

A Brief Examination: The Arkansas Economy before and after the Civil War

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Abstract

Antebellum Arkansas was a period of economic growth: Cotton was king, demand was growing, and prices were at a premium. The massive profit margin attributed to the institution of slavery made both slaves and cotton prized commodities/possessions for Arkansas landowners. Greed, growth, and Northern opposition catapulted the state into what would later be referred to as the “most devastating” event to happen to Arkansas, the Civil War. Once the fighting began in 1861 to the surrender of the Confederate generals in 1865, Arkansas experienced blow after devastating blow. The state not only lost lives, money, and land but the institution of slavery was abolished which resulted in reduced profit margins and economic downturn. Slaveowners lost an estimate of over \$100 million in slaves alone. This significant monetary loss is roughly the equivalent of \$1.4 billion today. The Arkansas economy would feel the effects of war for years to come. In fact, in the century and a half since the end of the war, the state’s economy has yet to thrive as it did in antebellum years. The events of 1865 particularly contributed to the massive losses. This paper frames the ideologies, events, and decisions of antebellum Arkansas to understand the Arkansas economy before and after the Civil War.

Essay

The prosperity of antebellum Arkansas was a period of unprecedented economic and population growth for the relatively new state (Moneyhon, 2002). Arkansas’s proliferation of economy and population created a sense of hope, inspired innovation, and agricultural development for many Arkansans thanks to the state’s agrarian opportunities (Moneyhon, 2002). Across the Arkansas terrain, farmers could choose from a variety of crops to produce, however, cotton was the focus of many farms and most plantations due to the lucrative profits the crops brought in, particularly in the 1850s (Olmstead & Rhode, 2010; Moneyhon, 2002). In fact, in 1850 alone, Arkansas produced over 367,000 bales of cotton (Moneyhon, 1992). Concurrently, as the agrarian population grew, cotton’s demand increased, and so did the slave population. Historian Charles Bolton (1999) points out the prevalence of slavery in antebellum Arkansas, “the influence of slavery was pervasive” and established the “prerequisite for wealth and power.” However, this period of expansion and success was brief, as the same factors that contributed to economic growth, catapulted the state into what would be known as “the most devastating” event to happen to Arkansas, the Civil War (Whayne, Deblack, Sabo III, & Arnold, 2013). The destruction, deaths, and devastation left in the wake of the Civil War are largely unmeasurable. On the other hand, the financial loss, and the destruction and devastation of the Arkansas economy are measurable. The culture and ideology of antebellum Arkansans influenced the decisions and events that took place before and after the Civil War. The outcome of the war not only quelled the institution of slavery but the Arkansas economy; which has never fully recovered (Smith, 2002).

Agriculture, the driving force of the economy in the years before the Civil War, flourished in Antebellum Arkansas with its vast, undeveloped, and farmable land. Arkansas was an up and coming opportunistic state, home to a growing population and a thriving

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economy (Whayne, Deblack, Sabo III, & Arnold). Regarding personal wealth and real estate per capita, Arkansas ranked sixteen out of the nation's thirty-three states (Whayne, Deblack, Sabo III, & Arnold, 2013). The profits from the agricultural sector and population growth encouraged lenders to invest in the new state which; furthered an already growing economy. Non-native Arkansans encouraged friends and family to follow suit and pursue the wealth and prosperity Arkansas had to offer. "I would advise any man who had no home of his own to come to the South where it is in the power of everyone that wishes to make himself an independent farmer in one of the most fertile countries on the face of the earth" (De Bow, 1844). As a result, Arkansas attracted people from all over the world, including twenty-four states and four countries (Whayne, Deblack, Sabo III, & Arnold, 2013).

Arkansas's climate, fertile soil, and substantial amounts of land made the state conducive to growing a variety of crops such as wheat, corn, potatoes, tobacco, among others, most importantly the most profitable crop, cotton (Moneyhon, 1992). According to Moneyhon (2002), in 1860 Arkansas had over 39,000 farms, 3.5% of which were plantations, which produced roughly \$33 million or approximately over \$976 million today (Handbook of Labor Statistics), mainly due to cotton production. After decades of continued success in both the growth and sale of cotton, Arkansans and outside investors were confident that "cotton was the best way to become wealthy" (Moneyhon, 2002). In fact, 98% of the capital invested in the state went toward those investments in agriculture, demonstrating extreme confidence in an unpredictable and vulnerable commodity (Moneyhon, 2002). In 1860 alone, agricultural investments totaled around \$103 million (Moneyhon, 2002), the estimated equivalent (Handbook of Labor Statistics) of over three billion dollars today. Cotton was the foundation of the economy in antebellum Arkansas, and almost all available capital was tied up in the agrarian sector hence, the few industrial manufacturers of the day.

In the decade before the Civil War, the construction of plantations increased, and by 1860 they accounted for 3.5% of the more than 39,000 Arkansas farms (Moneyhon, 2002). The average farm was near sixty acres, ten times smaller than the average plantation (Moneyhon, 1992). Many plantations only grew one cash crop, and in antebellum Arkansas, it was typically cotton. In 1860 alone, cotton sales were over \$16 million, the equivalent of roughly \$470 million today, with a total of 367,393 bales produced, each weighing around 400 pounds (Moneyhon, 2002; USDA, 1850). The expansion of plantations, the intensive labor requirements for producing the crop, the amount of cotton picked and consumer demand demonstrate the importance of cotton to Arkansas (Moneyhon, 1992).

The institution of slavery and Arkansas is coeval, one year after official statehood, slaves made up 11% of the population (Bolton, 1999). Put differently, the institution of slavery did not develop because of the cotton industry; slavery increased because of the cotton industry. From 1820 until the Civil War the slave population grew concurrently with the number of plantations and cotton sales trends and by 1860, slaves accounted for 22.4% and by some accounts, 26% of the total population or around 111,000 of slaves in 1860 (Bolton, 1999; Lovett, 1995). Slaves were not only forced to work by a planter; 20% of Arkansas taxpayers owned slaves (Bolton, 1999). In fact, the percentage of the total number of slave owners in 1860 that owned 50 or more slaves made up 3%, and those who owned 20 or more slaves accounted for 11% (Bolton, 1999). In sum, the demand for cotton led to the addition of more plantations, increased work for this labor-intensive crop, taken together, these factors increased the slave population in Arkansas (Moneyhon, 2002).

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The significant investment in slaves was further evidence of the investor's zealous faith in cotton's profitability. Sell prices for slaves could vary depending on their abilities, gender, and age (Bolton, 1999). Newborn slaves could sell for around \$100, and the most expensive slave was a man in his twenties with abilities such as blacksmithing could sell for \$2,500 (Bolton, 1999). The average slave in 1860 would cost around \$881.00 each, with over 111,000 slaves working on Arkansas farms, and planters spent roughly \$97 million (Bolton, 1999).

Some plantations in Arkansas had over 100 slaves working in the cotton fields, with the average picking 111 pounds of cotton per day, each pound valued at eleven cents in 1860 (Olmstead & Rhode, 2010; Gatewood, 1991).

Until the start of the Civil War, the population and the economy in Arkansas grew largely because of the success of the crop, cotton. Arkansans and outside investors, often funded by lenders, invested massive amounts of money in the development and sustainability of farms and plantations, all dedicated to cultivation and agriculture. With cooperation from the weather, plenty of uncultivated lands, the fertile soil, and absence of plant harming insects, Arkansas's production thrived, particularly cotton. Additionally, slaves owned by Arkansas farmers and planters provided free labor, further increasing profits. However, weather, the availability of lands, funding, soil, and insects are all volatile. Moreover, by the middle of the 19th-century abolitionists were making progress in the fight to end slavery. The success of the first half of the 19th century fueled ideology, influenced Arkansas culture, and ultimately propelled Arkansas into war. From when the fighting began in 1861 to the surrender of Confederate generals in 1865, the Civil War resulted in blow after devastating blow for Arkansas.

In the wake of the Civil War, Arkansas was left devastated. Tax assessments in 1865 showed the staggering losses the state suffered: 50% fewer horses and mares, resumption of post-war agriculture dropped 39%, there were 43% fewer cattle, and furniture value decreased over 50% (The Auditor of Public Accounts for the State of Arkansas for 1864, 1865, and 1866, 1866). The biggest loss to lenders and slave owning Arkansans was the abolishment of slavery and their slaves, the state's most valuable property, which was more than \$100 million in 1865. (Moneyhon, 1994). Property-value declined significantly. Before the war, the value of an acre of land was \$5.32, post-war the value decreased to \$2.21 an acre, with a total loss of over \$30 million (Moneyhon, 1994). At the close of the war, the population had declined 250,000 residents (Moneyhon, 1994). These figures demonstrate the repercussions of the Civil War in Arkansas. Even with staggering losses, the state had to move forward, and decisions had to be made to repair what was left. On the brink of a new beginning, Arkansas and those in power, the elite, chose to avoid change. The very people responsible for the decisions that led Arkansas to war were the ones who were responsible for fixing the state's economy. The economic success of pre-Civil War Arkansas inspired the directors of the future. As a result, those in authority went back to what they believed was the only way to make Arkansas prosperous, agriculture. Historian Carl Moneyhon (1994), sums it up best, "how the elite handled these issues determined the development of the state for the next century." Their decisions were vital to Arkansas's recovery.

Reviving the agricultural world of Arkansas was not difficult considering the number of the state's farmers and the ease in which they could plant crops. Immediately following the end of the war in 1865, agriculture picked up where it had left off four years earlier. In 1865, cotton was up to fifty cents a pound and created optimism in farmers (Copeland, 1997). The

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next year could bring prosperity; however, labor costs now had to be considered. The faith in cotton influenced the decision for Arkansas to go back to an agricultural way of life and not choose an industrial or educational direction. However, in 1866, the weather was not kind to Arkansas farmers, and for most of the spring, it rained, causing areas to flood (Copeland, 1997). By summer, there was a drought and that fall, more torrential rains. In 1867, the pattern repeated and another failed year of planting occurred. The price of cotton fell drastically. The outcome of two bad farming seasons was the accrued debt by Arkansas farmers (Copeland, 1997). The debt halted investments in Arkansas and deterred private investors from funding farmers.

Arkansas has historically been reluctant to change and being so heavily invested in one crop in 1865, 1866, and 1867 crippled the state. The rest of the United States had moved toward industry, education, and manufacturing. In 1900, Arkansas was forty-fourth out of forty-eight states in per capita value of agricultural and manufacturing product combined. Although it ranked twenty-second in agricultural productivity, Arkansas was forty-sixth in manufacturing. Further, only 8.5% of Arkansans lived in towns with a population greater than 2,500 (Moneyhon, 1994). These numbers reflect Arkansas decision makers' faith in a crop and led to a lack of education and growth in other sectors. Worse, the success of cotton exacerbated the use of slavery and rationalized the institution; which ultimately led to the Civil War. It seems that the ideology and culture of a large portion of Arkansans were unchanged by war. In 1865, slave owners were not willing to let go of free labor and recognized the limitations on former slaves and took full advantage. In some cases, slaves continued to work as slaves for years after the war. However, the massive losses experienced by slave owners were never fully recovered. The choices and ideologies of those in the 19th century were largely the results of the investment in one volatile commodity and the constant pursuit of an agricultural way of life. In many ways, the ideologies of the 19th century seem to have carried over into the 21st century.

While Arkansas has success stories, the state continues to fall short in U.S. rankings. In 2002, Arkansas lagged behind other states in recovery from a recession due to global competition, beginning in 1997, affecting rice and cotton; two of Arkansas' largest agricultural commodities (Smith, 2002). The reluctance to change, is evident in every aspect of Arkansas, from education to government. Racism still lingers in many areas of the South. Arkansas's reputation for lack of progress can be traced to 1865 when decisions were made that backpedaled the state. The very factors that contributed to the antebellum Arkansas economy are the same factors that catapulted the state into war. Although, the state's resources were devastated by the end of the Civil War the pre-war ideology survived. The events and ideologies of the 19th century provide a prophetic insight into what was and is in store for the future of the state.

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Biographical Sketches

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Tara Bratton graduated from the University of Central Arkansas with a BA in Business in 2007. She completed her MBA from Henderson State University in August of 2016. She joined College of the Ouachitas in August of 2016 as a business instructor and began as an adjunct instructor for Henderson State University January of 2016.

Amusing Facts about the 500 Home Run Club

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Abstract

Twenty-seven men have hit at least 500 major league home runs. Compilations of the list are common. But just showing that Willie Mays hit 660, and Mickey Mantle hit 536 gives only a small part of the story. There are wide variations in how the different players compiled their lofty totals. This paper examines some of those variations.