

The 1619 Project and Capitalism: A Review

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Capitalism is as American as apple pie and winning world wars. It is exemplified by the American mentality encapsulated in the classic phrase: “Anyone can make it if they pull themselves up by their bootstraps.” However, for a lot of people, it is more difficult to enjoy the fruits of such an ethic. I am talking of course about African Americans. In 1619, the first African slaves landed on America’s shores and started building the infrastructure for what would later become the world’s biggest superpower of a nation. The release of the 1619 project has helped popularize knowledge of the linkage of modern American capitalism and slavery. But thanks to the *New York Times* and the journalists and historians who contributed, the knowledge has hit the mainstream, and it in turn has sparked a new debate about race and economics. The broad argument for capitalism’s linkage to slavery is that modern financial institutions were founded in slavery. Wall Street itself, built by slaves. The state of New York as a financial powerhouse, finds its roots in slavery. Matthew Desmond, a writer for the *Times*, states his thesis: “In order to understand the brutality of American capitalism, you have to start at the plantation.”¹ To understand his argument, we must dive deeper into the 1619 Project.

Founded by the Dutch in 1625, the New Amsterdam colony would later become known as “New York.” After the English acquired it, slavery expanded significantly. At one point, “40 percent of households had slaves.”² The slaves of New York built much of the local infrastructure, including famous roads like Broadway and Bowery Street. New York City’s investment in slavery greatly expanded. Starting in 1799, New York would pass a series of laws gradually banning slavery. But investors continued to pour money into the slave enterprise, because many New York financiers practically bankrolled the plantations to the south because of the cotton

¹ Matthew Desmond, “In Order to Understand the Brutality of American Capitalism, You Have to Start on the Plantation,” *New York Times Magazine* (August 14, 2019).

² Tiya Miles, “How Slavery Made Wall Street,” *New York Times Magazine* (August 14, 2019).

boom. According to Tiya Miles, New York City held “financial domination” of the southern plantations: “New York City’s economic consolidation came as a result of its dominance in the southern cotton trade, facilitated by the Erie canal.”³ Slavery started New York’s financial dominance.

In the nineteenth century, cotton what was oil is now. It was a very widely traded commodity. The problem with harvesting cotton is that it was—and is—a very labor intensive, menial task. Cotton also sucks up the nutrients from soil quickly, so growing cotton required the opening of more land for cultivation. So the US did what it does best: seized land that was not theirs. Entire forests had to be cleared, and slaves played a dominant role in chopping and axing those trees. As cotton expanded, so did slavery, and so did American economic prosperity. By 1831, the US was producing more than half of the world’s cotton crop, at 350 Million pounds of cotton that year.⁴ Four years later, the US produced 500 million pounds. Northern and Southern white elites grew rich off the labor of the enslaved people. This large-scale production of the crop “hastened the invention of the factory,” an invention which led to the Industrial Revolution and changed the course of human history. Desmond asks: “Was it slavery that started the industrial revolution or was it just the mass production of cotton?”⁵ Desmond addresses this question by pointing out that the mass production of cotton could not have happened without slaves. Historian Eric Williams put it best in his 1944 book “Slavery and Capitalism” when he said that slavery helped finance the industrial revolution.⁶

Desmond points out how modern companies use a form of management that finds its origins in slavery: “You report to someone, and someone reports to you. Everything is tracked, recorded and analyzed...Data seems to hold a sway over every operation.”⁷ However, in *Accounting for Slavery*, Caitlin Rosenthal points out that until recently, economic historians played scant attention to the question of how slavery impacted management practices: “slavery plays almost no role in histories of management.”⁸ Desmond also cites Alfred Chandler’s 1977 book *The Visible Hand*.

³ Ibid.

⁴ Desmond, “In Order to Understand the Brutality of American Capitalism.”

⁵ Ibid.

⁶ Scott Reynolds Nelson, “Review Essay: Who Put their Capitalism in My Slavery?” *Journal of the Civil War Era* 5, no. 2 (June 2015): 290.

⁷ Desmond, “In Order to Understand the Brutality of American Capitalism.”

⁸ Caitlin Rosenthal, *Accounting for Slavery* (Cambridge, MA: Harvard University Press, 2019), 6.

Since this book's publication, business historians have come to a consensus that modern business and management practices can be traced back to major railroad companies, with slavery playing only a small role in their adoption.⁹ According to Richard R. John, a business historian from Harvard University, "Chandler grounded his account of the managerial revolution in a three-stage model of economic development."¹⁰ Chandler argues that the first stage from 1790-1840 had no influence on modern business practices. Instead, he finds the origin in the second stage which was from 1840-1880 due to the steam railroad and the invention of the telegraph. Desmond points out that plantations needed to put their production into overdrive. To do this, they needed to make a hierarchical system where one person reports to another to make sure that everything is running smoothly. If this sounds familiar, it is because that is how almost every office in America works. One person reports to another to make sure that everybody is being held accountable for their work. There was also a "central office" made up of the plantation owners and lawyers to make sure long-term goals are being met. This sounds more and more like the modern American corporate structure. On one particular plantation, "The owner supervised a top lawyer, who supervised another lawyer, who supervised an overseer, who supervised three bookkeepers, who supervised 16 enslaved head drivers and specialists (like bricklayers), who supervised hundreds of enslaved workers."¹¹ Like modern companies, slave owners knew that to get maximum profit that they had to get the most amount of work possible out of their slaves. Bookkeepers kept a close watch on the output of each plantation. Plantation "entrepreneurs" like Thomas Affleck wrote a book called the "Plantation Record and Account Book" which released eight editions until the ending of the Civil War. According to Caitlin Rosenthal, this book "was really at the cutting edge of the informational technologies available to businesses during this period."¹² What Desmond has done is prove the link between the managerial business practices of slave owners and modern corporate America.

I agree with Desmond in all of the points that he made. America was built on

⁹ Alfred D. Chandler, Jr., *The Visible Hand* (Cambridge, MA: Harvard University Press, 1993), 285.

¹⁰ Richard R. John, "Elaborations, Revisions, Dissents: Alfred D. Chandler's *The Visible Hand* after Twenty Years," *Business History Review* 71, no. 2 (Summer 1997): 156.

¹¹ Desmond, "In Order to Understand the Brutality of American Capitalism."

¹² Rosenthal, *Accounting for Slavery*.

the scarred backs of slaves. It was slavery that jumpstarted the industrial revolution. It was slavery that hastened the invention of the factory. Still today we see signs of slavery in our corporate structure, in our business practices. To conclude, slavery has an indisputable link with modern American capitalism.