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Bachelor thesis

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Economical factors in the eighteenth and the nineteenth
century that led to regional cultural differences within the
United States

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Supervisor: PhDr. Matthew Sweney, Ph.D.

The affirmation

I declare, I wrote my thesis independently, I have only used the literature and links from the bibliography, which is in the end of my thesis.

In Olomouc 4 May 2017

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Thanks

I would like to thank my supervisor PhDr. Matthew Sweney, Ph.D. for approving this thesis when I planned to write it, giving me useful materials and telling me about some mistakes in it.

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CONTENTS

Introduction	4
1 Characteristics of the American North during the colonial period	5
2 Characteristics of the American South during the colonial period	7
2.1 Economical infrastructure of the American South	11
3 Outside influences on regional economies of British colonies in the American South	13
4 Development of economy in colonial New England	14
5 General Evolution of American Economy since independence until 1860	15
5.1 The North and the South in the new American economy	19
5.2 Attitudes to capitalism in the early years of American history	22
5.3 Political culture of the South before the Civil War	23
6 The Civil War and economical factors	25
6.1 Impact of economical factors and Southern political culture in the Civil War	26
6.2 The railways during the War	30
7 Subsequent development of the South from the end of Civil War to 1900	32
7.1 The myth of the “Lost Cause”	34
Conclusion	36
Bibliography	37

INTRODUCTION

The aim of this thesis is to describe economical disparities between the American „North“ and „South“ which are claimed by some historians to be main reasons of the war between the former and the latter. Although the author of this essay does not agree with simplistic theory that “it was all about slavery or some sort of “ideals”, some historians frequently overemphasize these economical reasons and prefer not to see that there were also remarkable differences between the political culture of personalities from these parts of the then young United States. Nevertheless, economic reasons were crucial factors at the beginning of this war. These economic reasons also influenced societies in both parts of the United States. Therefore, the author will first focus on the early American history from the Declaration of Independence (July 4, 1776) to the beginning of this war in April 12, 1861. Then, the author will describe the aftermath of the American Civil War and well-known case of racial segregation in southern states which is known to most sociologists as the root of racial problems in the United States. Although after the Civil War, there was a relatively fast process of transformation connected with economical growth. It is remarkable that during this era (1865-1929) in America never (in spite of some criticism of capitalist economy) was any attempt of revolution or alternative economic and social concept (Heideking, Mauch, 2012). Because of this, the mindsets of populations in the northern and southern part of the United States did not substantially change and the differences between societies in these regions – in the North and the South were still visible. For example in the second half of the nineteenth century there were racist groups in the former South which demanded the “salvation” of the South by denying blacks the right to vote. In the 1880’s most states in the South excluded blacks from the political process, banning them to vote in regional congresses (Heideking, Mauch, 2012). As we can see, the racism survived in the American South. But this thesis is not solely about the survival of racism into twenty-first century. In fact this is only a part of quite a few political and above all cultural differences between these two parts of the United States which are the topic of this thesis. Here will be also explained how were economic factors the real basis for these cultural differences.

The author of this thesis will also focus on the political history of the American South and the phenomenon of “Southern Conservatism” and the “gentleman myth” about the American South.

1 Characteristics of the American North during the colonial period

For this part of my thesis, I found my sources mainly in the book *History of the U.S.A* written by Jürgen Heideking and Christof Mauch. The authors described in detail colonial societies in various parts of the future United States, thus after providing valuable sources for my research about regional differences in this country. Other source for this part of the thesis is the book: *The Making of the American South* written by J. Williams Harris. This book is important for the author of this thesis because it further explains the origins of these differences.

Before the American Independence the societies in northern colonies and southern colonies were remarkably different. Settlers who came to the colonies in New England were, in most cases, religiously motivated idealists. These refugees sought a territory where they could live freely. Thus they settled more northward from colonies which (like Virginia) were already ruled by the Virginia Company. The first colony was founded in 1620. In 1629 the Massachusetts Bay Company was founded with official support of the British Crown. This allowed mass emigration of Puritans that were discontent in England and wanted to “purify” Anglicanism from remaining features resembling Catholicism. Some of them thought that Anglicanism is, in fact “Catholicism ruled by the Crown.” One of Puritan leaders, John Winthrop, wanted to establish a colony for Puritan believers and to save Christianity from “impure” elements. After an agreement with the King, large number of Puritans left England on eleven ships towards Massachusetts. In 1640 another 20, 000 Puritans settled in New England. They founded Boston and many cities and towns in the northernmost part of the United States. They settled from Maine to New Hampshire, believing they were chosen by God to form a new ideal society (Heideking, Mauch, 2012).

Economically this society was distinct from other British colonies from the onset. Many colonists who thought that economical success was an important sign of “God’s Chosen People” were traders and owners of ships. They profited from fishing and trading with other British colonies and England. Their society stood out from other British colonial societies, because the settlers soon formed the majority of inhabitants and so this colony, which was very culturally homogenous looked “more English than England” and there were (as it was said) also owners of ships and other people who basically resembled European wealthy classes of that time, which was unusual for British colonies, where were mostly indigenous people and very tiny fraction of rich white people working strictly for

the Crown. In Spite to this Massachusetts was led very strictly by the Puritan governor (Witch-hunts were quite common in extreme cases) and this led to dissatisfaction and founding of new colonies in this area.

In 1636 colony of Rhode Island was founded by “rebellious” Roger Williams and in 1638-39 the villages near the Connecticut River united into Connecticut colony, led by Thomas Hooker. In 1679 New Hampshire was founded. In the eighteenth century relative religious liberalization led to faster economic growth supported by European-style combination of agriculture and commerce. This led to unusually egalitarian society which led to more immigration from England.

Meanwhile, the southern part of the American “North” was quite different. Delaware was originally a Swedish colony, whereas the area of Hudson River was a Dutch colony (Delaware also became later Dutch colony), where the Dutch founded New Amsterdam, which was later (during British rule, of course) renamed New York. These colonies were conquered by the British after the Anglo-Dutch wars. Nevertheless many Dutchmen and Scandinavians still lived here and during the British period, these colonies began to attract Quakers, the most radical protestant group in England which was directly against the crown. Moreover this “liberal atmosphere” helped to attract also many Protestants from Germany and even Irish Catholics. Among Quakers there were the first activists against slavery. In 1681 a Quaker leader from England – William Penn, founded the colony of Pennsylvania and its capital city, Philadelphia, but more disputes between Quakers and other protestant groups led to foundation of New Jersey and Delaware (1704). The city of New York grew very quickly and became a major commercial port in the future “North.” Economy here was based on large farms, which benefitted from fertile soil and this area became an important exporter of meat and grains. In spite of being much more tolerant society than New England, these colonies share their status as commercial centers and a common egalitarian outlook, which was very different from the society in the American South (Heideking, Mauch, 2012).

2 Characteristics of the American South during the colonial period

At that time the South looked much more “normal” British colony. British settlements in the South were the oldest British Settlements in North America as a whole. In 1606 the British found Jamestown, the first settlement in the North America. Like the Spanish in the South America, the British colonists hoped to find gold but instead of that they developed an economy based on plantations (colonists here exported mainly high-quality tobacco and cotton). Nevertheless, Southern colonists were no “religious reformers” and they wanted to create a colonial and feudal society. Soon, the Southern colonies faced shortages of workforce which resulted in immigration of workers from England. However from 17th century onwards, economic growth in England resulted in the end of this source of workers and so, the plantations of American South started to import black slaves from British colonies in Africa (at that time there were few colonies, but many tribal leaders sold “enemy” tribes to the Europeans as well as Muslim slave-owners). Other sources of slave labor were blacks from British colonies in the Caribbean.

In 1663 the colony of Carolina (named after Charles II.) was founded. Charleston was center of this colony and also important port. Meanwhile around Jamestown, the colony of Virginia (named after Elisabeth I. –the “virgin” queen) founded in 1632, also profited from these plantations. Another colony, Georgia (named after George II.) was founded in 1732 as a buffer zone against Spanish Florida.

It should be noted that during the colonial period, Florida, which later became part of the South was a Spanish colony, thus the “Southernization” of this part of the future United States was generally a matter of post-independence history, especially after the Adams-Onís Treaty (1819).

Unlike colonists in the North, the colonists in the South never managed to own their own ships, or established some European-style society. Truly colonial character of this society was visible in dependence on British trade. Many plantation-owners were indebted to the British and like other colonies these debts were mostly resolved by expanding the fields. Because of subtropical climate of this region life here was short and some white children were adopted by other rich families, which strengthened feeling of “familiar unity” among rich Southerners. This was the base of the “Southern aristocracy,” and for feeling of “good old gentleman,” who acts as a model for whole society. Another factor that contributed to birth of this society was their protestant religion. Anglicans, but also

Quakers in the North thought that adopting children from other families into their extended family was their “moral obligation” which had to be followed as an “example” for whole society. In the South, where life was short this was even more pronounced than in the North. This is almost certainly the source of other myth, prevalent in later political culture in American South, that the wealthy Southern tobacco and cotton planter “aristocracy” was paternalistic and took care for “the good of society.” Myths about well-educated, proud, noblemen of the Old South stemmed mainly from this kind of society, although these are far from reality. Nevertheless, this elite was not the whole society of white colonists of the South. There were also many poor Southerners and social differences here were much larger than in the North. In spite of this there were not many rebellions of poor whites, because these people (poor traders, farmers and craftsmen) respected plantation owners as their educate elite (schooling in the South was very poor). Also slavery resolved a problem of some kind of “extreme poverty.”

Maryland and Virginia slowly developed into societies which had relatively few black slaves. Unlike these both Carolinas and Georgia were really colonial slave-holding societies which were not much different from British colonies in the Caribbean.

Demographically these colonies were relatively diverse. Most people in this region were English colonists; African slaves were second in terms of population numbers. There were also communities of Scots (community of Scots from Northern Ireland) and Germans going from the North. Other minorities were Irish Catholics and also Czech protestant minorities but these communities were few and far between compared to the English colonists and their slaves. Before the American Revolution, this was an agrarian society living mostly in small villages with few cities. Colonial character of this society helped to preserve patriarchal structure of Southern families, but also, at that time, these colonies were still highly dependent on England. After Independence, the Southern elites, which lost these contacts was even more united in their fight for independence and later against the Northerners that the Southerners saw as immoral careerists and materialists (Heideking, Mauch, 2012).

One of the factors of the relative “Englishness” of the southern colonies was also abundance of fertile soil. When we look at the map of the United States we can easily see that in the South there are many lowlands. As J. William Harris shows us, in the 17th century, many British families risked dangerous journeys across the Atlantic because in

Britain, the soil was scarce for many poorer people (Harris, 2006). In the South these Englishmen could do profitable business in establishment of new tobacco fields. At that time, of course, America was not as densely populated as Europe was and there were some groups of Europeans who went to colonies simply to make money. A relatively poor man from England could start as tenant in then-British colonies, and then buy cheap land suitable for agriculture and with his labor built up a respectable estate. The period from 1630 to 1670 is known as “the age of small planters.” During the “age of small planters” as Harris calls this period there was a gradual elaboration of the so-called “Chesapeake system of husbandry.” This was a new method of farming which combined Native American, European and African experiences with wholly new methods learned by the more experienced farmers, who “learned by doing.” (Matson, 2006) Chesapeake system of husbandry is described more in detail by Harris. A tobacco planter first cleared the land (following Native American practice) and then plant tobacco or corn. The soil was molded into small hills and seedlings were planted on tops of these hills. Tobacco demanded special care (removal of insects, collecting the leaves in the right time) and this also may explain the economical infrastructure of colonial and 19th century American South – tobacco leaves had to be delivered to their final destination on time and with no roads (or poor roads in 19th century) it was necessary to settle farmers to the vicinity of rivers to transport tobacco leaves on time. After exhausting the field, tobacco planters used another field, waiting until, the old field recovered again.

However, as it was said, later, when immigration from Britain stopped, the independent British workers became owners of their fields and as they became richer and richer and as they started to import black slaves.

Nevertheless, it is an overt generalization to say that the South was “more conservative” or “more colonial.” In the South there were very few religious reformers compared to the North, but local politics was by no mean “a politics of overt loyalists to the British Empire.” As Harris shows us, even the American South was a society which was very different from England. The Southern “aristocracy” was very distinct to British nobles. At the beginning, in the 17th century, there were only few truly rich men and virtually no nobles. Women in all American colonies had more power than women in England itself. Even in the southern colonies, they formed the vital part of the workforce in the family. But perhaps the most important difference of the regions of future American South from England was the scarcity of towns. And even in the vicinity of few towns that

then existed, many people were scattered in the forests due to cattle-raising. In many houses, furniture, which could be well-known to an average English family of this period, was scarce. This sort of society was hardly civilized by English Standards and colonial directives were in many cases ineffective. Because of scarcity of churches, Anglican authorities also acted very ineffectively in these colonies (Harris, 2006).

Other (and probably the most important) difference between England and its colonies of the American “South” was the structure of the government. Because the governors were no kings, and there were no lords, the colonial administration existed, in theory, to represent every white landowner settled in the American South. In fact, however, this was not that case at all. The 17th century was an age of slow development of a class of wealthy landowners who owned large tobacco and cotton plantations. And meanwhile the councilors and governors of colonies simply wanted to apply visions of British royal officials who appointed them in the colonies with little knowledge of local conditions. For instance, the order of Virginia Company to limit the production of tobacco in 1620 was not much followed in the southern colonies, because life in the future “South” was short at that time and the landowners wanted to care first and foremost for their personal welfare than for the “good of the Crown.” (Harris, 2006)

Later, in the mid-17th century the wealth of these landowners grew and they wanted to be more independent – in short, they wanted to have the rights which existed in the system of colonial government only in theory but not so in practice. This situation frequently led to rebellions – in Virginia in 1676, in North Carolina (1677), Maryland (1689) and in South Carolina (1690). In many cases (mostly relatively wealthy) leaders of these rebellions used populist demands that appealed to some particular groups of people – like Catholics of Irish descent against Anglicans, or (more frequently) poor white landowners against their colonial masters.

Harris (2006) then concludes that perhaps also this caused the rise of slavery in the southern colonies. The British colonial administration wanted to avoid these rebellions and thus, supported slavery even more, using the racist argument of “superiority of all whites.” This was probably a strategy to co-opt poor white people to the British colonial cause. Previously, in the southern colonies there were some rich families which had servants. These servants were mainly poor white men. To replace them with the blacks was used by the British as a means to reduce number of poor people in the southern colonies which

were (in spite of fewer religious reformists) more vulnerable to rebellions, simply because of ineffective colonial government. And perhaps the British also wanted to avoid sectarian violence among colonists of Protestant (mainly Anglican) and Catholic faith.

Harris then says, however, that since 1500s, when Europeans started to sail to Africa, they saw, that Africans were "different." They had different culture, worshiped different gods and so, were seen with suspicion. Even in Jamestown in 1620s, black African servants were treated harsher than white servants and, copying the Spanish who used Native Americans for undesirable labor; British thought that only non-Europeans can be reduced to true slavery. Already in 1660, several Virginian laws clearly recognized "negro slaves" as a distinct group and similar laws were adopted by Maryland in 1664 (Harris, 2006).

With the establishment of colony of Carolina, African slaves started to arrive on special slave ships. This was then followed by other British colonies and eventually number of Black slaves in British colonies outnumbered those in Spanish Florida or French Louisiana (Harris, 2006).

2.1 Economical infrastructure of the American South

Land used for agriculture was much more plentiful in the South than in the North. After the Independence of the United States, many immigrants from Europe or colonists of the American West travelled in animal-drawn wagons. Historically, this was the case of transportation in limited territory of British colonies in America. However even the British discovered that in the South, there was an abundance of rivers which can be used for transport. When immigrants from the South pushed more inland, Mississippi River and other rivers were their main means of transport. The introduction of steam-propelled boats in the 19th century only deepened reliance of this part of the young United States on these rivers. (Otto, 1989)

Since colonial times, economical specialization was much more pronounced in the South than in the North. Different types of terrain attracted different people from Europe. The coastal pinewoods, for example, as Otto explains, attracted livestock farmers, while the lowlands located more inland were region of planters and farmers which avoided these less-fertile soils. The Southern part of Appalachian Mountains was also very sparsely

populated because planters and farmers generally shunned these infertile regions. (Otto, 1989)

This dependence on lowlands was also determined by political factors during the colonial period. Hoping to reduce tensions with neighbors (Native Americans as well as French colonists), Britain banned expansion of its Southern colonies along Appalachian mountains in 1783. (Otto, 1989)

Another kind of British colonial policy which contributed to the birth of Southern Culture was the usage of particular colonies. For Britain in the 17th century, colonies were, above all, sources of luxury goods and exotic materials which not existed in the British Isles. Early English settlers from the period of Virginia Company often simply adopted Algonkian techniques of tobacco planting since this plant has been known for the British. This changed in 1630, when the new governor of Virginia (which became a crown colony in 1624), Sir John Harvey, introduced new crops to Virginia, including crops from other British colonies. The colony became self-sufficient in foodstuff during his rule. In 1646 a war between colonists and Native Americans ended and Algonkians became allies of Virginia colony. (Otto, 1989)

In spite of this, as Otto states, despite of huge profits from tobacco planting and exports to Europe (mainly England) and West Indies, the colonists found out, that tobacco was an exhausting crop. The diversification of crops already in Virginia in 17th century was largely result of loss of land due to extensive tobacco planting (Otto, 1989).

When later planters acquired African slaves, tobacco prices were growing higher. Nevertheless, despite this, Southern colonies had already much more diversified agriculture.

3 Outside influences on regional economies of British colonies in the American South

French and Spanish colonial culture and economic life of their colonies, particularly Louisiana and Florida also heavily influenced culture of future southern part of the future United States. Since Middle Ages, when the Arabs introduced cotton to Spain, cotton was known plant in this part of Europe. However, Spain had not so favorable climate for growing cotton, so as early as 1556, the Spanish introduced cotton to Florida. Later the English colonists in Jamestown adopted growing cotton as well as many Indian tribes (Smith, Cothren, 1999). With diversification of agriculture in Virginia and slow foundation of other British colonies, the colonists soon found favorable climate and large areas of fertile soil to grow this plant.

Another notable influence arose after general diversification of Virginian agriculture were British attempts after 1670 to bring more exotic crops to favorable climate of this region. Among them were ginger, indigo, sugarcane and grape vines. However, the fastest-growing were cotton plantations. In 1674, the inhabitants of Carolina colony started to grow rice as well. (Otto, 1989) Rice turned to be quite profitable crop, and majority of it went directly to England.

4 Development of economy in colonial New England

According to, attitudes of English immigrants themselves, rather than British economical planning influenced settlement of the future New England. Into this area, people of various backgrounds immigrated. Many of them were from East Anglia, region where was fastest economic growth in 17th century Britain. Among them, there were also merchants who wanted to have access to new markets, as their prospects in England slowly dried up. Many of them were ready to accept experiments with new crops and new environment (Newell, 1998).

Generally speaking, in this region, since the beginning, people were more accustomed to social and economic changes than in the South. Into that I should add, that fertile soil here was not so plentiful, so farming was more difficult. The climate here was also much more continental than subtropical, adding further difficulties to farming profitable crops for the need of the Crown.

5 General Evolution of American Economy since independence until 1860

Diverse economy of various British colonies in North America before independence was, as it was stated, not well developed according to then common European standards. Basic character of this economy – commercial-based economy in the North and agriculture in the South as well as low level of development, continued for some period even after the independence of the United States in 1776. As Francis G. Walett remarks, the dominant factor in development of American economy until 1865 was the territorial expansion of the nation and increasing regulations on autonomous economies of individual states by the young federal government (Walett, 2013). The Federal Government took measures to cut off the economy of the former colonies from the British monetary system. By the Mint Act of 1792, the Dollar was established as the national currency. At the beginning there were experiments with golden coins, but because of general shortage of gold in the United States in that period, silver predominated over gold in 1792-1840. During that period (and, of course, in 1776-92), foreign currency was also tolerated but in 1792, it was expected to be replaced by dollars rapidly, but that did not happen so fast and during early nineteenth century, there were small private reserves of foreign currency (Walett, 2013).

As the author of this thesis has already described, economy of Southern colonies was determined by interests of British crown. Northern economy was somewhat more independent but, of course, compared to truly sovereign nations, it was still largely determined by British interests. The American Revolutionary War reduced this dependence on England and strengthened the dependence of colonies on each other. As it was already shown, there were profitable businesses, like cotton or corn exports which in the early years helped the American economy to recover.

All colonies, whether in the North or in the South, (even if their economical systems were sometimes very similar) acted as individual units before independence and this changed greatly after the Revolutionary War. The result of this must be a ‘condensation’ of these former more-or-less individual units along basic economical patterns of the North and of the South.

At the beginning, because of slightly larger territory of the American South and European demands for cotton or tobacco, the economy of the United States was mainly agriculture-based. The foreign trade in that period was affected heavily by various wars in

Europe (like Napoleonic wars) and also by the War of 1812. According to Walett, shipping since the independence until 1807 only expanded and prospered. The author of this thesis may also add that this raised prestige of the American South, because the most precious communities that did not exist in Europe were cultivated here. Napoleonic wars essentially halted American foreign trade for a brief period because of violations of American neutrality by the British and French, the U.S. Congress declared a self-imposed embargo in 1807 (Walett, 2013). As Northrup notes, these violations were committed at first time by the British in 1806, because Britain wanted to block Napoleon's France to buy any goods. At that time, the trade volume with France was quite high and rising because the United States wanted to pay off debt they owed to the French since the War of Independence (this debt was caused by French help to American revolutionaries). The British continental blockade was followed by French actions: The French inspected many foreign (mainly American) ships close to Europe which entered British ports. Thus, both the British and the French actively inspected American ships and violated the neutrality of the United States. This caused universal outrage in the Congress and the Congress passed the Embargo act of 1807 (with the approve of president Jefferson) which forced the United States to economical autarky. This was also period of considerable economic slowdown. However, according to Northrup, this embargo was also very ineffective (and without a doubt very harmful for the American economy, which was relatively underdeveloped at that time) and in 1809, the Congress passed the law allowing to trade with other nations (like Austria, Russia and Prussia) but with exception of Britain and France (Northrup, 2011). Because these European states took active part in Napoleonic wars, the American goods ended on both sides of the conflict.

Seymour Edwin Harris notes, that during early nineteenth century, the American Economy, unlike economy of Austrian Empire, for example, was very dependent on foreign trade and it was a trade of products of land-based economy (Harris, 2002). Many parts of the United States were also very sparsely populated, so there were few roads and economy of the new nation had very poor infrastructure which caused dependence on water transport – ships along the coast and later, the use of Mississippi river as a main transportation artery. The author of this thesis must add – as Otto already remarked - that rivers were very important in the South, because of even smaller population density in this part of the United States. Thus, the necessity to avoid Napoleonic Wars and seeds of isolationist politics of the United States that existed up to the Second World War may be

found in attitudes of early American politicians of that period. Poor infrastructure and dependence on rivers is clearly a disadvantage in case of war.

However, it is also clear that early American politicians of that period were not pacifists as it might seem. Before the war of 1812, armories were established at Springfield (Massachusetts) and Harper's Ferry (Virginia) as first steps to be independent on foreign supplies and establish a national arms industry (Harris, 2002).

The War of 1812, which generally ended in military stalemate because of concentration of the British Army and Navy in Europe due to Napoleonic War had, of course devastating effect on American economy. In particular shipping and agriculture – at that time most important sectors – lost their importance in world context because of British blockade (Harris, 2002). The recovery was slow and the market was flooded with imported goods which threatened to economically ruin the new nation (Walett, 2013). The American economy was saved by outstanding results in exports of cotton and also wheat. At this period, American shipbuilding declined and recovered only in 1840s. It was also period of general inflation and massive financial borrowings from Europe. Inspired by European industrial revolution, American businessmen started building the base of manufacturing industries in form of small factories. Growth of manufacturing industry and – in particular – acquisition of new territory due to Louisiana Purchase of 1803 and slow colonization of Louisiana Territory ensured new economical growth which coincided with new opening to foreign trade in 1815 stimulated new growth of American economy, which lasted to 1818. In the North, many small manufacturing facilities were established and until 1819 there was also a surge in banking activities (Walett, 2013).

The “Panic of 1819” was the first American economic crisis. This crisis, which lasted until 1822, was caused by drop in exports of American foodstuffs to Europe. Farm prices dropped sharply and there were various British loans to America. Many State Banks failed. One of government responses to that crisis was also liberalization of land policy. Soup kitchens and other means to help the poor were established in New York. Some Southern states and new western states adopted appraisal and stay laws, which delayed foreclosures and protected property values in excess of debtor's obligations. Imprisonment for indebtedness was abolished in several states. Some states also adopted more strict banking laws (Walett, 2013).

More economical crises followed in 1837 and 1857. In the first case, the crisis was caused by combination of four factors. First of them was President Jackson's Specie Circular which provide that only specie would be accepted in payment of public land – this caused general distrust in American banking system. Other factors included distribution of the Treasury surplus to individual states 1st January 1837, financial crisis in England and crop failures in 1835 and 1837. The aforementioned distribution of surplus led to contraction of the credit of the depositories. In 1857, another economic crisis was caused by overinvestment and speculation, especially in (private) western railways. There was another short period of general distrust towards the banks and this crisis practically did not end until the beginning of the Civil War in 1860 (Walett, 2013).

Nevertheless, the first crisis of the 1837 was very important event in many regards. As Roberts remarks, it was the first American “Great Depression.” The president-elect Martin Van Buren had problems during this first year of his presidency to shape some sort of coherent policy which would provide a relief for the economy (Roberts, 2012). The Federal Bank, established in 1791 (which then ceased to exist during the inflation years 1811), was reestablished in 1816 but policies of Andrew Jackson led to the end of this “Second Federal Bank” (Hammond, 1985). At this time there were many ideas to create the “Third Federal Bank,” but these ideas did not materialize (Roberts, 2012). The major proponents of this came from the Whig Party. In many ways this was a beginning of new-style of civic activism. Many local political activists feared – as one Whig journal stated – that the period would led to “the degradation which still oppress the laboring classes of Old World.” Many politicians blamed Van Buren for inactivity and this led to initiatives of them and common people to took politics in “their own hands” (Roberts, 2012)

Roberts also rightly explains that this surge of civic activism had also some negative offsprings. There were also calls for violence caused by tensions between Whig politicians who led this popular discontent and Democratic politicians which had a slight majority in the Congress (Roberts, 2012). These tensions continued even after the crisis and this led to total defeat of Van Buren in elections of 1841.

Apart from the economical crises of 1819, 1837 and 1857-1860, there were, however also periods of steady development from the end of war of 1812. The American economy expanded greatly in early 1830's. In this period, state banks were generous in many loans and English and other European investors bought quite many American

businesses (Walett, 2013). American economy also grew due to expansion of land suitable for agricultural purposes. In 1830s, the first railways were built in Pennsylvania to standard gauge and in New York, there was the first factory to produce locomotives (De Witt Clinton) after few initial imports from Britain.

Another development at this time was, as Seymour E. Harris in his book *American Economic History* mentions, a process of industrialization. There were textile mills in New England which, however, suffered because of imports from the British Empire in 1810-1820 (Harris, 2002). Other Industrial development was relatively slow, but in general, the United States were not exactly a backward nation in the period after the Panic of 1837 as early introduction of railways, shipping industry and arms industry shows us. United States at this time, gained much from British technology in spite of being a relative latecomer compared to Britain (Conrad and Meyer, 2009).

Due to periods of autarky (1807), war (1812) and above-mentioned economic crises, the economy of the United States did not grow significantly more than the population. The rate of growth declined from 36 percent in 1800 to 33 percent in 1840. There was, however a change in the occupation of general population, which is a strong indicator of relative progress. In 1800 72,8 percent of Americans were employed in agriculture and this fell to 68,6 in 1839. Between 1810 and 1830, the production of pig iron castings rose from 54 000 to 192 000 and by 1840 it rose almost twofold compared to the production in 1830. However, this all also relatively slowed down after 1837 (Harris, 2002).

5.1 The North and the South in the new American economy

In his book *Making of the American South* J. William Harris shows us that the American Revolutionary War led to the loss of contact between wealthy Southern slave-owners, Britain and, in particular, British military outposts in Africa which were also important trading points serving trans-Atlantic slave trade. This war also caused some mass escapes of Afro-American slaves. In the first decade after the Declaration of Independence, tobacco exports in the South decreased by nearly a half (Harris, 2006).

It is very well known that during the industrialization of the United States after Independence, industries were located mainly in the North. But as it was already said, the industrialization, in the period from 1776 to 1840 was relatively slow and the territory of

the North was slightly smaller than the territory of the South, the territory of future Confederacy continued to play the most important role in American economy of that period, in spite of steady growth of industry. Tobacco and cotton were the main plants which were shipped for export after the independence and the invention of cotton gin and its rapid distribution due to failure to protect patent rights of Eli Whitney caused fast reorientation of many Southern slave-owners towards establishing mainly cotton fields, as Barney mentions. The author of this thesis may also add, that the role in this reorientation also had the acquisition of Spanish Florida in 1821 (Florida became a state in 1845). The cotton which was at the beginning only one of many products of Southern plantations (initially, tobacco was much more important) was the most prized commodity, its output rose from nearly zero to about thirty percent of Southern agricultural exports. The importance of other crops which were mentioned as being cultivated by the English colonists diminished greatly – the tobacco was in Virginia, North Carolina and Kentucky and from the colonial times, rice was still grown on the coasts of Georgia and South Carolina; in these regions, territory of their cultivation was relatively small. With the establishment of separate Louisiana state in 1812, which was created out of small, southernmost part of Louisiana Territory (around the Mississippi delta), the Americans inherited also sugarcane planting from the French. Even though the cotton production increased greatly, there was also a increase in production of corn and livestock and the South was self sufficient in food consumption (Barney, 2001).

As the Southern territory expanded, cotton fields also expanded and many new plantation-owners realized that the cotton could be grown in many, even more arid parts of the South. New landowners frequently purchased slaves from abroad (until the international slave trade was banned in 1840) or later from older landowners and moved to the west. These slave-owners often fed their slaves with corn and other agricultural products made in these areas or imported from other western regions of the South. Only 40 percent of the population of the South was consisted of slaves and only third of all Southern families owned one or more slaves. The majority of these holdings was quite small. These families without slaves were mainly involved in agricultural production, producing mostly above-mentioned foodstuffs (in most cases cattle and corn but other types of fields also existed for local consumption; they also produced limited amount of tobacco and cotton). They were mainly of yeoman class. The economy of the South was even after industrial growth of the North very profitable, productive and expanding up to

the Civil War. The slave prices, however, rose quite dramatically after the ban on import of slaves and in the period 1855-1860, their price was highest. However, the expansion of the United States, as the author of this thesis already mentioned had major influence on the economic growth and, in this particular case, on labor productivity of plantations. Despite the growth of prices of slaves, slavery was not seen as obsolete and was still very profitable for many Southern families (Barney, 2001).

Most of the industries located in the North were textile mills using Southern cotton or various small-scale enterprises that produced castings and manufactured goods for domestic use. They were located in the Northeastern part of the United States, which later, after the Civil War, expanded into an industrial centre comparable with that of westernmost part of Germany in 1910, as the author of this thesis may add. Like in Europe, also here manufacturing was initially based on labor of women and children. After 1850, however, immigrants flooded the market, providing new source of labor force. Water power was abundant in this region and some large factories benefitted from it, also mayor ports, like Boston were located in this region as elsewhere in the American coasts including the South, but the key difference was that this region had a tradition of families actually owning their ships, which led to abundant commercial activity and establishment of national banks – and private banks – exactly in this region. Some small-scale industries grew into larger and many innovations and in America were invented in this region (Barney, 2001).

When the United States expanded towards the Midwest, settlers of this area were involved in the majority of Northern agriculture. Large proportion of Northern Laborers was employed in agriculture also in the Northeast and people employed in agriculture still composed majority of inhabitants of the Union during the Civil War. In the Northeast, agriculture, in form of its products, underwent a substantial revolution since the colonial times. The original production of grains and livestock, common both to North and the South expanded westwards, and in the North this was followed by rapid transformation of the agriculture in the Northeast towards a particular agriculture designed to provide food for major urban centers – like production of dairy products and vegetables (Barney, 2001).

However, the new Midwestern region proved to be breadbasket of the North, with its economical focus on agriculture and three major commodities dominated here – livestock, wheat and corn. The Midwest was a region exporting foodstuffs to the South

especially before 1840s but also to Europe, the region's Manufacturing industries were also based on food processing (Barney, 2001).

5.2 Attitudes to capitalism in the early years of American history

Since its beginnings, American society has been characterized by high activity of various voluntary associations, clubs and other private organizations which were founded to help other people. Seymour Martin Lipset describes these tendencies as a legacy of traditional American individualism. According to him, in the early modern period, European noble families wanted to appear as “the ones who are helping the poor” and this (somewhat improbable) myth became the basis of their contempt of capitalism as something “unhelpful, immoral and decadent.” American society, however, was based on liberal or capitalist thinking since its beginning and so American people never wanted something like “illiberal welfare state” (Lipset, 2003). This helped to find various voluntary welfare organizations throughout American history. Some of these voluntary organizations have ties to various Christian churches and so, despite being genuinely secular state, religion is important to many Americans. By the contrast, in some European countries, people more secularized, especially in the Central and Eastern Europe after communism, but the much-older influence of *laïcité* concept of French republic from 1873 that influenced European republics after World War I meant that religion had less influence on the society than in the United States. I generally avoid associating this European phenomenon only with communism in Central and Eastern Europe, because in Europe there were not so many voluntary Christian organizations that were so active and this contributed to alienation of some parts of European working class to religion in general. Of course, all generalizations should not be applied, religion is important also for many Europeans but different political developments helped to different attitudes of Christian churches and, more importantly, of Christian organizations in Europe and America.

Nevertheless, also in America after the Independence, there were groups whose opposition to liberalism and capitalism resembled that of old European aristocratic families. Like their noble European counterparts, these groups were against capitalism because they saw it as a symptom of decadence and immorality. Unlike Europe, this American “capitalist question” was an issue directly bound with the question of slavery in

the first half of 19th century. As J. Williams Harris explains, various Southern politicians in the early 19th century defended the institution of slavery because of their belief that abolition of it should destroy their social order (Harris, 2006). Thus, the Southern society was based on pre-industrial conservative values, whereas the Northern society understood their “religious election” in terms of economical success. This was the motive of Southern society to be against abolitionists. And even after the end of slavery, in America, the term “Good Old South” is generally used to describe alleged “conservative values” of this part of the United States.

5.3 Political culture of the South before the Civil War

Because of use of slave labor on the Southern plantation, it was quite clear to assume that even the very poor white families were not seen as the bottom of the society.

Boritt and Blight (1996) argue that this was also one of themes used in political agitations of anti-abolitionists in the South. They argued that end of slavery means to be end of alleged “equality” between whites. This was one of causes of the radicalization of Southern states because Southern politicians feared that riots led by poorer whites may destroy their electorate.

The author of this thesis had already explained the attitudes to capitalism in the North and the South. One of basic motives which had root in thought of the American Revolution was also a fear of “big government” and power in general (Boritt et al., 1996). This negative attitude to capitalism in the American South was strongly related to general fear of “money power” and abuse of power by owners of banks. Here we may add, that Boritt and Blight call this peculiar tradition in the United States of the early nineteenth century “republicanism.” This kind of populism was probably inherited from the Jacksonian era, whose politics of egalitarianism (which was, of course, reserved for white males only) won him huge majorities in the Lower South (Boritt et al., 1996).

These populists also very often appealed to U.S. Constitution. Many of their fears stemmed from fear of some kind of “majority dictatorship” which supposedly had to begin with the abolition of slavery in the South. John Calhoun took these Constitutional prohibitions of abuse of majority power to the extreme and stated that every minority should concur to victorious majority before passing of new laws in the Congress. For a

quite long time this fear in the South was quite widespread. For example in 1832 (during the height of president Jackson's populism), South Carolina, Calhoun's native state declared numerical majority's protective tariff null and void and this was the beginning of the so-called Nullification Controversy. Only a Compromise Tariff of 1833 stopped Andrew Jackson to from militarily imposing the will of majority. This was a height of this particular "anti-majority" populism which outgrown even the populism of Andrew Jackson (Boritt et al., 1996).

6 The Civil War and economical factors

The North and the South, as it was said, had very different economies. The economy of the South did not change much while the North was industrializing steadily. Nevertheless, even today, there are many nations in the world which have some region of the country as industrial base and other as agricultural base and these are perfectly complementary. As Kenneth M. Stampf argued the economy of the North and of the South could function side-by-side in the same way (Stampf, 1981). According to him, economical problems and differences were not crucial in the North-South political confrontations. In the North, the conservative class of traders, which exported various goods and also Southern cotton, were by no means anti-South. Most American bankers, merchants and manufacturers were outspoken in their criticism of anti-Slavery agitation which was otherwise widespread in the North (Stampf, 1981).

Of course, the crucial step that led to war was the question of expansion of Slavery into new states in the West. And the author of this thesis, like Stampf, disagrees with economical determinism in the causes of Civil War. However, there were political-economical factors long before the Civil War that caused strong cultural differences between these two parts of the United States. The growth of Southern plantations, which existed even before the independence of the United States (although, the cotton was not widespread here in the colonial period, tobacco was more widespread), paralleled creation of settlements along rivers and even in 1860's the South was much more sparsely populated than the North. And the already described growth of the Southern aristocracy meant that in these disunited regions (in terms of infrastructure), the plantation-owner was a kind of authority. His right to defend his property and the defense itself was a kind of manhood and "exemplary manners" and so it was seen as his honor, as Christopher J. Olsen rightly explains (Olsen, 2000). Because of all this, the Southern society was much more patriarchal (due to this "aristocratic" tradition) and social mobility was very low compared to the North, because, indirectly, even the non-slaveholding white majority in the South profited from slavery; poor whites were not "at the bottom of society." And the ban of importation of slaves from 1808 (Lightner, 2006) meant, that slave-owners defended their property even more and wanted slavery to expand to new states which were created in the West. These crucial disagreements were exacerbated by the Southern notion of "States' rights" which the author explained before.

Because of this very different political culture it was only natural, that in December 1860 North Carolina seceded, being soon followed by more states (January-February 1861), when the majority of Americans voted for Abraham Lincoln in 1860.

6.1 Impact of economical factors and Southern political culture in the Civil War

When the South seceded in 1861 and the War begun, initial Southern victories led to illusion that the Secession will last forever. But economical factors were extremely important during the War and it was the reason why the North won in 1865. The political culture of the South was also one of the crucial reasons.

Due to this political culture, the Confederated States of America were remarkably unstable country which won first battles only due to high motivation of foot soldiers and achievements of some military commanders.

Paul Johnson in his book *History of the American Nation* explains these influences of Southern political culture and economy on the War itself. Arkansas seceded sixth of June and then created an "alliance" with Tennessee – this was only process during the secession of the South which was passed by popular referendum. North Carolina had no choice because it was situated between South Carolina and Virginia and seceded 20th of June. Missouri was undecided although it was a slave state, but later did not join the Confederacy. Maryland was strongly against the War itself, as it did Delaware. Kentucky was the only slave state whose soldiers fought for the Union. Eleven out of fifteen slave states were part of the Confederacy (Johnson, 2000).

Demographically, there was a clear disadvantage for the Confederacy, in 1860 it was clear from the population census that in the territory of the future Confederacy, there were 5 449 467 White Americans and 3 521 111 slaves. Almost million white men served in the armed forces and 300 000 were killed or wounded during the war. In the nineteen Union states 18 936 579 people lived and the Border States had another 2 589 533 white Americans plus 429 401 slaves. The Union had about 1 600 000 men fighting in the armed forces. During the War there was also immigration from Europe to the North and 400 000 new soldiers were added to the armed forces of the Union. The best units in the Union Army, Marines and Navy were newcomers from Europe – mainly from German regions, Scandinavia and Ireland. They existed also among commanders – like Franz Sigel and Carl

Schurz of German descent, the Frenchman Philippe de Trobriand, Hans Matson from Norway and Colonel Hans Christian Heg from the same country. Generals Corcoran and Meagher were Irish. (Johnson, 2000)

Economically, the factors which typified economy of the South turned to be a disadvantage; the production and general economic output in the North was 10 times higher than in the South, 15 times higher in production of pig iron, 38 times higher in coal mining, 32 times higher in weapons production, 32 times higher in wheat exports, 2 times higher in corn exports. The railways in the North were 2.4 times longer than in the South and agricultural land was three times larger in the North; there were also slightly more farm animals in the North. South had higher output only in production of Cotton, which was 24 times higher than in the North, but this advantage was short-lived. Just before the Civil War James Henry Hammond, a senator from South Carolina told: *“Cotton, rice, tobacco, and naval stores command the world: and we have sense to know it and are sufficiently Teutonic to carry it out successfully. The North without us would be a motherless calf, bleating about, and die of mangle and starvation.”* To put it simply, in the South, the “plantation aristocracy” believed that the war will help the Southern economy. These people believed that their economy will only grow, while this same war would destroy the Northern economy. But because of this industrial backwardness, compared to the North (which the Southern establishment did not want to see), the opposite was truth. The Economy of the South shrank but the economy of the North grew and the growth was even higher than ever before. (Johnson, 2000)

Because of the attitude toward capitalism, as the author of this thesis has already said, was in many cases negative in the South, there was a general inability to work with financial markets. And because of dependence on the cotton trade, there was a firm belief that trade will replace diplomacy and the South was generally incompetent in international diplomacy. There was also factionalism caused by the Southern ideology, which emphasized – as the offspring of “states-rights” type of populism – the general undefined idea of “greater states rights.” As Johnson states, in majority of civil wars, the defeated side is that side, which run out of finances. He also states, that this was particularly true in the case of the Confederacy. South had no gold reserves and was fully dependent on its money made of paper. Another advantage of the North was large and well trained Navy which carried out successful blockade of the Southern ports. It halted imports and exports which were extremely important to the Southern economy. The blockade was so successful

that the South earned only 6000 golden dollars during the War. The South constructed some ships, but other weapons were scarcely homemade and so had to buy weapons in Europe. France always sold weapons mainly for profit but wanted to be paid in metallic coins, which the South paid, but not nearly as well as the North, of course (Johnson, 2000).

When the author speaks about economical factors which shaped cultural differences in the United States in general and the attitudes to capitalism in the South in particular, it must be said in more detailed way about financial situation of the South. The President of the CSA was Jefferson Davis, who named the CSA finance minister C.G. Memminger, a politician from South Carolina. It was unfortunate decision: Memminger had no experiences with capitalism, and so he had neither initiative nor ideas to earn hard currency for the Confederacy. An eight-percent interest-rate loan, organized by a consortium of banks from Charleston and New Orleans, earned 15 million dollars in metallic coins and almost all of this went to foreign countries (mainly France) to buy weapons. Further loans had no such successes and the last ended in total debt. Foreign loan in Britain from 1863 which was carried by the French company Erlangers specifically for the Confederacy finally failed due to high fees and cumbersome attempts to speculate at a market price. Memminger then started simply to print money. In the summer 1861, he put a new amount of flat million dollars into circulation. In December it was raised to thirty million dollars, in March of 1862 to 100 million, in December that year to 450 million and this doubled by 1863 to 900 million, later numbers are not known. In May 1861, golden coins started to have higher price than paper money and towards the end of that year the difference was about twenty per cent. In 1862, common inhabitants of the South needed three paper dollars for one golden and in the end of 1863 it was even twenty (Johnson, 2000).

Finally, in July 1864, Memminger resigned amid long quarrels with other leaders of the South, who said publicly, that he steals profits from cotton exports for himself. Davis replaced him with George A. Trenholm. It was much better choice, because he was an economical genius. Before the War he was the leading exporter of cotton. This time was, nevertheless, too late, the inflation in the South rose to hyperinflation, one golden dollar in December 1864 was worthy of 40 paper dollars and shortly after that, even hundred paper dollars. Inflation was the main weakness of the South and the Confederacy collapsed because of it. Towards the end of the war paper money ceased to have value and people reverted to use barter trade. Only these who owned golden dollars had means to travel. Davis was also impoverished, like everyone else in the South shortly before the War

ended. In the last weeks of the Confederacy he sent his wife, Varina, out with last golden coins and he owned only one metallic coin of five dollars (Johnson, 2000).

Overconfidence in endless economical pragmatism and reliance on raw materials was major part of diplomatic efforts of the South, which was, equally unsuccessful. Although, as it was said, the attitude to capitalism in the South was primarily negative, the Southern plantation owners were still traders and they thought that diplomacy is not meaningful. Thus, Davis thought that motivation of every major power is primarily economical in the world of international relations. Most important was, of course, the superpower of that period, the Great Britain. In 1850s, 80 per cent of British cotton was imported from the United States. The Royal Navy also could easily outgun the navy of the Union and end the naval blockade. Davis believed firmly in the opinion of Senator Hammond, that the cotton is the most important crop in the world. However, the waiting for the conflict led to overproduction in 1860 and that year, Britain was flooded with American cotton. The offer was, thus, very high even in 1861 – out of the cotton which was imported in 1860. The British also wanted some more stable source of cotton and so imported it from colonies: Jamaica and, above all, from parts of India which were at the time parts of the Crown. They imported cotton also from independent Indian states on the subcontinent and from Egypt. Later, they imported it, including, from the Union itself. In 1860-65 Britain imported five million bags of cotton in America, but only small part of it was from the Confederacy. British companies wanted to get rid of dependence on Southern plantation-owners who were in many ways difficult to accept a compromise. Even though there was some unemployment in Lancashire and Yorkshire, the British people did not support the Confederacy. Opinions of Abraham Lincoln – nationalistic but also liberal – were popular at the time and the world opinion was on his side. The South had many allies in British conservative circles, but Davis (who despised Britain personally) alienated them by sending radicals as ambassadors abroad, who functioned as propagandists. The British prime minister in 1861 declared strict neutrality in the War. The only crisis in relations between Britain and the Union was the incident when the captain of US ship *San Jacinto* – Charles Wilkes stopped British steamboat called *Trent* to seize John Slidell and James M. Mason from the Confederacy. Secretary of State of the United States at the time – William Seward, however, ended this crisis by freeing both men and explaining that, according to him and Wilkes, the ship would go to American ports to face arbitration (Johnson, 2000).

As it was say, there was generally large political instability in the South. Southern propaganda frequently called for “states’ rights” and the politicians wanted to behave accordingly. But the Southern politicians did not know that the Founding Fathers increased federal power during the Constitution-making process simply because the original system, in which the States/colonies had much power, was not very practical in the conditions of Revolutionary war, even in conditions of peace. The Confederacy had in many ways the same deficiencies as the young United States. Every state had its own armed forces and only states decided where and when it will fight. States decided also who will be the commander of particular unit. Many military and political elites of the South thought that their own state is more important than the whole Confederacy. Men from one state refused to fight under someone from other state; they had to consult this with other governments. Thus, Davis had the same huge problems as Washington in 1770’s and had not got abilities comparable to Washington. Many Southern generals and politicians thought he was guilty of many mistakes in Southern policy and military. Davis was authoritarian person, who in many ways had disputes with Southern Congress (Johnson, 2000).

The South fought very well at the beginning of the War generally because of higher motivation and paralysis in the North. Lincoln did not want war neither caused it and his choices of generals were not good at the beginning. But he later chose, unlike Davis, better commanders. The North was disunited and bewildered, this caused slow mobilization. Lincoln appealed to morality, but also wanted to help the North to be united which required pragmatic approach and so he told the senators that his goal is to save the Union. In private, however, he spoke that he wants to end slavery (Johnson, 2000).

6.2 The railways during the War

In the Clyde Bruckman’s silent comedy film *The General*, there is well illustrated the importance of railways for advancing armies of the North and the South. A young man, (railway engineer), want to enlist the Confederate army (to satisfy his love), but he is refuted. The secret spies of the North then steal a locomotive and also kidnap his lover. He then rescues her and informs the Confederacy about planned attack of the Northern armies. At the end of the film he is promoted to lieutenant.

While the film is a complete fiction it describes that for both armies, railways were very important as supply lines for advancing armies. In some cases they also carried soldiers over longer distances.

The film also describes well another fact, which even General Sherman of the Union Army observed: “*railroads are the weakest things in war; a single man with a match can destroy and cut off communications.*” (Hattaway, Jones, 1991) Railways were very important for the American economy since their beginnings and in 1860 American firms manufactured 470 locomotives but only 19 of them were built on the territory which later became the South. Virginia was the only Confederate state capable to built locomotives, but New Hampshire alone had four such companies, like the one in Virginia. Northern railways were mostly standard gauge (four feet, eight and half inches). They formed a grid-like system which allowed locomotives and cars to move from one line to another. By contrast, Southern railways were built in three different gauges (standard, Indian – 5 ft 6 in, and Russian – 5 ft) and were often disconnected one from the other. One Southern railway company even built its railway in two gauges. In the South, the logistic was thus slower than in the North. In the South only Virginia was advanced in comparable level to the Northern states (McMurry, 2014).

The railway problem in the South was much more evident in the central and western parts of the Confederacy. Here railways were often point-to-point lines, running for example, from New Orleans to Memphis or Mobile to Montgomery. Often the railway journey had to be broken because of an unbridged body of water, different gauge or simply long gap between the railways (McMurry, 2014).

This was another economical factor which made Southern railways comparatively primitive. As Black explains in his book *The Railroads of the Confederacy*, the South had larger railways mileage than England, but the network as it was said, was disconnected, the lines simply served as feeders to some established waterway or for local trade (Black, 1998).

Black also states that the railway-owners not wanted to subordinate their corporate interest to the War and that the Confederacy, unlike the Union. In the system of railways there was also no policy to aid the war effort. These two mistakes reflect instability and fractured nature of the Southern politics (Black, 1998).

7 Subsequent development of the South from the end of Civil War to 1900

After the end of War and slavery, Northerners had no uniform policy in the subsequent Reconstruction period. There were general goals what they wanted, but they were also far from united on any specific set of aims. Some wanted stricter tariffs, others not so stricter (Franklin, 2013). The last amnesty of former Southern Generals happened in 1868; also Robert E. Lee was pardoned (Franklin, 2013).

The economical reconstruction in the South had lasting effects on the African Americans, and White Americans alike. The Southern railways were rehabilitated to a new, standard gauge, which into 1880 replaced all other gauges gradually (Ruchelman, 2007).

The reconstruction also let the “King Cotton” on his throne. The agriculture based on cotton farms, where poor whites and freedmen worked existed well into 1930s and into that period also was the mainstay of the economy of central Southern states. Even after the Civil War, the cotton laid at the nucleus of social, political and economical life in these states. This also may explain why, many whites in the South continued their racist approach to freedmen and their descendants. The Southern culture, which in this age already stemmed in customs sometimes older than existence of the United States (as the author of this thesis explained in chapters before) simply did not disappear overnight with all the positive and negative after the Reconstruction (Cooper, Terrill, 2009).

Most of the land remained in white hands, often in large parcels. Many whites lost their landholding but nearly so many as it is sometimes suggested in rumors and some literature. Most studies now indicate that landowners survived the War in generally better shape, than was once believed. Sharecropping and tenancy were widespread methods of them to keep their workers – which were freedmen without land. Many in the South had illusions, that black Americans were “unsuitable” for normal life and will die out, while the South will attract more immigrants from Europe. However, this did not happen, of course, and the Southern economy still needed the workforce, many plantation workers were black (Cooper, Terrill, 2009).

This process was not a shock therapy. Already before and during the Civil War, there were some free black men who worked like common workers. Their number only

grew exponentially. Freedmen did not obtain 40-acre land and a mule as they were promised. Although they were mostly poor they actively resisted effort of some white landowners to make them work in gangs – a practice that resembled them slavery. Most of them preferred sharecropping over wages, because believed it will allow them to have some voice in the farm. But in 1870, courts of Southern states ruled out this and stated that sharecroppers were simply laborers without this kind of voice. However, freedmen worked like free people, this means less than when were slaves. This put more pressure on the landowners, which often simply campaigned for more laborers (Cooper, Terrill, 2009).

African Americans also wanted, in many cases, to move to new area because they often resented their former master and owner. Cooper and Terrill even have theory that the segregation partly was caused by some blacks, who wanted to live lives totally separate from whites. However they also explain that the real, racist segregation was implicit in the opinions of wealthy white landowners who in many ways thought that blacks are sort of social burden and “unfit to live in modern society,” as it was stated before (Cooper, Terrill, 2009).

The combination of religion and materialism in American culture was the result of the “gilded age” of economic boom from 1880 to 1914. But, as Cooper and Terrill explain, the memory of the Confederacy still existed and was repeated by many personalities of the New South. Among them was the most important Henry Grady together with Lieutenant General John Brown Gordon, who as first people used the phrase “Lost Cause of the South,” which according to them was noble. They frequently used religion to define this “Lost Cause.” It should be also noted, that Gordon, another of these first “Lost Causers” was one time a member of the Ku-Klux-Klan, radical racist organization, which fought for white supremacy in the South (Cooper, Terrill, 2009).

For various social strata of white persons in the New South, the Lost Cause had very distinct meaning. Many variants of this neo-Confederate theme then evolved, reflecting changes over time.

7.1 The myth of the “Lost Cause”

Very important role in shaping the popular myths about the former Confederacy had also the Southern civil society in general. Various Confederate organizations in this period were quite numerous. In the first year after Appomatox few local benevolent organizations with ties to the militia unit formed and officers from the last unit met every year after that. In 1865-1870 many more such societies were founded involving people like Dabney H. Maury from Virginia, Richard Taylor or Braxton Bragg (Forster, 1987).

On first of May 1869 these three men founded the Southern Historical Society, which was the largest of these. Benjamin Morgan Palmer, a New Orleans minister, who interpreted the Lost Cause myth in religious terms, became president of the Society that day. In 1870, when General Lee, died he was exemplified as “true Southern hero” and even a kind of “second Washington.” General Lee was typified as an example of gentleman which was later expanded to other (dead, of course) generals later (Forster, 1987).

General Gordon was active in the second wave of these Neo-Confederate organizations. United Confederate Veterans formed in 1889. During 1890s this was the most influential organization that kept the memory of the Confederacy alive. The UCV also emphasized reconciliation sentiment. Nevertheless, many Virginia-based clubs were against this sentiment (Forster, 1987).

Charles Reagan Wilson describes this myth of the “Lost Cause” in his book *Baptized in Blood*. As it was aid, it was very varied, but some main themes persist until today and existed in this period. The belief is that the war and its supposed heroism, in a certain way, “baptized” the spirit of the United States and, that the South had this peculiar destiny of “baptism.” He also rightly states, that the myth penetrated into the American popular culture in general, which often portrayed the CSA Armed Forces as fighting for something admirable against all odds (Wilson, 2009).

Similarly to negative attitude towards capitalism, that existed in the South before the war (and declined during the gilded age due to economic boom in general), the Neo-Confederate revivalist movement, was also negative towards kind of “speculation.” This time, however these “speculations” were rather intellectual than economical. William P. Trent was the perfect example of this, born in Virginia in the Southern elite family, he had received graduate training at John Hopkins, an in 1888 he began teaching at Sewanee.

While there, he criticized the South, especially in his biography of William Gilmore Simms, an antebellum novelist. Southerners were outraged by his opinions and with Trent's subsequent scholarship. He complained that he was often object of prayers and other pseudo-religious propaganda, by people who wanted his "spiritual regeneration." Trent fled in 1900 to Columbia University, with its modern graduate school. This is an indication that the Lost Causers did not tolerate heretics (Wilson, 2009).

CONCLUSION

The aim of this thesis was completed, because I described radical differences between the North and the South and influence of these differences on subsequent development of the United States. As it was explained, regional differences within the United States exists more on historical than ethno-linguistic basis. In the American case, the pivotal role was that of economical differences which existed since the colonial era until the half of nineteenth century. These economical differences changed views of people in the North and the South. The former industrial Northern society is today generally less conservative while the former agrarian South is now viewed as a “bastion of American conservative values.” This stereotyped view owes not much to conservatism in the North or in the South but much more to evolution of societies in these distinct parts of the United States.

The myth of the “Lost Cause” is in fact a kind of cultural, popular reaction to results of the Civil War. Many cultural personalities and former soldiers needed justification for the Secession in order not to seem “supporting slavery.” But as it was already described, this “Lost Cause” is a myth, not based on some empirical research. But other myth is also the opposite, the myth of “sadistic slaveholders.” Historians now disagree also with the obsolete theories that economical differences were pivotal in the cause of American Civil War. In spite of this, there were very important economical factors that determined life and also political culture in the North and the South. Since the colonial period, due to various patterns of population, various levels of isolation from the rest of world and various economical activities resulted in a society which was fragmented at its beginning, but roughly in the end of the 18th century, shortly before the Declaration of Independence, “condensated” along two main socio-political centers – the North and the South.

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