1976: 25–30; Dublin, 1991; Hazard, 1921: 42–8; Taylor, 1951: 207–201].

The defeat of the small producers in the northeast in the last two decades of the eighteenth century, while sealing the fate of independent household production in the original area of colonial settlement, did not spell the end of this social-property form in the US. In the south, independent household production flourished in the interstices of plantation slavery. In the ‘upcountry’ and ‘pine barrens’ of the south, farmers were able to remain relatively isolated from the ‘market process’ as a result of the low cost of their less desirable land (the planters monopolized land in the more fertile ‘piedmont’ regions) and the farmers’ political alliance with the planters that kept state government expenditures (on schools, roads, and the like) and taxes on land to a minimum [Hahn, 1983: Part I]. In the Ohio Valley and Great Plains, independent production developed as native Americans were forcibly ‘removed’ and white settlers took initial possession of land in most areas for little or no cost. Although federal land law promoted the transfer of the massive ‘public domain’ into the hands of private landholders, ‘squatters’ were often able to defend their landholding against the claims of land speculators and investors before the 1840s. ‘Claims clubs’ of settlers on public lands without legal title (including some who had laid claim to lands in excess of their personal needs, usually to provide land for male heirs) successfully ‘warned off’ urban land companies and later arriving farmers, securing land for many settlers at a minimal prices [Bogue, 1958: 231–31].

At least temporarily secure in their possession of land without recourse to production for the market, the ‘yeomanry’ of the middle west were able to re-establish crucial elements of independent household production in the early nineteenth century. While there is relatively little detailed research on ‘self-sufficient’ household production in the antebellum west, there is some evidence of both rural ‘subsistence-surplus’ production and non-commercial exchange between farmers and artisans and local storekeepers. Through the 1830s, the bulk of rural households and communities in the Ohio Valley and Great Plains appear to be self-sufficient in food and many handicraft items. Clarence Danhof [1979: 129–33], a prominent agricultural historian, estimates that only those farms marketing 40 per cent or more of their output became dependent upon commodity production for their economic survival. In the 1820s and 1830s, north-western farmers grew a wide variety of goods for consumption by their families and neighbors, marketing only about 30 per cent of their total output. Secure in their basic foodstuffs, many households also engaged in extensive craft production of tools, implements, utensils and clothing (but not cloth) for local consumption. Locally produced ‘general use’ implements and the inexpensive oxen, although less efficient than manu-
factured tools or horses, fit into the logic of 'self-sufficient' household production:

The choice between the two animals [oxen and horses – CP] was determined by the importance of speed in accomplishing necessary tasks as contrasted with the costs involved. In subsistence agriculture there were few if any operations where speed was of critical importance. The needs of the typical subsistence farmer for a wide variety of self-produced goods required that a minimum of effort be given to any single item among the variety of products desired. Maximum economy was achieved by the production of items of multiple use, even at substantial sacrifice of quality or convenience, since capital was thereby conserved. This was as true of draft animals as of implements and crops [Danhof, 1969: 142].

The spread of transportation facilities (roads, canals and railroads) facilitated the circulation of rural 'surpluses' as commodities bound for urban markets, but did not change the rural households and communities' relationship to their land and their ability to produce the majority of their subsistence as use-values [Atack and Bateman, 1987: 202–7; Danhof, 1969: 3–15; Gates, 1960: 48–50].

The deficiency of research using the account books of western farmers, artisans and merchants deprives us of a detailed knowledge of the exchange relations among north-western rural households before 1840. However, Lewis E. Atherton's The Frontier Merchant in Mid-America [1971: 13–20, 51–80, 125–36, 142–53] provides important insights into the relationship between farmers and artisans and local merchants in the early nineteenth century middle west. The exchange relations between western households and merchants were typical of independent household production. The bulk of the transactions involved the farmers' and artisans' exchange of 'surpluses' for a limited number of store-bought commodities (tea, coffee, sugar, flour, liquor, and by the 1820s and 1830s, cloth):

Farmers exchanged their crops for groceries and dry goods and thereby evaded the need for currency. Furs, meat, wheat, beeswax, flax, hemp, honey, whiskey, ginseng – anything of value – could be exchanged for goods at the neighborhood store. Through barter, the storekeeper could dispose of his wares to a population that lacked ready cash with which to buy. All over the West this pattern of bartering goods for produce existed, the merchant serving as a middleman between producer and manufacturer or wholesaler. He consigned the farm crops he took in exchange for goods and shipped them to commission merchants in the
larger Western cities and in New Orleans, and with the proceeds from
the sale settled his bills to the eastward [Atherton, 1971: 18–19].

The relationship between the rural households, local merchants and urban
wholesalers was no more harmonious in the west than it was in the east.
Farmers and artisans in the west maintained long-term, irregularly settled and
interest free accounts with local merchants, who were under constant pressure
from their urban suppliers for rapid, regular and interest bearing settlement of
debts. Despite various attempts to induce farmers and artisans to pay cash
(including considerable discounts for cash purchases) and a growing number
of law suits for repayment of debts with interest, the country storekeepers of
the middle west were unsuccessful in their attempts to put trade on a ‘cash
basis’ before the 1840s. A fairly typical example was a small town merchant
in St Helena, Missouri who listed only one-third of his accounts as ‘cash
accounts’. However a careful examination of these revealed that the vast
majority of ‘cash customers’ paid in farm produce [Atherton, 1971: 145–6].

Although independent household production developed in the antebellum
Ohio valley and Great Plains, the outcome of the class conflicts of the 1780s
and 1790s severely limited the mid-western farmers’ autonomy from com-
modity production. Most importantly, the federal laws administering the
distribution of the vast ‘public domain’ stretching from the Appalachian
mountains westward promoted land speculation and raised the cost of landed
property to small farmers who sought secure legal title to the land they tilled
as ‘squatters’. In other words, federal land policies radically altered the
relationship of rural households to landholding, making the appropriation,
maintenance and expansion of land dependent upon successful commodity
production. Conceived between 1796 and 1820, antebellum federal land
policy provided for the survey and auction sale of public land after all native
American and foreign claims on the public domain were settled through wars
of conquest and treaties. The federal government set minimum prices and
acreage to be purchased, but put no restrictions on the maximum size of
purchase, allowing the operation of ‘market mechanisms’ to set the maximum
price obtained at public auction. Despite reductions in minimum price per acre
from $2.00 to $1.25 in 1820, and in minimum acreage from 360 acres to 80
acres between 1804 and 1817, no maximum prices or acreage were set [Gates,
Robbins, 1976: 3–341].

The system of public auction of government lands – despite the Pre-
Emption Act of 1841, which ostensibly gave ‘squatters’ the right to purchase
their land at minimum prices directly from the federal land office [Robbins,
during the antebellum period. In the words of the historian John Opie [1991:
xi], 'the real beneficiary of the extraordinary transfer of the nation's sovereign wealth was speculative private enterprise'. State government land grants for canals, roads and railways also fueled the market for land. Land speculation, which peaked in 1818, 1836 and 1856 - years of financial and commercial expansion in all sectors of the antebellum economy - became a major source of mercantile profits after the collapse of the US trans-Atlantic carrying trade following the War of 1812. Land speculation, and the construction of and speculation in internal improvements in the west also became major arenas for the investment of British loans to state governments and private banks in the 1820s and 1830s [Cole, 1963: 229-52; North, 1956: 493-505; 1961: 75-96, 194-203; Opie, 1991: Chs. 4-5].

Speculation in land, agricultural products and transportation infrastructure reached unprecedented heights during the 1830s. As agricultural commodity prices (led by cotton and grain) rose, banks in the midwest (especially the more speculative 'wild-cat' banks) borrowed money from north-eastern US and British banks, which they in turn lent to land companies and individual speculators or directly invested in public lands. The boom peaked in 1836, when the Public Land Office sold more land than at any time during the nineteenth century - more than 17.7 million acres in the northwest alone. The Bank of England’s massive contraction of credit in 1837 set off a chain reaction across the Atlantic, ending the expansion. Encouraged by deflationary federal policies (the 'Specie Circular' which required the payment of specie for land, taxes and other federal obligations), north-eastern banks sharply reduced the volume of credit. As a result, many of the weaker, speculative banks in the west collapsed, as did land sales, commodity prices and other indicators of commodity production and circulation.

The speculative expansion and crisis of the 1830s and early 1840s radically transformed the class relations of northern agriculture. Independent speculators, land companies and railroad and canal companies were able to monopolise the best located and most fertile lands, forcing 'squatters' or prospective settlers to purchase land from them at prices well above the federal minimum. It has been estimated that as a result of land speculation, the costs of 'farm building' - the costs of establishing a viable farm - rose sharply in the 1840s and 1850s. By the 1850s, the cost of tillable land in Illinois, available primarily from private land companies and speculators, ranged from three to ten dollars per acre, making the price of a medium-sized farm of 80 acres between $240 and $800. By 1860, the average cost of the same-sized farm in Illinois had risen to $1,345. These prices were usually greater than the cash resources of either 'squatters' or possible settlers, who also had to make considerable investments in fencing, seed, livestock, housing, and farm implements. As a result, the great majority of western farmers seeking fertile and well-located land in the 1840s and 1850s had to obtain mortgages (generally
older farmers with some capital) from, or become tenants (generally younger farmers with little or no capital) of land companies [Atack and Bateman, 1987: Ch. 8; Bogue, 1951: 56–89; Danhof, 1941: 317–59; Danhof, 1969: Chs. 4–5; Gates, 1964: 182–93; Severson, et al., 1966: 147–68]. In sum, the rapid transformation of land into a commodity during the 1830s made successful commodity production a necessary condition for the acquisition, maintenance and expansion of landholding; transforming the ‘yeomanry’ from independent household into petty commodity producers.

The rising costs of mortgages and rents coincided with sharp increases in land taxes in the wake of the commercial crisis of 1837–42, gravely weakening independent household production in the Ohio valley and Great Plains. The 1820s and 1830s were decades of large scale construction of transportation infrastructure, especially in the west and adjacent regions of the northeast. Nearly three quarters of the 3,326 miles of canals and almost two-fifths of the 3,328 miles of railroads built between 1820 and 1840 were located in New York, Pennsylvania, Ohio, Indiana and Illinois. While the vast majority of canals and railroads were privately owned and operated, state governments subsidised almost all transportation construction through the sale of state bonds in the financial centers of New York, Philadelphia, London and Amsterdam. By 1838, the state governments of New York, Pennsylvania, Ohio, Indiana and Illinois had accumulated bonded liabilities for canal and railroad construction of $66,310,000 – 77.9 per cent of their total public debt. The leaders of these state governments expected that the private canal and railroad companies would easily repay these debts with revenues from transporting agricultural and manufactured commodities. However, the collapse of the speculative boom of the 1830s and its attendant collapse of commodity circulation produced numerous bankruptcies and reduced profits for most transportation corporations [Scheiber, 1969; Taylor, 1951: Chs III, V].

The commercial depression of 1837–42 created a fiscal crisis for most US state governments, as the revenues needed to fund the enormous public debt plummeted. By 1842, Louisiana, Maryland, Pennsylvania and Indiana had failed to make at least one interest payment. Foreign and domestic bondholders, including some of the largest bankers and merchants in the US and Britain, initially hoped that the federal government would assume the state government debts. However, when plans to use federal revenues to fund state government bonds were defeated in 1841–42, primarily through the opposition of the political representatives of the planters and farmers, the bondholding merchants and bankers began to pressure the state governments to restructure their tax systems to raise sufficient revenue to pay interest and principle. While a number of southern state administrations (Florida, Mississippi and Arkansas) repudiated their debts in the early 1840s as the result of planter and ‘yeoman’ farmer opposition to any increase in land and
property taxes, Michigan was the only northern state government to renounce its financial obligations to the eastern and British merchants and bankers [McGrane, 1935: 6-58, 64–82, 133–9, 143–66; Taylor, 1951: 372–8].

The other state governments sold off any equity held in railroads and canals and attempted unsuccessfully to impose taxes on banks and other corporations to meet interest payments. None of these measures proved adequate, and: ‘Finally most state were forced to lean heavily on general property taxes and, as a consequence, to give some attention to improving the administration of this tax. The older system of collecting a fixed sum an acre or a unit had been gradually abandoned as higher rates led to insistent demands for more refined methods of valuation’ [Taylor, 1951: 376]. Western state governments did not merely increase the number of tax collectors and assessors in the wake of the inflation of land prices in the 1830s, they also sharply raised property tax rates throughout the west to guarantee the payment of interest and principal to mercantile bondholders. In Illinois, property taxes stood at 20¢ per $100 of assessed value in 1841. Faced with growing debts and declining revenues, the Illinois state government raised taxes to 30¢ per $100 in 1841, $1 per $100 in 1845, and $1.50 per $100 in 1848. The 650 per cent rise in the Illinois property tax incidence may have been the most rapid in the west [McGrane, 1935: 114, 122–3]. Ohio’s property tax rates rose 188 per cent in the 1840s, from 12.5¢ per $100 assessed value in 1836 to 17.5¢ per $100 in 1841, to 30¢ per $100 in 1846, to 36¢ per $100 in 1851. The combination of new land assessments at the inflated prices of the late 1830s, the sharply increased tax incidence and the improved administration of collection led to a massive growth in the total amount of tax revenues. The Ohio state government, for example, collected real estate taxes (the bulk of which fell on agricultural land) of $90,292.38 in 1836, $176,490.65 in 1841, $329,821.80 in 1846, and $956,524.22 in 1851, a total increase of 959 per cent [Bogart, 1912: 206–20; Ely, 1888: 134–7].

Increased land prices and property taxes in the late 1830s and early 1840s made the north-western ‘yeomanry’ dependent upon the market for their economic survival. To ensure their continued (and expanded) possession of land, north-western farmers in the 1840s and 1850s had to pay growing mortgages, operating loans and taxes. Rural households could only obtain sufficient cash to meet these obligations through successful competition in the agricultural market place. Two prominent agricultural historians working in the tradition of neo-classical economics have argued:

Once established, most farmers ultimately would face that common dilemma in antebellum American agriculture the difficult choice between independence and self-containment, on one side, and market participation to gain a cash income, on the other … Before the Civil
War, however, our evidence indicates they deliberately sought to produce for the market and to move away from the generalists' life of self-sufficiency toward specialization. *Debts incurred to establish and maintain a farm often forced that choice upon them* [Atack and Bateman, 1987: 271, emphasis added].

Put briefly, the rapid transformation of land into a commodity and rising taxes subordinated the bulk of northwestern rural households to the 'logic of the market' or, in Marxian terms, the law of value.

The transformation of the northwestern farmers from independent household to petty-commodity producers during the two decades before the Civil War did not lead to the visible sharpening of class conflicts that marked this transition to 'commercial' farming the north-east during the last two decades of the eighteenth century. While there is evidence of 'squatters' confronting the representatives of large land companies at public land auctions in the 1840s (most of which ended with land companies lending the settlers the cost of purchasing the land they occupied) [Bogue, 1958; Gates, 1960: 67–8, 72–4], there were no large-scale, insurrectionary uprisings on the order of Shays' or the Whiskey Rebellion. Two factors explain the absence of mass action against land speculators or tax collectors in the 1840s and 1850s. First, the merchants and speculators had consolidated their political power nationally during the Constitutional Settlement of 1787, and had successfully used the new federal army against rebellious independent householders in the 1780s and 1790s. This historically established 'relationship of forces', continually reinforced through the presence of the federal army, land surveyors, land office officials and a growing corps of state government tax collectors, allayed any coordinated attempt to disrupt auctions, harass tax collectors or block foreclosures for failures to pay taxes or mortgages.

Second, the physical pattern of settlement in the Ohio valley and Great Plains mitigated against large-scale collective action on the part of rural households. While rural villages and towns in the New England and mid-Atlantic regions never developed the dense network of self-governing institutions that characterised the medieval western European village, the existence of common lands and streams and the close proximity of rural residences did promote some level of rural solidarity against 'outsiders' — be they land speculators, tax collectors or prospective settlers to be 'warned out'. In contrast, the extremely dispersed settlement patterns in the midwest bore a greater similarity to those of medieval eastern, rather than western Europe. The complete absence of 'public rights' to the use of land and water, and the markedly greater distances between residences in the Ohio valley and Great Plains blunted the ability of rural households to take collective, class action in defense of their independence from the vagaries of the market.19
The development of petty-commodity production in the Ohio valley and Great Plains in the two decades before the Civil War spawned an 'agricultural revolution' – the growth of the size and proportion of output produced as commodities, increasing specialisation in cash crops, rising labour productivity with the introductions of new seeds, fertilisers and improved implements and machinery, and growing social inequalities among rural households. While antebellum farmers in the northwest (like thoroughly commercial farmers today) continued to produce elements of their own subsistence (meat, dairy, eggs, vegetables and some hand tools), they radically reoriented their productive activity toward the production of marketable 'surpluses' during the 1840s and 1850s. Rural households not only increased the size of their commodity output, but shifted the proportions of production for immediate consumption and for sale. By 1860, northwestern farmers were selling approximately 60 per cent of their total yield, well over the 40 per cent that marked the transition from 'subsistence' to 'commercial' agriculture. In other words, these farmers were marketing not only their 'surplus' product but a major proportion of their 'necessary' product, necessitating the purchase of elements of their subsistence, and making them increasingly dependent on the sale of commodities for their economic survival [Atack and Bateman, 1987: 202–4, 208–25; North, 1961: 146–53].

The necessity to compete effectively in order to survive economically compelled farmers throughout the northern US to specialise production in cash crops best adapted to their soil types. Farmers in the Ohio valley and Great Plains found that their soils allowed wheat or corn (used primarily to feed hogs and cattle for market) to be grown at lower costs of production than in the east. Faced with competition from lower cost producers of grain, pork and beef in the west, farmers in the mid-Atlantic and New England regions specialised in market garden crops (peas and beans, fruit, potatoes), dairy products, tobacco and oats (for horses) to sell in the growing urban centres of the northeast. By contrast, dairy and market garden farming in the Midwest were limited to areas adjacent to the burgeoning metropolis of Chicago (northern Illinois and Wisconsin) in the 1850s [Atack and Bateman, 1987: Chs. 9–10; Clark, 1990: 259–309; Danhof, 1969: 144–53].

A final indication of the reallocation of rural labour to commodity production in the Midwest in the last two antebellum decades was the decline of household manufacture of items for family and community consumption. Between 1840 and 1860, per capita household output of such goods as cloth, tools, implements, fencing, packed or processed meat and grain (flour) and the like in the northern US fell from $1.34 to $.36, a drop of 73 per cent. While independent household craft production fell most rapidly in the north-east, from $1.16 per capita in 1840 to $28 per capita in 1860, a drop of 76 per cent; it also declined consistently in the northwest, from $1.11 per capita in 1840 to $39
per capita in 1860, a drop of 65 per cent [Atack and Bateman, 1987: 205; Tyron, 1917: 308–9]. Additional evidence of a growing separation of crafts from agriculture is the drop in the proportion of all improvements to productive capacity made up of agricultural improvements produced with farm materials from over 50 per cent in 1834–43 to only two per cent in 1899–1908 [Gallman, 1966: 24]. In other words, there is evidence that goods (implements, tools and the like) that had been produced in rural households for immediate consumption were being purchased on the market-place in the 1840s and 1850s. In the case of meat packing and farm implements production, their separation from farm households led to the industrialisation of their labour-processes and their relocation in the urban centres of Chicago and Cincinnati [Pudup, 1983: 104–8; Ross, 1985: Chs. 4–5].

Cash crop specialisation under the impact of the ‘market imperative’ allowed for a very rapid and continuous rise in labour productivity in agriculture from the 1840s and 1850s. While economists and historians debate the precise rate of growth of labour productivity (estimates range from 20 per cent to 26 per cent per annum for wheat and from 15 per cent to 2.15 per cent for corn for the period 1840–60 to 1900–1910), there is a general consensus that the rate of growth of productivity in northern US agriculture matched or surpassed other branches of production. The introduction of superior implements and machinery accounts for approximately 50 per cent of the improvements in rural labour productivity, the rest resulting from improved fertilisers, seeds and methods of crop rotation [Atack and Bateman, 1987: 188–94; Danhof, 1969: 251–77; Parker and Klein, 1966: 523–82]. Technical innovation in antebellum northern agriculture tended to be concentrated in the soil preparation-planting and harvesting phases of grain growing, the phases requiring the greatest and most intensive-labour. Before 1840, cast iron plows pulled by oxen prepared the soil and seeds were hand-broadcast in planting. While cast iron plows made deeper and more regular furrows than the wooden plows used in the eighteenth century, improving soil yields, they worked poorly on the hard prairie soils that came under cultivation in the late 1830s and 1840s. The use of the slow working oxen and hand sowing seeds also placed severe limits on the development of yields and labour productivity. Pressures to lower costs in the two decades before the Civil War led to the rapid diffusion of the horse-drawn ‘self-scouring’ steel plough (originally developed by John Deere) and a variety of seed drills, that together improved soil and labour productivity [Danhof, 1969: 142–4, 189–203, 206–17; Gates, 1960: 280–82].

Perhaps the most dramatic improvements in rural labour productivity came with the mechanisation of grain harvesting. Prior to the introduction of the mass-produced McCormick mechanical reaper, the main tool for harvesting wheat and other grains was the wheat cradle, a hand tool. With a cradle, one
person could reap two to three acres per day, with additional labour being expended raking and gathering the cut wheat. The horse-drawn, mechanical reaper combined the tasks of reaping and raking, increasing the acreage a single person could harvest to 12 acres per day, an increase in labour productivity of approximately 75 per cent. Along with the reaper, the mechanical thresher, which separated the wheat from the chaff, also radically reduced the amount of labour needed to prepare grain for the market. The thresher’s cost was usually well beyond the means of all but the most wealthy commercial farmers, promoting the development of independent ‘specialists’ who travelled throughout the Midwest preparing grain for milling [Attack and Bateman, 1987: 194–200; Danhof, 1969: 221–49; David, 1971: 214–27].

The fact that 95 per cent of the farmers adopting the reaper cultivated far less than the 78 acres of wheat that would make the mechanisation of harvesting a cost-efficient decision has led to an extensive debate among economic historians [David 1971; Olmstead, 1975; Fleisig, 1976; Headlee, 1991]. While they weigh the questions of whether the northwestern family farmers were ‘profit’ or ‘utility-maximisers’, most of the participants in the ‘reaper debate’ ignore the realities of market competition and the natural obstacles to capitalist social relations in agriculture. When producers are compelled ‘to sell in order to survive’, competition necessarily produces a variety of conditions of production (and different rates of return) among producers in a given branch of production. Contrary to the neo-classical economists’ idealised world of ‘perfect competition’, the long turnover periods of existing fixed capital in industrial capitalism and the costs of obtaining contiguous land (through purchase or improvement) in agrarian petty-commodity production prevent all producers in a market from rapidly adopting the same technique or scale of production. While the producers with less than the ‘state of the art’ technique and scale of production are faced with eroding market shares and declining revenues, they are able to survive, particularly during periods when the market for their commodity is growing [Botwinick, 1993: 124–33; Shaikh; 1978; 1980].

The 1850s were a period of rapidly rising wheat prices (the results of numerous crop failures in Europe, the Crimean War and the growth of the US urban population) for midwestern farmers. Between 1850 and 1854, real (inflation adjusted) prices for wheat jumped nearly 60 per cent. Despite a sharp price drop after 1855, the real price of wheat remained over $1.50 per bushel through the decade (US Department of Commerce 1975: Series EL23, 209; Series E53, 201). According to Paul Gates [1960: 287], ‘with wheat prices well above the dollar mark from 1853 to 1858, Illinois, Wisconsin, Iowa and Minnesota farmers enjoyed real prosperity and were in a position to buy and pay for reapers‘. Specifically, the high price of wheat allowed those farmers who adopted the reaper at less than the cost-efficient threshold of 78
acres in wheat to pay their mortgages and debts, and to purchase or improve additional land for wheat production. In other words, the growing market for wheat allowed a large number of farmers whose conditions of production were not ‘state of the art’ (reaper and 78 acres in wheat) to survive the competitive battle and possibly achieve a ‘profit maximising’ scale of production.

While the growing wheat market made the diffusion of the reaper by farmers with less than 78 acres in wheat possible, the natural obstacles to capitalist social relations in agriculture made the adoption of the reaper necessary. As Susan Mann [1990: 28–46] has pointed out, the natural features of agriculture prevent the widespread use of wage labour. Specifically, the disjunction between labor time (planting and harvesting) and ‘production time’ (the naturally determined growing season) creates a situation where ‘labor is forced to be idle during the excess of production time over labor time’ which ‘gives rise to serious labor supply and recruitment problems’ [Mann, 1990: 39]. The longer the ‘slack season’ and the shorter the planting and harvest seasons, the greater the problems in securing adequate labor at the necessary times, as potential wage workers migrate to areas where employment is more steady (urban-industrial centres, transportation construction and so on) and farmers compete fiercely for a finite pool of labour during the relatively brief planting and harvest seasons. As a result, farmers, even when compelled ‘to sell in order to survive’, tend to avoid the use of wage labour.

The disjunction between labour and production time is particularly conspicuous in wheat cultivation. Wheat has one of the longest growing (‘slack’) seasons of any crop, averaging 40–44 weeks for midwestern winter wheat. Most of the labour requirements in wheat planting and harvesting are concentrated in a ten to twelve week period, September for planting and July for harvesting [Mann, 1990: 56–8]. The harvesting period for wheat is especially short. According to Gates [1960: 287], ‘wheat, when ripe, could not stand for long before it began to shed its grain, it had to be harvested at the right time or the loss would be heavy’. This two-week ‘window of opportunity’ made the extensive use of wage labour extremely risky. In late August, all of the farmers in a location would compete for the available pool of labour power in order to bring in their harvest before the grain was spoiled, and the major source of cash to pay mortgages and debts and to buy or clear additional land disappeared.

By 1860, the Ohio valley and Great Plains was no longer, if they had ever been, an egalitarian utopia of small producers. Wealth (land, structures, implements, and so on) was much more equitably distributed among rural petty-producers in the north than between planters, slaves and slaveless farmers in the south or industrialists, merchants, professionals and wage workers in the northern urban-industrial centres. However, there was considerable social differentiation among the northern agricultural population, with five per cent
of the northern rural households commanding 31 per cent of the wealth. Wealth distribution tended to follow age. Older farmers’ accumulation of wealth under independent household production gave them superior access to the credit needed to purchase the best located and more fertile lands, seeds, draft animals, tools and machinery. While a prosperous agricultural petty-bourgeoisie was able to appropriate a disproportionate share of land and tools, a growing portion of the rural population found themselves without access (through either purchase or rental) to adequate land to survive. Slightly over one in four inhabitants of the northern countryside (541,719 of 2,056,286) were farm labourers in 1860. Although wage-labour never became the main source of labor for northern agriculture (there was no transition from petty-commodity to capitalist production), competition among rural households spawned a class of property less class of rural wage earners. Simultaneously, the rising cost of establishing a farm during the two decades before the Civil War effectively eliminated the possibility of even the most well paid and thrifty urban worker escaping wage labour settling on the land [Attack and Bateman, 1987: Ch. 6; Danhof, 1941; Danhof, 1970: 219–27; Gates, 1960: 272–9].

Our explanation of the transition from ‘subsistence’ to ‘commercial’ household-based agriculture in the northern US, with its emphasis on social-property relations and the role of class conflict in their transformation, should shed some analytic light on important economic and political developments in the antebellum US. The pace and pattern of industrial development in the US is directly linked to the transformation of northern family farming. While there continues to be considerable disagreement among economic historians about the precise rate of growth during the antebellum period, there is some consensus that the two decades before the Civil War saw accelerated growth in general, and quickened growth of industry in particular [David, 1967; Gallman, 1972; North, 1961: Chs. VII, IX, XII, XV]. The most enduring explanation of the timing of the US industrial revolution remains that of Douglas North. While the expansion of cotton exports from the plantation south fueled economic growth in the 1820s and 1830s:

... a major consequence of the expansive period of the 1830’s was the creation of conditions that made possible industrialization in the Northeast. Transport facilities developed to connect the East and West more efficiently; a new market for western staples developed in the rapidly industrializing East and, sporadically, in Europe. The dependence of both the Northeast and the West on the South waned [North, 1961: 69–701].

Albert Fishlow’s research revealed important empirical flaws in North’s
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claims that the completion of transportation infrastructure (canal and railroad system) during the 1830s shifted inter-regional trade from a west–south to west–east flow, sparking rapid industrial growth in the 1840s and 1850s. Fishlow [1965a: Chs III–IV; 1965b: 187–200] demonstrated first, that the bulk of western foodstuffs marketed during the 1820s and 1830s were destined for eastern urban markets; and second, that investments in railroads and other transportation facilities tended to follow, rather than lead to increased commodity production in agriculture. In other words, North’s thesis that the timing of industrialisation in the US resulted from changes in the direction of commodity circulation resulting from improved transportation facilities is untenable.

Our analysis of the transformation of northern agriculture provides a quite different explanation for the increased pace of industrialisation during the 1840s and 1850s. The subjugation of western family farmers to market competition created a massive and growing home market for industrial capitalist produced means of consumption and production. As family farmers specialised in the production of agricultural goods, they were compelled to purchase a wide variety of consumer goods they previously produced for themselves or obtained through ‘neighbourly exchange.’ Similarly, as rural households sought to reduce production costs through technical innovation, they sought to purchase ‘cutting edge’ machinery, tools and the like, rather than make these implements themselves or procure them from local blacksmiths.

The impact of the transformation of the rural class structure on industrialisation in the 1840s and 1850s can be seen directly in the growth of an ‘agro-industrial’ complex in US industry. The industries producing farm-machinery, tools and supplies, and processing agricultural raw materials (meat packing, leather tanning, canning, flour milling, baking and so on) were at the centre of the US industrial revolution. Farm implement and machine production alone made up 19.4 per cent of all machine production in 1860, rising to 25.5 per cent in 1870 [US Department of Commerce, 1865: clxxvii, ccxvi; 1872: 588–9, 614–15]. Further, these industries experienced important development in their labour-processes (for example, mechanisation of flour milling, the development of the first ‘disassembly’ line in meat packing, and the use of standardised parts in the construction of reapers) and stimulated technical transformations in other crucial industries [Headlee, 1991: 28–38; Post, 1983: 121–6; Pudup, 1983]. For example, the formation of the ‘agro-industrial complex’ spurred technological innovation in the antebellum iron industry. Specialised industrial producers (who needed lower quality and less versatile iron) replaced rural blacksmiths and farmers (who needed high quality and versatile iron to produce a wide variety of products) as the main consumers of iron, providing the impetus for the centralisation of iron production and the

The transition from independent household to petty commodity production in northern agriculture after the 1930s also illuminates the social basis of key political and ideological developments in the antebellum period. Merrill's [1977: 65–6] contention that an analysis of household based production's structure and dynamics is essential to understanding both the ambiguities of republican ideology and the origins of the radical social movements of the Jacksonian period is correct. Clearly, republicanism's simultaneous embrace of absolute equality and the subordination of women, African-American slaves and (by the mid-nineteenth century) wage workers flows from the 'lived experience' of married, adult male property owners who faced one another as equals in the market-place, but commanded the labor of juvenile and female members of their household. Merrill is also quite correct when he argues that 'anti-bankism, Fourierist socialism, Mormonism and Land Reforms all were specific, distorted but energetic attempts to ward off the impending eclipse of the household mode', in the 1830s and 1840s. However, an understanding of the role of land speculation in destroying independent household production reveals the contradictions in the 'self-sufficient' farmers and artisans' attempt to preserve their autonomy from the market by embracing the Democratic Party and its opposition to the Second Bank of the United States. The Democratic Party was not the party of the 'common man' committed to a 'hard money' policy that would limit price inflation and speculation. Instead, the very western land and currency speculators who were undermining 'subsistence' agriculture in the west dominated the Democratic Party, and the abolition of the central bank promoted 'wildcat' banking, plentiful credit and paper money and the largest wave of land, currency and commodity speculation in the history of the US [Hammond, 1957: 233–8, 306–56].

Finally, the transition to commercial family farming in the Ohio valley and Great Plains in the 1840s and 1850s helps untangle much of the confusion concerning the social origins and timing of the US Civil War. Since the Beards' [1927: Chas. XIV, XV, XVII, XVIII] thesis was discredited in the 1940s and 1950s [Foner, 1941; Sharkey, 1958; Unger, 1964], US historians have not produced a convincing explanation of the causes of the US Civil War. The 'revisionist' historians [Craven, 1966; Holt, 1978; Randall and Donald, 1961] have trivialised the roots of the conflict, claiming it was the result of political demagoguery and paranoia in both sections. Marxian historians like Foner [1980] and Genovese [1967] have demonstrated the incompatibility of plantation slavery and industrial capitalist development, restoring a social basis to the conflict over 'slavery expansion'. However, the existing Marxian historiography does not explain why this issue became explosive and
irreconcilable in the 1840s and 1850s, but not before. Foner and Genovese tend to posit an immanent conflict between industrial capitalism and plantation slavery throughout the antebellum period, with the development of ‘mass politics’ (universal white male suffrage, development of modern political parties) in the 1830s actualising this conflict in the 1840s and 1850s.

The social origins and historical timing of the political crisis that culminated in the Civil War can be located in the transformation of plantation slavery from a spur into an obstacle to the development of capitalism in the US, as the result of the transition from independent household to petty commodity production in the northwest in the late 1830s and early 1840s. As long as the activities of mercantile capitalists (merchants, bankers and speculators), rather than those of industrial capitalists [Marx, 1981: Ch. 20; Fox-Genovese and Genovese, 1983: 3–25], were the main stimulus to the expansion of commodity production and circulation, plantation slavery’s commercial character was a spur to the development of capitalism. Merchants in New York facilitated the trade of slave produced cotton with Europe, accumulating considerable mercantile wealth. Even more importantly, cotton, as the major export of the antebellum US, created a favourable balance of trade and sound international credit for US merchants and bankers. The expansion of commercial slavery provided the basis for the geographic expansion of mercantile operations – most importantly land speculation – and for obtaining foreign capital to finance the construction of canals and railroads in the 1830s [North, 1956].

The fruit of mercantile enterprise in the west in the 1830s was the subordination of family farming to ‘market discipline’ in the 1840s and 1850s. The ‘commercialisation’ of household based agriculture in the Ohio valley and Great Plains created a growing home market for industrially produced capital and consumer goods, and provided the conditions for the domination of industrial capital over merchant capital. As industrial capitalism expanded rapidly in the two decades before the Civil War, plantation slavery’s non-capitalist class structure became an obstacle to the development of capitalism in the US. On the one hand, the master–slave relation of production prevented the use of new, labour-saving machinery and implements, limiting the market for factory produced capital goods. On the other, the attempt of slaveowners to make their plantations ‘self-sufficient’ in food stuffs, cloth and other items, limited the market for factory produced consumer goods. Together with the dominance of independent household production in the non-plantation districts, plantation slavery restricted the depth of the home market and made the south the least industrialised region in the antebellum US [Genovese, 1967; Gallman, 1970; Hahn, 1983: Part I; Parker, 1970]. The geographic expansion of plantation slavery, an unavoidable feature of this social property relation, into the west would have stifled the development of agrarian petty commodity
production and the home market for industrial capitalism in the 1840s and 1850s. The emergence of the conflict between the requirements of the development of plantation slavery and of industrial capitalism made the question of the future class structure of the west (slavery or capitalism and petty commodity production) the central and unresolvable political issue of the 1840s and 1850s. Ultimately, a bloody four-year Civil War decided the issue, securing the conditions for the rapid expansion of industrial capitalism in the 'Gilded Age' [Post, 19831].

NOTES

1. Garret [1978: Ch. 4] presents evidence that plantation slavery did not produce technical stagnation, but a highly episodic process of technical change. Gallman [1970: 2–24] presents evidence that plantations, especially the largest ones, were able to use slave labour to produce corn and livestock for consumption. For Marxian criticism of Genovese's concept of slavery, see Hindess and Hirst [1975: 148–56] and Post [1982: 33–5].


4. Pruitt [1984] provides considerable evidence of the non-commodity/non-commercial character of exchange among farm households in the eighteenth century, despite her criticisms of Clark, Henretta and Merrill. Her claim 'that there was an operative grain market within the communities of Massachusetts' [352] is based on reports of the exchange of grain for labour services, manufactured goods and cash in farmers' account books. However, the data she cites demonstrate quite the opposite: debts based on the exchange of grain for other goods or services often ran on for years, without interest, were often forgiven and never regularly settled [351–4]. Merrill [1986: Chs. 2 and 4] discusses the importance of interest free, irregularly settled debts as an indicator of non-commercial exchange.

5. Merrill [1986: 27] labels these mechanisms 'the law of value.' Unfortunately, the use of the concept 'law of value' for all forms of socio-economic coordination tends to deprive the concept of its specificity as the mechanism for the coordination of labour and means of production in capitalism and petty-commodity production. Mandel [1970b: 560–72] criticises attempts to apply the 'law of value' to the post-capitalist bureaucratic command economy of the ex-USSR.

6. While many of Merrill's indices (particularly, long-term, interest-free debts that are settled irregularly) are quite appropriate for distinguishing commercial and non-commercial forms of household production, his rejection of Rothenberg's use of price convergence as an index of 'market embeddedness' is not persuasive. Merrill [1986: 135–8] cites Marshall Sahlin's findings of price convergence in various areas of the south-west Pacific (New Guinea and Australia) in the 1940s where market competition clearly did not exist. This comparison is very problematic. The areas studied are much smaller and much less densely populated than nineteenth-century New England. As a result, it would be much more difficult for tradition
and custom to produce price convergence in antebellum New England than in the south-west Pacific.

7. Several of Merrill’s critics have also pointed to how his theory of the ‘household mode of production’ tends to privilege relations of exchange over social property relations. Clark [1978: 166–71] argued that Merrill underestimated the degree of social inequality in the northern countryside in the late eighteenth and early nineteenth century and the existence of gender and generational conflicts within the household as a result. Wessman [1979–80: 129–39] makes a similar criticism.

8. This does not imply that independent household production did not have its own ‘dynamic.’ In the absence of unoccupied or relatively inexpensive land, ‘subsistence-surplus’ agriculture tended toward stagnant labour productivity, parcelisation of land holding and demographic crisis. This pattern was evident in western European agriculture generally, and French agriculture specifically, in the sixteenth and seventeenth centuries. Only English agriculture, where capitalist social-property relations had become dominant, escaped this cycle. [Hobsbawm, 1967: 5–62; Brenner, 1985a: 54–63; 1985b: 284–319].

Independent household production in the northern US was able to avoid this cycle because of the availability of unoccupied land, that could come into possession of households at relatively low costs. When ‘free’ or ‘cheap’ land disappeared, in the north-east in the 1790s and in the north-west in the 1830s and 1840s, it was under conditions that compelled the rural household producers to transform themselves into petty-commodity producers.[Post, 1982: 38–42].


10. Merrill’s claims about the post-collectivisation Soviet and antebellum Southern US economies are highly questionable. Clearly, labour productivity in the Soviet Union rose from the 1930s through the mid-1950s. However, this increase in output per work-hour was on the basis of ‘extensive’ industrialisation — the multiplication of production units and the proportional increase in the size of the labour force (mostly through the transfer of former peasants from low productivity agriculture to industry) — rather than ‘intensive’ industrialisation — the introduction of new and more efficient means of production. Governed neither by the ‘logic of the market’ nor the democratic decisions of the producers, the bureaucratic command economy in the USSR began to experience stagnating and declining labour productivity from the late 1950s. This economic stagnation ultimately undermined the bureaucratic regime, resulting in perestroika, glasnost and the eventual collapse of the USSR [Nove, 1989: Chs. 7–14; Mandel, 1991; Singer, 1981: 61–156].

Merrill’s claims about the slave south are equally unconvincing. Merrill’s case for the development of labour productivity under plantation slavery rests on Robert Fogel and Stanley Engerman’s Time on the Cross: the Economics of American Negro Slavery [1974]. Fogel and Engerman do present data on increased labour productivity among the slaves during the nineteenth century. However, these increases are the result of either intensifying of the slaves’ labour (increasing the amount of work the slave is expected to perform in a given period of time) or of moving production to newer and more fertile soils, not the introduction of new, labour-saving implements and methods [Foust and Swan, 1970: 44–5; Wright, 1978: 90–106, 176–84].


notion that commodity circulation has an inherent tendency to undermine non-capitalist forms of production.

15. In a later collection of essays, Kulikoff [1992: 43–7, 147–51, 211–17] does recognise that land speculation undermined the 'easy availability of inexpensive land' necessary to the preservation of 'yeoman' or independent household production. However, the main thrust of Kulikoff’s arguments remains the transformation of northern agriculture as the result of industrialisation and the growth of urban markets.


20. For our purposes, the north-west included Illinois, Indiana, Iowa, Michigan, Ohio and Wisconsin; and the north-west included Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont.

21. Merrill is mistaken when he links republican ideology, with all of its contradictions, to 'self-sufficient' household production. Foner [1970: Ch. 1] presents considerable evidence that 'commercial' family farmers and artisans (petty-commodity producers) found radical republicanism an adequate 'mental road map' for their lived experience.

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