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## Unrequited Toil

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## Financial Chains

Money made enslavers' world go around, and the ordeals of three young African-descended Americans in the slave market in 1835 reveal both the human costs and financial connections that made the slavery business. That summer, Norfolk slave trader Bernard Raux and his partners bought a shipload of captives in Virginia and North Carolina to sell in New Orleans, where prices were much higher. One was Virginia native Venus Giles. She was sixteen years old and stood five feet three inches tall. In late June, Raux bought her, handing her Norfolk owner \$550, probably in banknotes from the Bank of the United States.<sup>1</sup> The kind of money he used was important. Banknotes were not the familiar greenbacks of today featuring Andrew Jackson or Alexander Hamilton. The Federal Reserve notes of a later era were issued by government authority and backed by confidence in the nation's solvency. Instead, banknotes in the 1830s were expressions of trust in particular financial institutions. In 1835, the Bank of the United States was a quasi-public bank issuing its own notes alongside some 700 state-chartered banks throughout the country. Notes embodied confidence in the promises made to redeem them. Banknotes also point to a towering irony of the slave trade: its violence and destruction was built on confidence and trust.

Confidence tied the promise of future repayment to the imagination of entrepreneurs, even slavery's entrepreneurs. And that relationship of trust was at the heart of capitalism. Yet money was not all equal, and slave

traders were as concerned about particularities of money and finance as they were about risks and captives' security. Their business took place over a vast geography. Norfolk and New Orleans were separated by several states and thousands of miles of ocean. Within that space, most money was local. Americans – if they had money – spent a hodgepodge of promissory notes, state banknotes, foreign coins, and a few federal ones. Most did business on local credit. And much of what changed hands when something was bought or sold was not widely spendable. A typical state banknote was worth less the farther it traveled from the bank that issued it. Silver and gold were scarce, cumbersome, and expensive to use. After all, coins were bulky and could be stolen easily. But paper money held certain advantages, especially notes from a strong state bank (a privately held bank chartered by a state) or the Bank of the United States. Notes from the Bank of the United States were typically the best suited for spending across state lines. And all banknotes were negotiable instruments, meaning that in theory they could be redeemed in silver or gold and so embodied trust in future repayment. That is why owners were willing to part with such valuable human properties in exchange for pieces of paper.

To buy Giles and the others, Raux wrote a \$11,469 draft on his account at the Bank of the United States branch in Norfolk (\$322,000 in 2017 real price equivalent), cashed by his partner Paul Pascal, and with the money in hand, he scouted for young enslaved people.<sup>2</sup> And those notes were part of what held the economy together. The Bank of the United States exercised a central banking function that organized a national economy. Its policies also stabilized and promoted the interstate slave trade, if unintentionally. In the previous decade, the Bank had become an engine of slavery's growth by regulating the domestic or national exchange of money (mostly bills of exchange, another type of negotiable instrument) to ensure steady growth in the North Atlantic cotton economy. After assuming the presidency in 1823, Bank president Nicholas Biddle instituted monetary policies that integrated sections of the country. By buying and selling bills – called exchange – the Bank smoothed out seasonal variations in the national money supply, promoting foreign trade and national growth.<sup>3</sup> And the confidence Biddle built

<sup>1</sup> Bill of sale from [?] Cox (Venus), June 29, 1835, folder 35, Bernard Raux Slave Trade Papers, 1828–36 (MS Am 790), Houghton Library, Harvard University (Raux Papers, HU).

<sup>2</sup> Bernard Raux, check payable by the Second Bank of the United States, July 29, 1835, Series 3, Folder 15, Raux Papers, HU.

<sup>3</sup> Howard Bodenhorn, *A History of Banking in Antebellum America: Financial Markets and Economic Development in an Era of Nation-Building* (New York, NY: Cambridge University Press, 2000).

attracted foreign investment in both the Bank of the United States and the economy it shepherded. And to do that Biddle and the Bank relied on British backers.

London was the financial capital of the North Atlantic, and merchant bank Baring Brothers and Company of London extended Biddle and the Bank a revolving credit line to cover the Bank's exchange business. In addition to buying and selling domestic bills, the Bank's exchange business involved accepting foreign bills of exchange and turning them into dollars and, through merchants, putting those dollars into circulation or loaning them out. The British connection was important because most American cotton was sold in Britain, and many of the goods Americans imported came from there. Broadly speaking, Americans imported goods credit and exported raw materials, much of it the product of slave labor. The Bank's financial transactions generated profits, and Biddle wielded a great deal of economic power (which generated charges of favoritism and corruption).

But the important consideration for slave traders was the soundness of the paper money used to buy bondspersons. Barings' British pounds crossed the ocean to become dollars drawn by slave traders to pay for captives like Venus Giles. And with Biddle at the helm, the national economy sailed along. State banking and credit facilities grew steadily as growth accelerated under the Bank's stewardship. The Andrew Jackson administration defunded the Bank in 1834 in favor of smaller state banks run by Democratic supporters. But even by 1835, the Bank's notes were the best banknotes in the country since they could be redeemed in many places.<sup>4</sup> And enslaved people were part of a constellation of interests. In the eyes of slave traders, African-descended Americans were investment properties. To bankers, they were working capital. To enslavers, they were both laborers and "collateralized labor."<sup>5</sup> And the main strategy of slave traders was to align the enforced movement of enslaved people with the flow of money among centers of banking and the domestic slave trade that was part of a larger process of slavery's commodification.

Capitalism transformed American slavery by radically commercializing it. And finance was decisive in that transformation. Without banking

<sup>4</sup> Sharon Ann Murphy, *Other People's Money: How Banking Worked in the Early American Republic* (Baltimore, MD: Johns Hopkins University Press, 2017).

<sup>5</sup> Joseph C. Miller, *The Problem of Slavery as History: A Global Approach* (New Haven, CT: Yale University Press, 2012), 142 (quotation); Robert W. Fogel, *Without Consent or Contract: The Rise and Fall of American Slavery* (New York, NY: W. W. Norton, 1991), chap. 1.

and credit there would have been no war capitalism and no cotton empire. Credit availability was the main limiting factor to growth. But unlike the violence done to bodies of bondspersons, the actions and movements of credit were relationships that built confidence in financial transactions. Financing the bloody violence of the pushing system, the commercialization of slavery was a process of handshakes, confident words, and honorable signatures on lifeless paper that passed from hand to hand. That process was largely hidden from enslaved people themselves.

Whether Venus Giles saw the banknotes exchanged for her body, the transaction was terrifying. Her world shattered as she was led away from home and family. After a month locked in the Norfolk City Jail, she met another forlorn captive, Israel Dyson. He was twenty-three years old and from North Carolina. Dyson stood five feet five inches tall and had been exchanged for \$900 in banknotes. Venus Giles had spent more than two months in a hot, humid, crowded jail when Lewis Hancock was tossed in among the captives that first Monday in September. Hancock was twenty-one and stood five feet eight inches tall. Lewis Hancock's world shattered when his legal owner handed him over to slave trader Paul Pascal for \$900 in banknotes. Most understood that the journey to Louisiana was one of no return.<sup>6</sup> But those sales were part of a booming economy.

Financial expansion closely tracked slave market growth. The domestic slave trade rose 84 percent in the 1830s. Bank money per capita in Virginia rose 66 percent between 1830 and 1840. Upper South sellers insisted on cash, and slave traders made sure they got it. Meanwhile, the lower South and the lower Mississippi Valley in particular became the most monetized and credit-abundant parts of the country as buyers of lands and enslaved people accessed foreign and northern capital to grow at unheard of rates between 1828 and 1836. Bank money per capita in Louisiana rose 567 percent between 1830 and 1840, and eightfold in Mississippi.<sup>7</sup> All that money sped enslaved people to market.

Beginning in the 1820s, Bernard Raux and his Norfolk partner Nathaniel built a slave supply chain, and as money and credit expanded, so did their slaving business. They bought bondspersons in Norfolk and

<sup>6</sup> Bill of sale from Peter Hancock (Lewis), September 7, 1835, folder 32; bill of sale from Charles Hatcher (Israel), September 5, 1835, folder 29, Raux Papers, HU; Inward Slave Manifest, New Orleans, September 26, 1835 (*Ariel*), National Archives and Records Administration, Washington, DC. Microfilm M1895 (NARA M1895), Roll 7, images 879–82.

<sup>7</sup> Howard Bodenhorn, *State Banking in Early America: A New Economic History* (New York, NY: Oxford University Press, 2003), 252, 289.

incarcerated them in the city jail until a merchant ship loaded for Louisiana. And once the slaves were shipped to New Orleans, a partner met the ship, jailed the captives, and began selling. By the late 1820s, the interregional slave trade was flourishing, and Raux and Currier were poised to cash in. Agricultural prices were rising faster than real estate. Foreign investors were looking for Southern investment opportunities, and cotton exports were rising. As the 1808 US ban on imported bondspersons was enforced, Chesapeake ports like Norfolk, Virginia, became a strategic embarkation port on the domestic slave route. Raux's consignments were by and large individuals, mainly young people. By 1830, the average incarceration time was 117 days.

What they could see and hear in Norfolk, Virginia, in the summer of 1835 was Nathaniel Currier turning the iron locks on the jail doors one day in late September and calling the names of seventy captives he, Raux, and Pascal owned. Pascal led them down to the city dock, and each climbed aboard the two-mast sailing ship *Ariel*. Other slave traders put their coffles aboard. And by the time Pascal bid adieu to his partners and Captain Banks gave the order to push off, 192 African Americans were aboard – as cargo. In the depths of the ship, Giles, Dyson, and Hancock were cramped in a floating prison. Each had thirty-seven cubic feet of dedicated cargo space below decks, about the size of a kitchen cupboard – or a convenience store drink refrigerator today – and that does not count the cargo that was also consigned to the voyage.<sup>8</sup> Most had never been to sea, and the initial terror of movement through water, shouts and thuds of sailors on deck, and threats screamed through hatches down at captives packed like cordwood gave way to seasickness as scores of forced migrants' stomachs gave up their meager rations as their bodies were tossed about on the salty waves. That relentless motion did not stop for three weeks, until the *Ariel* sailed up the Mississippi River, docking at New Orleans in mid-November.

The timing of the shipment coincided with a financial as well as a climatic calendar. Summers were deadly in places like New Orleans and Natchez, with periodic outbreaks of yellow fever, cholera, and smallpox. Fall brought a break from some mosquito-borne diseases. But cotton planters hungry to expand or replace dead, injured, or sick workers were also flush with credit in the form of advances from factors or middlemen who consigned their cotton bales to ships sailing to New York and Liverpool.

<sup>8</sup> Inward Slave Manifest, New Orleans, September 26, 1835 (*Ariel*), NARA M1985, Roll 7, images 879–82.

In New Orleans, Pascal disembarked Giles, Dyson, and Hancock, along with the other Raux–Currier captives, who walked down the wooden plank into a city nearly five times the size of Norfolk and much louder, busier, and more cosmopolitan. And there Pascal jailed them. Offered for sale, they were picked over, prodded, groped, and appraised by strangers assessing how much cotton they might make, how well they might serve or scrub, or – like fashionable cars of a later age – how their young bodies and youthful vigor might boost the status and prestige of the owner.

Slave trader Paul Pascal waited for the right price rather than to make a quick sale. Venus Giles spent thirty days incarcerated in New Orleans before he sold her to a city resident at a 45 percent markup. The terms were “ready money” or banknotes. Pascal sold twenty-one-year-old Lewis Hancock to a Rapides Parish enslaver for what today would be \$34,000 in real price equivalent, or a 36 percent markup. Hancock was taken aboard steamboats up the Mississippi and the Red Rivers and into a forest that was quickly becoming cotton country through unpaid labor. Arriving on that changing ground was jarring, and enslaved people often did not survive the transition to a new disease and work environment as they were forced to cut timber, grub stumps, drain malarial swamps, and lay up furrows on which to plant cotton. Any ties Hancock and Dyson had made disappeared as they were sold apart. Fifty-eight days after Israel Dyson arrived, Pascal sold him to a New Orleans physician for cash, a 22 percent markup.<sup>9</sup> And with the proceeds Pascal was able to extend financing to willing buyers without ready cash.

And like every aspiring trader, Bernard Raux needed to lay hands on the proceeds of sales in New Orleans in order to count banknotes into the hands of buyers in Norfolk. That is, he did not have enough capital to buy and ship slaves constantly during a sales season that could stretch over nine months, from September to May. Instead, the New Orleans sales agent had to send money back to Virginia. And since buyers tended not to pay in full at the time they bought a bondswoman in New Orleans, slave traders needed to access a credit chain to remit funds. To do so they tapped into an interregional financial network linking the lower South and the mid-Atlantic centers of finance on which they relied.

<sup>9</sup> Notary William Boswell, Vol. 37, Act 1236, December 15, 1835 (Giles), [quotation]; Notary William Boswell, Vol. 36, Act 1119, November 14, 1835 (Hancock); Notary William Boswell, Vol. 37, Act 1225, December 12, 1835 (Dyson), New Orleans Notarial Archive.