During the American Revolution and the U.S. Civil War, both the colonists and the Confederates unleashed the printing presses to finance their struggle for independence. Lacking a dependable supply of specie and tax revenue, the new nations flooded their respective economies with paper money, thereby creating an inflationary spiral that ruined the fortunes of many ordinary civilians. The reliance on vast emissions of paper money—and the disastrous inflation that it spawned—reflected the general economic similarities between the colonists and the Confederacy. Both depended on the export of agricultural goods to international markets, and both depended upon other nations (especially the ones they were rebelling against) for manufactured goods. Fearful of a growing dependence upon distant metropolitan centers, both the colonists and the Confederates believed that taxation and regulations emanating from political outsiders threatened future prosperity and fundamental political liberties. Confederate secessionists, eager to justify their cause, readily highlighted these parallels. In 1861, the South Carolina secession convention asserted that “the Government of the United States has become a consolidated Government, and the people of the Southern States are compelled to meet the very despotism their fathers threw off in the Revolution of 1776.” Southerners were taxed “exactly as the people of Great Britain taxed our ancestors in the British Parliament for their benefit,” while northern anti-slavery fanaticism clearly
showed that northerners could not be “safe associates of the slaveholding South, under a common government.”

The South Carolina convention, of course, ignored the vast differences between the colonists and the Confederacy. The paper currency of each nation quite literally symbolized these differences. Continental currency carried Latin mottos and naturalistic images that emphasized courage and perseverance. The four dollar bill, issued by the Continental Congress in 1788, shows a wild boar charging into a spear. The inscription reads AUT MORS AUT VITA DECORA—“Either Death or an Honorable Life.” The $70 note, showing a tree standing alone, carried the inscription VIM PROCELLARUM QUADRENNIUM SUSTINUIT (“For four years it has withstood the force of the storm”). The naturalistic images reinforced the agrarian character of the colonies, a motif made more explicit on the $35 note, which showed a plough in a field. The note’s HING OPES (“Our Wealth”) expressed how colonial Patriots understanding that their new nation’s economy would revolve around agriculture. Confederate notes, on the other hand, often highlighted images of a slave either working in a cotton field or loading cotton bales on to a waiting ship, a not so-subtle connection between slavery and “King Cotton.” Confederate currency replaced the agrarian naturalism of the colonial notes with an idealized vision of a modern slavery economy. The Confederate $100 bill, for example, featured a locomotive speeding through the countryside, while in the background steamships ply the ocean and telegraph lines follow the railroad.

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1 “The Address to the South,” Charleston Mercury (December 25, 1860).
The images on paper currency speak to the ways in which the colonists and the Confederates thought about their respective economic futures. In this paper, I seek to demonstrate how colonists and Confederates conceptualized the relationship between economic nationalism and political independence. Economic nationalism is usually defined as a series of policies (such as high tariffs and subsidies to manufacturers) that seek to modernize an economy by penalizing “outsiders.” This traditional notion of economic nationalism certainly played a role in the American Revolution and the U.S. Civil War. I attempt to recast economic nationalism, however, to see it not so much as a series of specific economic policies, but as a more generalized concept in which independence movements create “imagined economies” that articulate a possible economic future. Both colonists and Confederates had to answer a series of economic questions to make a persuasive case for independence. How would the new nation trade with other countries, especially the former “mother” nation? Would the new nation remain agricultural, or would they seek to foster cities and manufacturing? What role would the state play in fostering economic development? In the heated debate over rebellion and independence, colonists and Confederates alike answered these questions in speeches, pamphlets, and editorials. In the discourses of independence, visualizing an imagined economy became an essential part of creating an imagined community.

The colonists put forward a relatively conservative economic vision in which independence would reinforce its role as a commodity producer in the Atlantic economy. During the decade leading up to the Revolutionary War, most colonists readily accepted

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an economic role within the British Empire as a producer of commodities and a consumer of manufactured goods. When the colonies declared themselves independent, they invoked natural rights ideology to justify free trade with other nations. Free trade, however, was designed to reinforce international exports of staple crops rather than revolutionize the American economy. Confederate secessionists viewed political independence much differently—they saw it as an opportunity to create a more modern economy. Secessionists often celebrated free trade, believing that such policies would divert capital and trade to the South so that cities such as Norfolk, Charleston, Savannah, and other southern cities would become the continent’s great commercial centers. Other secessionists stressed that even a modest Confederate tariff would penalize northern goods (now suddenly classified as “foreign trade”) to increase the speed of southern industrialization. A more modern economy, Confederates secessionist argued, would strengthen the long-term survival of slavery. The result was a profound irony: the natural rights ideology of the American Revolution created a relatively conservative economic vision, while pro-slavery secessionists embraced dramatic economic change.

The comparison of the economic imagination of the colonial patriots and Confederate secessionists helps clarify the historiographical interpretation of these two independence movements. Stressing the advent of a liberal political and economic order, Gordon Wood has stressed the “radicalism” of the American Revolution. Wood is correct in that the move toward independence led patriots to adopt a cosmopolitan free-trade outlook that broke decisively with British mercantilism. Colonial patriots, however, believed that free trade would recreate an economy based on the export of agricultural commodities and the importation of manufactures—essentially the same economic

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structure of the colonial period. Confederate secessionists, on the other hand, rejected the major tenets of liberalism (including free-trade cosmopolitanism) and made slavery the foundation of their nation. In this regard, I agree with James McPherson and Manisha Sinha that the Confederacy represented a “counterrevolution” against the currents of nineteenth-century liberalism. To buttress slavery and other elements of their counterrevolution, Confederate secessionists tried to selectively embrace elements of modernity—prosperous cities, growing industry, new technologies—that would dramatically change the southern economy. The very fact that slavery provided social and political stability, secessionists believed, would allow the Confederacy to modernize their economy with minimal disruption to the fabric of southern society.

**Economic Dependence and the Revolutionary Spirit**

The fundamental economic similarities of the thirteen colonies and the Confederacy—prosperous, staple-growing areas tied to Atlantic markets—helped create similar political anxieties. Relative to most of the world, the colonies and the Confederacy enjoyed an enviably high standard of living for their white population. Agriculture created most of that prosperity, with the colonies producing grains, livestock products timber, and tobacco for European markets, and the Confederacy supplying much of the world’s cotton. Overwhelmingly agrarian, the colonists and the Confederates still participated in increasingly commercial economies strongly tied to international markets. In their fundamental acceptance of international markets, both the colonies and the Confederacy were commercial societies. Historians have heatedly debated whether these

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commercial societies were “capitalists” or some variety of “non-capitalists.” These complex debates often revolve on whether individual scholars define capitalism as production for market, a system of wage labor, or a political system devoted to the interests of high finance and manufacturing. Leaving aside these semantic distinctions, the empirical evidence indicates that farmers and planters in both economies embraced increasingly efficient markets. Farmers in revolutionary Massachusetts, for example, increasingly marketed their surpluses over longer distances, and invested some of their profits in stocks and bonds, while antebellum farmers and planters used banks and railroads to finance and market sell their staple crops.

A general sense of prosperity, however, did not necessarily calm anxieties about the future. Farmers and planters in each economy needed more land for future generations. The need for land created an expansionistic dynamic that led to political conflict. British officials feared that the western movement of colonists across the Appalachians would significantly raise the cost of imperial administration; northern republicans feared that the extension of slavery would circumscribe the north’s free labor economy. The tensions over territorial expansion—in which both colonists and Confederates needed the permission of outsiders to expand—indicates that participation in commodity and credit markets produced a broader set of fears regarding dependence. Historians of both independence movements, in fact, link the anxieties associated with growing commercialization to the fears that outsiders controlled key political and

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7 For a summary of these complex debates, see Allan Kulikoff, “Households and Markets: Toward a New Synthesis of American Agrarian History,” The William and Mary Quarterly, 3rd Ser., Vol. 50 (April 1993), 342-355.

economic institutions. “The colonists were already buffeted by a world of unstoppable social and economic change,” writes Robert A. Gross in his classic account of revolutionary Concord. “Now with the passage of the Intolerable Acts, they were losing control of their political lives as well.”9 Historians of the southern colonies tell a similar story: Price swings in international tobacco markets led Virginia’s planters to become increasingly indebted to British merchants and factors to pay for additional land, slaves, and consumer goods. Virginian planters who suffered the humiliation, anxiety, and dependence of indebtedness readily understood how British commercial policies could “enslave” the colonies. Debt, after all, had already curtailed the cherished independence of many a Virginian gentleman.10

In their broadest form, these accounts of economic dependence and political outrage are not so different from Lacy K. Ford’s analysis of antebellum South Carolina, where the growth of banks, railroads, and debt created a sense of economic insecurity. That insecurity heightened political sensitivity to outsiders such as Yankee abolitionists, who threatened to undermine slavery and a southern way of life.11 Secessionists—as part of a long southern tradition that stressed the region’s dependency upon the North—regularly linked their region’s economic anxieties to northern political control. South Carolina extremist George McDuffie, for example, argued that a national tariff of 40 percent tariff cost southern planters forty out of every hundred bales of cotton.12 Other extremists asserted that the federal government spent most of its revenues (which, they

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claimed, originated mostly from the South) in the North. Federal expenditures on internal improvements, fisheries, and lighthouses served to concentrate capital in the North, thus giving northern mercantile centers an unfair advantage over their southern competitors. The control that northern commercial centers exerted over the southern economy, secessionists claimed, reduced the South to colonial status. According to South Carolina secessionist John Townsend, "We are the taxpayers; whilst they are the tax receivers and the tax spenders," a state of affairs that made the southern states nothing more than "tributary colonies" of the North.¹³

The focus on the economic anxieties and political dependence helps explain why these two independence movements focused much of their anger on economic policies even though they enjoyed remarkable economic prosperity (at least from the standpoint of whites). Viewed from a distance, neither the colonists nor southerners really had much to complain about. British taxation hardly threatened to grind the colonists down to abject poverty. Even with the tax increases the British sought to impose in the 1760s, per capita taxation in the colonies was far lower than in Britain and elsewhere in Europe.¹⁴ By the same token, southern secessionists complained loudly about the tariff and restrictions on slavery. If secessionists really feared that future Republican administrations would soon enact crushing burdens on their slave property (either through taxation or regulation), then why did slave prices rise so dramatically in the 1850s—the very decade that anti-slavery Republicans grew into a national political

¹⁴ The tax burden of the colonists in 1765 was about 3 percent of what the average British citizen to the central government, although adding the costs of the Navigation Acts and other imperial regulations raised the effective tax rate to about 35 percent of the British average. These figures assume that the incidence of taxation was evenly distributed when, in fact, merchants and tobacco planters (the two groups who suffered most from the Navigation Acts) would pay far more. See Joseph D. Reid, Jr., “Economic Burden: Spark to the American Revolution?” The Journal of Economic History vol. 38, No. 1, (Mar., 1978), pp. 81-100.
Confederate and colonial anxieties about their dependence on market relations help explain why these two prosperous societies (at least from the standpoint of many whites) made economic policy a centerpiece of their movements. Participation in commercial society taught both colonial and secessionists to fear “outsiders” who could control their political fate.

The intense economic anxiety running through the colonial and Confederate independence movements often expressed itself in conspiratorial terms. Both saw a massive conspiracy seeking to enslave each group. Referring to the Stamp Act, John Dickenson warned that “Some persons may imagine the sums to be raised by it, are but small, and therefore may be inclined to acquiesce under it.” The problem, of course, that the Stamp Act created a “PRECEDENT” that would allow Parliament to raise taxes whenever they wanted, inevitably resulting in a long train of abuses that would end in despotism. “Those who are taxed without their consent, expressed by themselves or their representatives are slaves,” Dickenson warned. Parliamentary taxation became part of a broader conspiracy designed to subvert the liberties of the colonists. Adams, in his Dissertation on the Cannon and Feudal Law, aptly summarized the situation: “There seems to be a direct and formal design on foot, to enslave all America. This, however, must be done by degrees.” When Parliament refused to back down and attempted to tighten its regulatory control over the colonies, its actions only served to reaffirm the conspiracy that the patriots had long feared.

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In similar fashion, secessionists believed that high tariffs and other forms of commercial control were part of a plot to end slavery. South Carolinians especially saw their crusade against high tariffs as part of their wider effort to stem abolitionism and anti-slavery agitation. The South Carolina legislature summarized the relationship between tariffs and slavery in the title of an 1844 resolution “Regarding Abolition, the Tariff, and Other Issues Threatening the South.” In the 1850s, the tariff receded in relative importance and slavery itself became the central issue of national politics. Secessionists interpreted the efforts of northerners to stop the spread of slavery as evidence of a wider abolitionist conspiracy. That most northerners (even Republicans) had no desire to abolish slavery did little to dissuade secessionists from their conspiratorial theories. Thus the election of Abraham Lincoln, prophesized Alabamian Stephen F. Hale, “destroys the property of the South, lays waste her fields, and inaugurates all the horrors of a San Domingo servile insurrection, consigning her citizens to assassinations and her wives and daughters to pollution and violation to gratify the lust of half-civilized Africans.”

The rhetoric focusing on economic dependence and outside control—whether expressed in the 1770s or the 1850s—contained a crucial ambiguity. Did such language represent a backlash against economic modernization as a general process, or was the anger more focused on specific policies supported by perceived outsiders? The colonists and the Confederates could easily have promoted a backwards-looking vision of semi-

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18 “Resolutions Requesting the Governor to Communicate with Other Southern States Regarding the Abolition, the Tariff, and Other Issues Threatening the South,” South Carolina Department of Archives and Manuscripts, S165018, Item 00030, (1844). For more on the “Tariffs and the Indirect Defense of Slavery,” see Freehling, Prelude to Civil War, 99-133.
subsistence agriculture far less reliant on production for international markets. Each independence movement, in fact, selectively used anti-commerce rhetoric for its own ends to stress its republican virtue. Colonists and Confederates alike wore homespun dress, denounced the corruption of luxury goods, celebrated the virtue of tillers of the soil, and railed against speculators and price gougers. Yet for all the anti-commercial rhetoric that each movement generated, the economic visions included economic development through participation in world markets. If the growth of markets generated considerable anxiety, it also generated prosperity and progress that neither movement wanted to forego. What each independence movement offered, in fact, was a continuation (and possibly an acceleration) of commercial prosperity with the promise of a greater control. Residents of eighteenth-century rural Massachusetts or nineteenth-century upcountry South Carolina could more easily stomach the economic dependence inherent in commercial society if they controlled their own political destiny.

**American Independence: The Free Trade Vision**

While both colonial patriots and Confederate secessionists feared the combination of economic and political dependence, the colonists faced a far more intrusive regulatory regime. Confederate secessionists complained incessantly about the federal tariff, but southern citizens nevertheless possessed the legal right to manufacture goods and trade commodities in national and international markets. Even the tariff itself was declining in economic importance, as Congress passed significant reductions in 1846 and 1857.20

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British regulations exerted a far greater impact on colonial trade. The Navigation Acts, enacted in 1651, required that colonists send their most valuable exports (most especially tobacco) directly to Great Britain, where British merchants and officials took a cut of the profits before selling the commodities in domestic or European markets. Imperial regulations also outlawed colonial manufactures that might compete directly with British goods. Noting that colonists could not produce their own hats, nails, and steel despite abundant supplies of raw materials, Benjamin Franklin complained that “the interest of any small body of British tradesmen or artificers, has been found … to outweigh that of all the King’s subjects in the colonies.” New Parliamentary taxes—including the Stamp Act (1765) and the Townsend Duties (1767)—not only promised to extract more revenues from the colonies, but also they tightened the screws of existing commercial regulations. New courts, inspectors, and governors (all appointed and paid by British administrators) would clamp down on notoriously widespread smuggling in the colonies. For southern secessionists, the term “colonial” was rhetorical metaphor; for the revolutionary patriots, it was economic reality.

The responses to their respective regulatory regimes were quite different. Secessionists viewed the relatively mild infringements of the tariff as worthy of new constitutional doctrines such as nullification. Colonial patriots, despite the more extensive regulations, generally accepted their position within the British Empire. However much colonists might complain about imperial mercantile restrictions, many of the most radical Whig writers conceded the right of parliament to regulate the external

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trade of the colonies. The colonists, on the other hand, possessed the exclusive right to levy internal taxes. John Dickenson, who popularized the dichotomy between external regulations vs. internal taxes, flatly declared in 1767 that “The parliament unquestionably possesses a legal authority to regulate the trade of Great Britain, and all of her colonies. Such an authority is essential to the relation between a mother country and her colonies; and is necessary for the common good of all.” Few Whigs questioned this line of reasoning. When “Massachusettensis” criticized colonial patriots for fostering a spirit of “independence,” John Adams responded in 1774 that “the equity and necessity of parliament’s regulating trade has always been acknowledged.” Accepting external regulations strengthened the case against internal taxes. According to Adams, the British trading monopoly forced colonists to pay higher prices for imports. “We submit to this cheerfully; but insist that that we ought to have credit for it in the account of the expenses of the empire, because it is really a tax against us.” In the same fashion, Alexander Hamilton readily admitted in 1775 that “Great Britain has the right to regulate the trade of the empire.” But if such regulations gave Britain “the principle profit” of the American trade, then why did the British need to extract more in the way of taxes?

From the standpoint of economic nationalism, the colonial acceptance of British trading regulations and the corresponding critique of internal taxes created a somewhat

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23 Dickenson, “Letters from a Farmer in Pennsylvania,” 7. Tobacco planters in Virginia disliked the Navigations Acts because it created a monopoly for British merchants. But as Woody Holton has argued, colonists could hardly afford to alienate these merchants if they hoped to have Parliament repeal the Stamp Act and other British taxes. Virginia planters thus publicly supported the Navigation Acts. See Holton, Forced Founders, 39-60.


contradictory message. The colonists saw themselves the Atlas of the British economy, whose purchases of manufactured goods supported the entire imperial regime. If the British taxed the colonists, the resulting loss of income and inevitable economic slowdown would mean a smaller market for British manufacturers. British policies would force colonists to produce their own manufactured goods, much to the detriment of the British economy. James Otis, for example, wrote in 1765 that “Manufacturers we must go into if our trade is cut off; our country is too cold to go naked in, and we shall soon be unable to make returns to England even for necessities.”

If the British persisted in taxing the colonists, then colonists could exploit British dependence on colonial markets via boycotts and embargoes. As Alexander Hamilton put it in 1775, “If our trade be necessary to the welfare of Great Britain, she must, of course, be ruined by a discontinuance of it.” Yet even as the colonists took pride in their growing economic importance—and implicitly highlighted America’s long-term economic potential—the continued acknowledgement of Parliament’s right to regulate trade limited the economic imagination of the Whigs. Could the colonists develop their own independent economy after so long asserting their fidelity and loyalty to British mercantilism?

As the British-American relations continued to unravel in the 1770s, some Whig writers offered a more thorough critique of the imperial system. In The Rights of British America (1774), Thomas Jefferson defined free trade “as of natural right” that British mercantile restrictions had violated. Far from accepting the British mercantile system, Jefferson bemoaned how “the rights of free commerce fell once more a victim to arbitrary

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power.”28 Restrictions on the manufacturers of hats, Jefferson declared, was “an instance of despotism to which no parallel can be produced in the most arbitrary ages of British history.” Jefferson did not make the case for outright independence; “It is neither our wish, nor our interest,” he observed, “to separate from her.” Jefferson, though, explicitly called for free trade, or at least a freer trade: “But let them [the British] not think to exclude us from going to other markets to dispose of those commodities which they cannot use, or to supply those wants which they cannot supply.”29 Commercial freedom, as well as freedom from internal taxes, was clearly part of Jefferson’s agenda.

As the most radical and powerful argument on behalf of independence, Thomas Paine’s Common Sense took Jefferson’s sentiments and turned them into full-fledge vision of a truly independent American economy. Common Sense, of course, is best remembered for its acerbic attacks on monarchy and its soaring rhetoric in defense of liberty. Yet is also a document of political economy. As the most popular exponent of American independence, Paine needed to make an economic as well as political case for independence. Paine’s first line of argument was a critique of the colonial status quo. Without American representation in Parliament, British interests would always supercede American interests. “England consults the good of this country, no farther than it answers to her own purpose.” As America grew increasingly powerful, the British would try to suppress its growth to prevent economic rivalries. The increasingly bitter relationship between Britain and America—the two nations, after all, had already been at war from months—would undermine the growth of the new nation. “Emigrants of


29 Jefferson, A Summary View of the Rights of British America, 109, 121.
property will not chose to come to a country whose form of government hangs but by a thread, and who is every day tottering on the brink of commotion and disturbance; and numbers of the present inhabitants would . . . quite the continent.”

Far from producing stability, remaining within the British Empire would undermine the rule of law. In focusing on economic stability, Paine turned Tory arguments on their head—the King sowed confusion, not order.

Paine also put forward a far more positive economic case for independence. Once free of British rule, America’s commerce would flourish as Europeans continued to purchase agricultural commodities. “The commerce by which she hath enriched herself [America] are the necessaries of life, and will always have a market while eating is the custom of Europe.”

Echoing earlier arguments about the importance of American markets for manufactured goods, Paine asserted that a free trade regime could help protect America from outside attack. “Our plan is commerce, and that, well attended to, will secure us the peace and friendship of all Europe; because it is the interest of all Europe to have America as a free port.” The connection between Britain and America would still thrive. “It is the commerce and not the conquest of America, by which England is to be benefited, and that would in great measure continue, were the countries as independent of each other as France and Spain.” In Paine’s vision, America would flourish as the world’s commercial depot. The natural economic laws of supply and demand—the “interests” of Europeans and Americans—would replace British mercantilism as the regulator of commerce. If conflict did come, America had ample

31 Paine, Common Sense, 21.
32 Paine, Common Sense, 23.
resources to build a small navy sufficient to protect its trade. “To unite the sinews of commerce and defense is sound policy; for when our strength and our riches, plays into each other’s hand, we need fear no external enemy.”

Paine’s emphasis on commerce and free trade—adequately defended, if need be, by a small navy—brilliantly fused liberal cosmopolitanism with economic nationalism. America’s greatness, Paine argued in Common Sense, derived from her embrace of freedom and rejection of the monarchies, aristocracies, and other unjust institutions of the Old World. The stirring conclusion to Common Sense gave the Revolution global significance and imparted to America a noble purpose: the need to foster freedom for the sake of humanity. “Freedom hath been hunted around the globe. Asia, and Africa, have long expelled her. –Europe regards her like a stranger, and England hath given her warning to depart. O! receive the fugitive, and prepare in time an asylum for mankind.” Free trade would be part of that asylum, giving the world an opportunity to buy and sell in America. Paine’s linkage of political independence and commercial freedom—liberation from the smothering constraints of both monarchy and mercantilism—provided a powerful economic vision for a new nation. The colonies current prosperity “is but childhood, compared with what she would be capable of arriving at, had she, as he ought to have, the legislative power in her own hands.”

33 Paine, Common Sense, 41.
34 Paine, Common Sense, 35.
35 Paine, Common Sense, 49.
Paine’s economic vision drew at least part of its power from its modesty. Paine predicted prosperity and peace for the new nation, but he did not make any specific promises. He did not imagine the growth of great commercial cities that would rival London, nor did he envision a great leap in manufacturing. Fears of too much commerce, in fact, found its way into Common Sense. While Paine clearly believed in commercial society, he also feared that economic development might corrupt the nation. In one of his least convincing reasons for immediate independence, Paine argued that as America matured, its greater population would support more trade. America’s greater attachment to trade would undermine its fighting spirit, making independence more difficult to secure in the future. “The more men have to lose, the less willing are they to venture. The rich are in general slaves of fear, and submit to courtly power with the trembling duplicity of a spaniel.”  

Paine’s ambivalence toward commerce was typical of eighteenth-century Republicanism, which feared that the corrupting power of luxury would undermine the sense of sacrifice needed to maintain the public good. Adams, for example, rejected the right of Parliament to tax the colonies not only because of constitutional reasons, but because “luxury, effeminacy, and venality are arrived at such a shocking pitch in England.”

Benjamin Franklin typified the somewhat ambivalent views of the colonies toward economic progress. Franklin had long believed that America’s abundance of land would fuel tremendous population increases, which in turn would provide a lucrative market for British manufacturers. In 1760, Franklin believed that the colonies, with their comparative advantage in agriculture, were unsuitable for manufacturing. Colonists

36 Paine, Common Sense, 42.
37 Adams, Novanglus, 163.
sometimes produced goods (usually of low quality) that they could not get from Britain, but such industries tended to disappear over time: “the colonies are so little suited for establishing of manufacturers, that they are continually losing the few branches they accidentally gain.”\footnote{Franklin, “The Interest of Great Britain With Regard to Her Colonies,” 89.}

During the various imperial crises, Franklin expressed more optimism about American manufacturing, yet he believed that agriculture (of a decidedly commercial character) would characterize the American economy. The agricultural economy would, in turn, produce virtuous republican citizens who resisted the worse vices of commercial society. In 1777, Franklin wrote America’s foreign creditors that the “Freedom of Commerce” which independence would secure “will be an Advantage sufficiently ample to repay the Debt she may contract to accomplish it.” Americans would also repay their debts because that prosperity would not be wasted on frivolous luxuries. “The Manner of Living in America, is in general more simple, and less Expansive than in England. Plain tables, plain Clothing, plain Furniture in Houses, few Carriages for pleasure.”\footnote{Franklin, “Comparison of Great Britain to America as to Credit” (1777) in The Papers of Benjamin Franklin v. 24, ed. Leonard W. Labaree et al (Yale University Press, 1959-), 510.} Franklin clearly exaggerated the “plainness” of American consumption, but his rhetoric nevertheless captured the complex combination of commercial values and republican virtues that shaped the economic imagination of the American Revolution.

The colonial free-trade message contained other important ambiguities that would reveal important tensions within the Revolutionary free-trade position. A key question was whether the U.S. would remain committed to free trade regardless of specific outcomes. What made this question particularly complex is that free trade resulted in the...
continued British domination of U.S. markets. The end of the Navigation Acts and the
disruption of commerce during the Revolution did little to undermine the considerable
economic advantages British merchants and manufacturers had built up over time.
British manufacturers could still produce most goods for far less than colonial
competitors, while superior connections and deeper pockets of British merchants allowed
them to dominate the tobacco trade in the Post-Revolutionary world. As a post-war
depression gripped the United States, pressure for protectionism increased. As early as
the 1780s, individual states operating under the Articles of Confederation began passing
discriminatory legislation against British goods.\footnote{John E. Crowley, The Privileges of Independence: Neomercantilism and the American Revolution (Baltimore: Johns Hopkins University Press, 1993), XX.} By the early nineteenth century, a new
generation of policymaker vigorously debated the merits of free trade. In these debates,
protectionism assumed the mantel of nationalism as part of Henry Clay’s “American
System.”

The continued British domination of U.S. markets highlighted the degree to which
an independent United States operated in a highly mercantilist world. Mercantilist
restrictions would reach a crescendo during the Napoleonic Wars, when both Britain and
France attempted to prevent American trade with its rival power. Here was another
ambiguity within revolutionary free trade rhetoric. Would the U.S. adopt forms of
commercial coercion to insure equal treatment of American commerce? In some ways,
the boycotts and embargoes of the Revolutionary period—all aimed of changing British
policy—provided an example of commercial coercion, if one that had decidedly mixed
results. Jefferson, Madison, and other Republican politicians believed that they could
leverage what they saw as the critical importance of U.S. commerce to coerce other
nations into adopting freer trade. Their efforts culminated in the Embargo of 1807, which forcibly prevented the export of U.S. goods to Europe, indicated that even free trade rhetoric carried within it the seeds of commercial coercion. The pronounced failure of Jefferson’s embargo also suggests that Paine and other revolutionary writers overstated the importance of U.S. commerce. Eating remained the custom in Europe in the early nineteenth century, but the British and French found that they could go without American goods when forced to do so.

It is important to stress that however important the tensions within free-trade rhetoric, they would not become apparent until independence had already been achieved. Whigs did not see the United States becoming a world power via commercial control, which allowed them to assert that free trade would simply extend the commercial progress of the colonial period. Even Alexander Hamilton, who would later try fashion the United States into another Britain, hardly foresaw in 1775 the potential for the colonies to become a world power. Hamilton certainly believed that America could survive without British manufactures. Colonial farmers could grow cotton and flax for textile manufacturing, while the continent’s rich supply of furs and skins would keep the colonists warm. “A suit made of skins, would not be quite as elegant as one made of broad-cloth, but it would shelter us from the inclemency of the winter, full as well.”

Furs and flax conjured up images of republican sacrifice, not future industrial power. After any immediate crisis, the long-term future of the American economy would still depend on trade with Great Britain. “We should be sensible of the advantages of a mutual intercourse and connection; and should esteem the welfare of Britain, as the best

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41 Hamilton, Farmer Refuted, 69.
security for our own. She may, by kind treatment, secure our attachment in the powerful bands of self-interest.” Hamilton predicted that a truly independent American economy—one that could support its own navy—would eventually emerge, but that would be “in fifty or sixty years.”

Secession and the Creation of a New Confederate Economy

In contrast to Hamilton’s relatively modest vision of future power, southern secessionists believed that their economy would control the world. In superficial ways, the colonists and the Confederacy shared a similar economic vision, at least in regards to trade. Confederates also embraced free trade and the harmony of interests between their new nation and European nations. The South’s exports of cotton and other raw materials created a symbiotic relationship that would result in lasting peace. Referring to Europeans, South Carolinian John Townsend wrote that "the Northern States, in all their pursuits, are their rivals; whilst the Southern United States, by their employments, and the rich staples of our agricultural, would be their natural allies.” Necessity would form the basis of the alliance. Much like Paine believed the Europe could not afford to forgo American foodstuffs, southern secessionists believed that the world could not forgo cotton. The intensity and fervor with which secessionists touted “King Cotton,” however, far exceeded the weight that colonists put on their own commerce. The tremendous growth of cotton exports in the 1850s convinced secessionists that cotton was an indispensable pillar of the world economy. Without southern cotton, manufacturers

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42 Hamilton, Farmer Refuted, 46.
43 Townsend, Southern States, 18.
would go bankrupt, banks would sink into insolvency, and millions of workers would lose their jobs. "Were there no other consideration," wrote South Carolina politician D. H. Hamilton in 1851, "the obligation to keep employed and to feed her [Great Britain’s] starving manufacturing population would compel a peace with us." South Carolina senator James Henry Hammond famously declared in 1858 that "No, you dare not make war on cotton. No power on earth dares to make war upon it. Cotton is king."

Southerners became so deeply invested in King Cotton that British observers found it laughable. South Carolinians, as the British correspondent William Howard Russell sarcastically reported, supposed that "the Lord Chancellor sits on a bale of cotton."

Russell was hardly exaggerating. Secessionists believed that an independent southern nation which controlled the world’s cotton supply would awaken rational economic interests and dispel abolitionist delusions. Trescot argued that "the most selfish interests of the foreign world would be prompted to speedily recognize our national independence." Northern fanaticism would also quickly decline once southerners wielded complete control over their own economic resources. Spratt argued that northerners "have a pious regard for their individual interests," which would ultimately prevent them from indulging in any "expensive eccentricities."

Secessionists even speculated that economic interests would eventually lead some northern states to join the South. The agrarian West, like the South, had much to lose from protective tariffs that

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44 D. H. Hamilton, An Oration upon the Policy of Separate Secession Delivered at Bluffton, South Carolina on the 4th July, 1851 (Charleston: Walker and James, 1851), 17.
45 Congressional Globe, 35th Congress, 1 Session, Appendix, 70.
47 Wm. H. Trescot, Position and Course of the South, 17-18.
48 Spratt, Value of the Union, 8.
primarily benefited New England’s manufacturers. Secessionists hoped to continue what proslavery Ohioan David Christy called a "tripartite alliance" of western farmers, southern planters, and British manufacturers, all "united in a common bond of interest: the whole giving their support to the doctrine of Free Trade." Even during the war, secessionists confidently predicted that the pull of interests would invariably dissolve the artificial ties between the North and the West. In June 1861, the Charleston Mercury’s western correspondent reported that Lincoln’s embargo on trade between North and South had depressed the price of such western provisions such as bacon and corn. Economic conditions would eventually force the West to join the South. As The Charleston Mercury asserted “The true interests of the Western people are all with the South.”

The Mercury’s arguments suggest the degree to which the free-trade ideas of the Confederacy differed from those of the colonists. Whereas Jefferson and Paine conceived of free trade as a “natural right” that would promote international harmony, secessionists viewed commerce as a way in which one nation imposed its will on another. Free trade had become a form of economic blackmail that was at odds with the cosmopolitan openness of free trade doctrines. "The cards are in our hands,” the Mercury editorialized, “and we intend to play them out to the bankruptcy of every cotton factory in Great Britain and France or the acknowledgement of our independence.” No

49 David Christy, “Cotton is King: or, Slavery in the Light of Political Economy,” in E. N. Elliott, Cotton is King, and Other Pro-Slavery Arguments (Augusta, GA: Pritchard, Abbott, & Loomis, 1860), 94.
50 Charleston Mercury, June 18, 1861.
51 Nicholas Onuf and Peter Onuf make a similar point, noting that “Southern nationalists abandoned the liberal cosmopolitanism of an earlier generation of free traders.” See Nations, Markets, and War: Modern History and the American Civil War (Charlottesville: University of Virginia Press, 2006), 324-333, q. 324.
wonder that such doctrines failed to persuade the British and other Europeans to recognize the Confederacy. The Confederate’s cotton embargo—enforced on the local and state level—created a diplomatic backlash as outraged Britons resented being coerced into supporting the Confederacy. British statesmen such as Lord John Russell considered it "ignominious beyond measure" that King Cotton would coerce Britain to recognize the Confederacy. Even mill owners and factory workers resented the implication that cotton controlled the destiny of Britain. Speaking in Rochdale (the heart of English textile manufacturing), John Bright, a leading British liberal and a textile manufacturer, elicited "Loud laughter" and "Roars of laughter" in 1863 when he quoted secessionist predictions of the impending starvation of England’s cotton workers.

Confederates, of course, would not learn of the failure of King Cotton until well into the Civil War. In the meantime, they celebrated another facet of free trade that the colonists had generally ignored: the restructuring of the southern economy. Political independence, secessionists believed, would free the capital that the Union had forcibly transferred to the North. The newly released capital, in turn, would transform southern cities. " Restore to her the use of the 130 or 140 millions a year of her produce for the foreign trade," wrote secessionists M. H. R. Garnett of Virginia, and "all her ports will throng with business. Norfolk and Charleston and Savannah . . . will be crowned with shipping, and their warehouses crammed with merchandise." Rutledge" similarly argued that the independence would create a large pool of capital. "What is to hinder us

from rivaling ENGLAND in her prodigious accumulation of capital?" When South Carolinians put that additional capital to work, "Rutledge" predicted, commerce would boom and Charleston would become "a considerable Manufacturing town."\(^{56}\)

Other secessionists stressed that the imposition of "double duties" would send European trade to southern cities. They reasoned that Europeans exporting goods to the South would not want to first pay northern tariffs and then pay Confederate tariffs as well. Europeans would instead ship their goods directly to the South, much to the benefit of southern merchants and the Confederate economy. When the North raised tariffs after the secession of the cotton states, secessionists reacted with joy. The higher the northern tariff, the more likely Southern and European merchants would bypass the North altogether. Ending the tributary association with the North, John Townsend wrote in 1850, "would bankrupt almost every manufacturing establishment in the North, and would throw out of employment hundreds of thousands of their citizens." Northern capitalists and their workers would soon emigrate to the prosperous South, Townsend asserted, where they "will be eagerly embraced."\(^{57}\) Townsend did not worry that the Yankee migrants would challenge slavery or seek to undermine the southern social order. Northern migrants would presumably become good southerners once they had lived among the slaves and slaveholders themselves.

A decade later, Townsend sketched out an even more glowing commercial vision of an independent South. To influence secession debates in other southern states, the 1860 Association (based in Charleston) distributed tens of thousands of copies of Townsend’s pamphlet *The South Should Alone Govern the South*. In *The South Should*
Alone, Townsend and the 1860 Association may well have tried to disseminate a Confederate version of Common Sense. Townsend devoted most his attention to explaining why the Lincoln administration posed an immediate threat to slavery, but he also offered what was by 1860 the standard secessionist position on trade policy. Within the Union southern merchants "are too feeble in capital, to contend with the enormous wealth accumulated in Northern cities." Secession, in simply preventing "our wealth from being carried away from us," would give southern merchants the resources to compete with their northern rivals. The imposition of a moderate Confederate tariff would also give Europeans the incentive to export directly to the South. The imposition of "double duties," Townsend predicted, meant that "Southern merchants will then do the business of the South, and our Southern cities reap the richest reward."58

If a low tariff would allow the Confederacy to attract the trade of Europe, the same low tariff would constitute a significant tax on the goods coming from the North, the South’s biggest pre-war trading partner. A tariff of 10 to 15 percent might well make southern goods more competitive within the Confederacy, thus jump-starting industrialization. Confederates from the Upper South saw the Confederate tariff as a possible step towards industrialization. Such sentiments were especially popular in Virginia, the largest manufacturing state within the Confederacy. Virginian Willoughby Newton, the secessionist agricultural reformer, declared in 1858 that a Confederate tariff aimed at northern goods "would give such protection to manufacturers that all our water falls would bristle with machinery, and the hum of manufacturing industry would be

heard in all the inland towns of the state." When Virginia held its secession convention in the spring of 1861, Virginia secessionists predicted that a Confederate tariff would reshape the Old Dominion’s economy. John Goode Jr., of Bedford County, for example, predicted that "our noble water-falls would whistle with machinery, and the spindles of the North would be transferred to the Potomac, the Rappahannock, and the James; and Norfolk, with her magnificent harbor, would become the grandest commercial emporium of the world."

James Bruce of Halifax County boldly predicted, "when we are divided [from the North], and become a great commercial and manufacturing people, then we shall fulfill the destinies of Virginia."

No secessionist speaker better highlighted the glorious commercial and manufacturing future of Virginia within a new Confederate nation than George Wythe Randolph, the grandson of Thomas Jefferson. Whereas Randolph’s grandfather believed that free trade was “of natural right,” Randolph, a prominent Richmond lawyer, touted the protectionist elements of a Confederate tariff. Virginia, Randolph argued, could never succeed within the Union. Northern manufactures, he explained, immediately cut prices and took losses to wipe out upstart Virginia firms, only to raise prices once competition had been eliminated. "With their vast accumulation of capital, Northern manufacturers can bear heavy losses . . . we are weak as yet, and require success at the start, in order to accumulate the capital necessary for successful competition." Other secessionist speakers put forward variants of this argument. Citing northern advantages in manufacturing, Virginians like James Barbour declared, "As their manufactures

increase ours will diminish, because of the impossibility of our competing with them."

Bruce of Halifax County similarly asserted that the "North has got a start on us, and we cannot possibly overtake her in this system of free trade [between North and South]."

Given the greater advantages of the North, why should Virginia remain within the North? As Randolph put it, "If we wish to become a manufacturing State, it will be an extraordinary policy for us to unite ourselves with a people who produce vastly more than they consume, and to decline a union with States who will take everything we produce." A Confederate revenue tariff, of course, would have provided far less protection for southern manufactures than antebellum tariffs had given northern industrialists. At its height, the antebellum tariff had exceeded 40 percent on some goods. Virginia secessionists nevertheless asserted that moderate duties of 15 to 20 percent would be sufficient for the Old Dominion to monopolize southern markets. Such a tariff would provide the Confederacy with ample revenue, yet at the same time encourage "the manufacturers which Virginia now has, and which hang by a feeble thread." Randolph observed that the market for ready-made clothing, hats, and shoes was almost entirely in northern hands, but "with very slight protection" could easily swing to Virginia manufacturers. Such goods could be produced without fear of serious European competition because of high transportation costs and quickly changing fashions. No European manufacturer, Randolph believed, would take the chance of sending outdated and unfashionable ready-made clothing, hats, and shoes to the southern market. Randolph could thus assert that "we impose duties on Northern production and gain, in

64 Proceedings of VA State Convention, vol. II, 263.
this way, vastly more protection than we lose by the reduction of the duty on foreign
manufacture." \textsuperscript{66}

The economic optimism southern extremists fit well with proslavery ideology. With slaves comfortably cared for or otherwise controlled, the South’s social stability would allow commerce to thrive. The instability of free labor, with its ceaseless class conflict, would virtually doom the North to political chaos. "The great sore of modern society," Garnett argued, "is the war between capital and labor . . . the lower the wages, the higher the profits." Slavery, on the other hand, produced social stability, for masters had an inherent interest in caring for their slave property. Garnett asserted that "the slaves themselves live in a state of comfort—we had almost said of luxury—superior to any northern farmer." \textsuperscript{67} Taking away the benefits of the Union’s tariff policies, L.W. Spratt argued in 1855, would expose the instability of the North. The northern capitalist must either "yield to the superior advantages of works established on our own soil, or he must bring his capital and labor here, and recommencing his enterprises, must contribute his wealth and energy to sustain the institution and swell the prosperity and greatness of our Southern country." \textsuperscript{68} Edmund Ruffin developed this theme at length in his 1860 futuristic novel \textit{Anticipations of the Future}. In Ruffin’s imaginary world, workers loot and burn every square foot of New York City; military authorities establish order only after hanging thousands of rioters. In sharp contrast, southern cities prosper. Norfolk, for example, replaces New York City as "the chief seaport and commercial mart on the

\textsuperscript{67} Garnett, The Union, Past and Future, 22, 24
\textsuperscript{68} Spratt, Value of the Union to the South, 4.
Atlantic Coast.” The stability of the South’s slave society, presumably, enables Norfolk and other southern cities to claim the mantel of commercial greatness without falling victim to the seething tensions that had engulfed New York and other northern cities. In a widely circulated 1860 essay outlining “The Interest in Slavery of the Southern Non-Slaveholder,” journalist J. D. B. De Bow concluded that all southern whites had a stake in a modern slaveholding republic. The Confederacy would allow southerners to “build up our towns and cities, to extend our railroads, and increase our shipping . . . opulence would be diffused throughout all classes, and we should become the freest, the happiest and most prosperous and powerful nation on earth.”

The Weakness of “Strong” Nationalism

Debow’s last phrase—“the most prosperous and powerful nation on earth”—succinctly differentiated Confederate economic nationalism from its Revolutionary counterpart. Proponents of American independence stressed the new nation’s role as a beacon of liberty and freedom, but even the most optimistic among them did not imagine the United States could quickly assume the mantel of world power. Confederate secessionists, on the other hand, believed that political independence could transform their economy. While slaveholding planters continued to grow the world’s most important agricultural commodity, lower tariffs on European goods would result in a

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flood of commerce to southern ports, transforming sleepy port cities such as Norfolk and Charleston into thriving commercial metropolises. The very same tariff that encouraged more European commerce would allow southern manufacturers to compete on a more equal playing field with (newly dutiable) northern goods. The Confederate economic vision was specific and concrete—it promised southerners that political independence would result in quick and sure economic gains. The economic nationalism of the American Revolution, at least comparatively speaking, seemed vague outside the assertion that free trade would further the prosperity of the colonists.

To a certain extent, the differences between the economic nationalism of the Revolution and the economic nationalism of southern secessionists reflected the different economic and demographic trajectories of the colonies and the Confederates. In decades before independence, most colonies had experienced tremendous economic and population growth which promised to continue. An economic vision that promised more of the same—except now with the added benefit of greater political control—had great appeal. Whereas past experience suggested that the colonists could reasonably expect their political and economic power to grow in the future, southerners secessionists had spent most of their careers witnessing the relative economic and political decline of their region. Cotton and slaves certainly provided substantial prosperity for some, but the South continued to lag well behind northerners in population growth, urbanization, and manufacturing, which resulted in the long term loss of political power. The economic nationalism of the southern secessionists thus had to go beyond reaffirmation of status quo, and offer a concrete plan for reversing the South’s relative economic decline. In many respects, the grandiose predictions of king cotton, great commercial cities, and new
manufacturing avoided the harsh reality that the South’s slave economy contained fundamental structural problems that had short-circuited the region’s long-term development. Political independence was so inviting precisely because it promised a quick and painless solution to the South’s sluggish economic development.

Whereas Confederates tethered their new nation to slavery and a very specific set of economic promises, the very vagueness of the Whig economic imagination contributed to the success of the American Revolution. Their decision to link the Revolution to greater commercial freedom could potentially satisfy a broad range of groups. Merchants might believe that they would have greater opportunities to import and export goods throughout the world. Planters and farmers (especially in the tobacco colonies of Virginia and Maryland) might hope that the end of the Navigation Acts would result in better prices and less debt. Would-be manufacturers might welcome the opportunity to end British prohibitions on industrial activity. Debtors might dream about the introduction of inflationary paper currencies that would lessen the real value of their obligations. Land speculators could look forward to claiming legal title to lands in the trans-Appalachian West. Individual colonists, in other words, could imagine Independence producing a desired set of policies. The economic nationalism of the Revolution—specific enough to provide a framework of commercial freedom, vague enough to allow different groups to imagine that freedom in different ways—was perfectly suited for movement that had to build a coalition that ranged from the frontier family farmers of Maine to the great rice magnates of the Carolinas. The free trade rhetoric helped paper over the real and important fissures within the revolutionary
movement so that the anxieties and ire of the colonists could be focused on the British rather than each other.

The very specificity of Confederate economic nationalism hindered the formation of a similar alliance. The vision of a modern slaveholding economy obviously had great appeal to slaveholders and their immediate allies. A political economy bent on transferring commerce and industry from the North to the South might also appeal to some southern merchants and manufacturers. Many other southerners, though, looked at the prospect of a modern slaveholding economy with outright hostility. Yeoman farmers in places such as western Virginia and eastern had little to gain from the secessionist vision, and slaves themselves obviously had no interest in perpetuating their own bondage. The overbearing chauvinism of Confederate nationalism—a chauvinism that stoked dreams of economic greatness—convinced secessionists that these two groups could be convinced, manipulated, or forced to support the Confederacy. Just as secessionists assumed that cotton would force Europe to support the Confederate cause or that the North would idly watch Confederate tariff policies destroy its economy, secessionists believed that neither southern yeomen nor slaves possessed the agency and initiative to oppose a new nation inimical to their interests. The result was a serious miscalculation—many yeomen and slaves fought against the Confederacy, not for it. Here, then, was the central paradox of a “strong” Confederate nationalism that historians have yet to fully explore. Nationalism can be a double-edged sword. Confederate nationalism certainly motivated some southerners to make staggering sacrifices to sustain

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71 Joseph R. Anderson, the owner of Richmond’s massive Tredegar Iron Works, became an ardent supporter of secession, perhaps because he knew the Confederate independence would give him a protected market.
the Confederacy, but it also led other southerners to make staggering sacrifices to defeat it.