
The Rise of Capitalism in the Antebellum Northeast: A Historiographical Review

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Historians predominately identify the Northeast United States as the birthplace of “capitalism” in America; however, debate remains as to its origins, and the approach best suited for such an inquiry. Although these divisions persist, scholars agree that the transition “from feudalism to capitalism” occurred within rural society.¹ Thus, since the early twentieth-century, historians have examined eighteenth-century, Northeastern rural communities, and their transformation under the surrounding, burgeoning commercial markets. The debate began with agricultural historian Percy Bidwell. In the early twentieth-century he argued that the developing industrial and manufacturing centers throughout the Northeast naturally motivated farmers to grow surplus crops, thus increasing their participation in nearby markets. As liberalism gained prominence during the 1950s, however, historians increasingly relied on neoclassical economic assumptions to reveal the “entrepreneurial spirit” imbedded within the farmers’ consciousness. The rise of the “moral-economy” historians throughout the latter 1970s, conversely, challenged these neoclassical premises, arguing that social, cultural, and communal ties prevented an immediate embrace of industrial capitalism in Northeastern rural communities. Progressive and liberal philosophies during the early to mid-twentieth century imbued Northeastern farmers with a “profit motive” since the Revolution; however, the growing influence of cultural and social history during the 1960s and 1970s brought challenges to these neoclassical economic assumptions; but, during the last decade or two, renewed emphasis has been placed on the consumption and production patterns within the household economy of the Antebellum Northeast.

The debate as to whether Northeastern communities were “born capitalist” started over a century ago. During the early decades of the twentieth-century, agricultural historian Percy Bidwell argued that New England farmsteads relied on self-sufficiency in order to provide for basic necessities, since local industries had not existed to facilitate trade.² Therefore, unable to sell or buy their products, the Northeastern farmstead “acted as an economic microcosm, producing for itself

¹ Gordon Wood, “Was American Born Capitalist?,” *The Wilson Quarterly* 23 (Spring 1999): 1.

² Percy Bidwell, “The Agricultural Revolution in New England,” *The American Historical Review* 26 (July 1921): 684.

practically everything that it consumed.”³ A product of the Progressive Era, Bidwell asserted that burgeoning industrial and manufacturing centers expanded the “home market,” thus motivating New England farmers to improve yields, agricultural technology, and specialization—ushering in the so-called “agricultural revolution.” By placing three quarters of the New England population out of the market’s reach, however, Bidwell’s interpretation becomes fully consistent with Progressive historiography, for he “limit[ed] the dominion of abstract theory over the rough texture of real life.”⁴

Northeastern economic historiography remained relatively unwavering until 1952, however, for Rodney C. Loehr’s essay, “Self-Sufficiency on the Farm,” critiqued Bidwell’s assertion that farmers’ self-sufficiency only occurred due to an inability to access markets. Loehr illustrated that Bidwell’s heavily deductive reasoning presented an all too simplistic interpretation; for Bidwell only deduced the “narrowness of the market” from the observation of a small industrial sector; and similarly, only deduced “low productivity” of farmers “from their high level of mobility.”⁵ Using farmers’ diaries from the latter eighteenth and early nineteenth centuries, Loehr “found trade, exchange, and commerce ubiquitous,”⁶ for it appeared “quite likely that the general run of farmers constantly sought and produced for a market, which they found in the towns, the local shopkeepers, or various kinds of ambulating merchants.”⁷ Loehr’s position that Northeastern farmers “had the mentality of an independent entrepreneur” reflects the historiographical transition from Progressivism to liberalism in the 1950s; for Louis Hartz’ influential work, *The Liberal Tradition*, asserted that since the Revolution, Americans had been imbued with “the mentality of an independent entrepreneur.”⁸

Economic constructs began using this liberal notion to explain Northeastern communities’ natural propensity to engage in the market economy. Developed by German theorist Johann Heinrich von Thünen, location theory—an influential economic construct during the 1950s—presupposes the interconnectedness between agricultural market activity and geographical location. Its application by Douglas North helped explicate the historicity of regional commercial activity in the Northeast in the early nineteenth-century. Douglas North, in “Location

³ Ibid., 684.

⁴ Winifred B. Rothenberg, “The Market and Massachusetts Farmers, 1750-1855,” *The Journal of Economic History* 41 (June 1981): 283-284.

⁵ Rothenberg, “The Market and Massachusetts Farmers, 1750-1855,” 284.

⁶ Ibid.

⁷ Rodney C. Loehr, “Self-Sufficiency on the Farm,” *Agricultural History* 26 (April 1952): 41.

⁸ Charles S. Grant, *Democracy in the Connecticut Frontier Town of Kent* (New York, 1961) quoted in Rothenberg “The Market and the Massachusetts Farmers, 1750-1855,” 284.

Theory and Regional Economic Growth,” applies the paradigm to American history, tracing the development of industrialization throughout different regions of the United States, revealing farmers’ growing involvement in a market oriented economy. Since farmers had “grown up within a framework of capitalist institutions,” North asserts, they instinctively embraced commercialization and industrialization. North assumes, however, that farmers’ primary motivation was “profit maximization.”⁹ Before any commercial infrastructure, North argues, farmers relied on self-sufficiency; but, with the natural progression of demographic and infrastructural growth, farmers immediately began participating in the market economy. By determining the chief natural resources available, interregional trade opportunities, and access to markets, North reveals how commercialization historically developed from region to region; subsequently, however, North eliminates any room for contingency or agency, for his model assumes a natural progression of capitalist development in the Northeast. The expansion of transportation technologies, demographics, as well as export opportunities, North argues, led to regional growth; and therefore, increased market participation.

In the late 1970s, historians started challenging the teleological notions held by North, as well as other arguments reemphasizing the “profit maximizing” motives of latter nineteenth and early twentieth farmers. In 1976, Michael Merrill disputed the interpretations given by authoritative agricultural historians—Rodney C. Loehr, John Falconer, and Percy Bidwell. These scholars argued that self-sufficiency on Northeastern farms only occurred because of necessity; for the emergence of the shopkeeper and improved transportation immersed the Northeastern farmer into the market economy. Merrill’s 1978 article, “Cash is Good to Eat: Self-Sufficiency and Exchange in the Rural Economy of the United States,” reevaluated the long-held contention that American agriculture had always been “money-market oriented.”¹⁰

Merrill explicates the underlying flaws masked within the assumptions of Bidwell and Loehr; all relied on the neoclassical economic theories advanced by Adam Smith. According to Smith, people have a “natural propensity” to exchange; and therefore, the only impediments to increased market expansion are either “technological or environment” contingencies. This reliance, however, effectually eliminates the character of such exchange. Furthermore, such an

⁹ Douglass C. North, “Location Theory and Regional Economic Growth,” *The Journal of Political Economy* 63 (June 1955): 243.

¹⁰ Michael Merrill, “Cash is Good to Eat: Self-Sufficiency and Exchange in the Rural Economy of the United States,” *Radical History Review* 3 (Fall 1976): 43.

argument is ahistorical, since “its periodicities are regular, its adjustments are instantaneous, and its processes reversible.”¹¹

Merrill abandoned the neoclassical economic theories underlying prior interpretations. Instead, he applied basic tenets of classical Marxist theory, examining the social relations guiding household exchange. Merrill exposes the fundamental nature of the “household mode of production,”¹² and how “use-value” guided transactions in Northeastern rural communities during the latter eighteenth and nineteenth centuries; “social need,” he explains, drove exchange, rather than “monetary surplus.”¹³ Guided by the basic Marxist precept that “social production” is inherent “in every mode of production,” Merrill argues that money relation—inherent in commodity modes of production—did not exist, for the “cooperation in work governed the character of product exchanges,” rather than the goal of “profit maximization.” Merrill challenges the long established notion that early American farmers were self-sufficient;¹⁴ instead, he asserts that community networks fostered labor and product exchange. Essentially, Merrill contends that Northeastern rural society was devoid of a “commodity mode of production,” and thus did not solely seek “profit maximization.” Breaking from the teleological tendencies of prior interpretations—depicting subsistence farming as the first phase in an evolutionary process—Merrill argues that local and state governments put an end to the “free exchange of labor,” rather than a burgeoning market and commercial infrastructure. Although Merrill uses a Marxist approach to assess the social relations behind household transactions, his refusal to accept these exchanges as commodities, and thus market transactions, separates him from more traditional Marxists. Merrill’s examination of communal exchanges, and the social relations embedded in the “household mode of production” ushered in new interpretations investigating the household as the center of the burgeoning market in the rural Northeast.

Expanding on the critique of the “entrepreneurial spirit” used to explain farmers’ natural propensity to participate in market exchange, James Henretta’s “Families and Farms: Mentalité in Pre-Industrial America” reveals deeper, communal values that underlay the economic changes of rural communities in the eighteenth and early nineteenth centuries.

Henretta’s approach—examining the mentalite of pre-industrial yeoman communities—draws inspiration from the *Annales* School; a historiographical approach characteristically associated with meta-

¹¹ Ibid., 45.

¹² Ibid., 47.

¹³ Ibid., 63.

¹⁴ Ibid., 61.

narratives, tracing the social, cultural, and economic transformations of a given region. The school gained prominence amongst historians throughout the 1960s and 1970s, for it broke away from the traditional political and diplomatic narratives of early twentieth century historiography. Contributors like Fernand Braudel relied on geography, demographics, and other quantitative analysis to explicate social and cultural transformations. Although Henretta's examination does not span multiple centuries, it does incorporate a plethora of quantitative analysis characteristic of *Annales* historiography—demographics, capital formation, and the availability of natural resources.

Like Merrill, Henretta challenges the basic assumption of a "liberal" consciousness during this era, for many community members, he argues, did not place "individual freedom and material gain over that of public interest."¹⁵ Furthermore, Henretta brushes off the assumption of an inherent "liberal consciousness" by examining the political, social, and geographical contexts intrinsically tied to the transformation of communal expectations. Henretta accounts for social differentiation, for example, by examining evolving cultural expectations; for instance, all young male farmers strived for property ownership, but by no means had it been universally realized; so, to be "young," "was either to be landless or without sufficient land to support a family."¹⁶ Also, Henretta incorporates geographical considerations into his cultural analysis, revealing that "massive westward migrations" of Euro-Americans in the late eighteenth century preserved and extended "age- and wealth-stratified" yeoman communities.¹⁷ Essentially, Henretta asserts that social and cultural relationships within yeoman communities confined the scope of "entrepreneurial activity and capitalist enterprise."¹⁸

Christopher Clark focuses on household production to expose the increased market activity in the Connecticut Valley during the early nineteenth-century. In his 1979 article, "Household Economy, Market Exchange and the Rise of Capitalism in the Connecticut Valley, 1800-1860," Clark examines the cultural and social values underlying communal exchange, and how household production became increasingly market oriented. Clark acknowledges Merrill's and Henretta's persuasive challenge to the liberal values attached to post-colonial farmers; however, he points out that they have not adequately examined the transition to a profit oriented consciousness.

Using account books, diaries, sermons, and letters, Clark argues—contrary to Merrill—that the household system initially

¹⁵ James T. Lemon quoted in James A. Henretta's "Families and Farms: Mentalite in Pre-Industrial America," *The William and Mary Quarterly* 35 (January 1978): 3.

¹⁶ *Ibid.*, 6.

¹⁷ *Ibid.*

¹⁸ *Ibid.*, 26.

embraced market involvement; however, “increasing tension and conflict” developed “as the 19th century progressed,”¹⁹ for new cultural constructs emerged, challenging “old attitudes toward debt” and “speculative enterprise.”²⁰ Clark asserts that as “more people became dependent upon the market for their existence,”²¹ participation in the household system declined; and, with a new “theological formula” emerging in the early eighteenth century—combining “independence, frugality, and industry”²²—an entrepreneurial spirit developed, further disintegrating the household economy, and with it, communal values. Clark’s argument reveals the deeper, socio-economic transformation that emerged in the Connecticut Valley as industrial capitalism entrenched itself. He ends the essay with George Bancroft’s Workingmen’s Party nomination letter—revealing a history from below approach, demonstrating competing power relations manifesting in the political landscape:

When the merchant demands that his interest should prevail over those of liberty...when the usurer invokes the aid of society to enforce the contracts which he has wrung without mercy from the feverish hopes of pressing necessity, it is the clamor of capital, which, like the grave, never says, It is enough.²³

Launching a critique against the “moral-economy” historians—Merrill, Henretta, and Clark—Winifred B. Rothenberg’s study, “The Market and Massachusetts Farmers, 1750-1855,” relies heavily upon quantitative analysis to demonstrate that late eighteenth century Massachusetts’s farmers behaved more like “rational economic actors.”²⁴ By examining account books, diaries and personal journals,²⁵ Rothenberg was able to analyze the “movement in trade of farm products.” Furthermore, to adequately assess the farmers’ economic considerations, Rothenberg took into account the records of marketing trips, transport costs, farmers’ prices, and the weight of hogs and feed. Through these historical inquiries, Rothenberg had been able to identify

¹⁹ Christopher Clark, “Household Economy, Market Exchange and the Rise of Capitalism in the Connecticut Valley, 1800-1860,” *Journal of Social History* 13 (Winter 1979): 181-182.

²⁰ *Ibid.*, 182.

²¹ *Ibid.*, 183.

²² *Ibid.*

²³ George Bancroft quoted in Christopher Clark’s “Household Economy, Market Exchange and the Rise of Capitalism in the Connecticut Valley, 1800-1860,” 184.

²⁴ Naomi R. Lamoreaux, “Rethinking the Transition to Capitalism in the Early American Northeast,” *The Journal of American History* 90 (September 2003): 438.

²⁵ Winifred B. Rothenberg, “The Market and Massachusetts Farmers, 1750-1855,” 289.

the emergence of an “authentic market economy” during the last two decades of the eighteenth century.²⁶ Essentially, Rothenberg asserts “Massachusetts did not begin as an experiment in self-sufficiency,”²⁷ for “farmers were agents of change.”²⁸

During the 1970s, historians began repudiating the notion that colonial America had been imbued with an “entrepreneurial spirit,” but during the 1980s, more social histories developed, unraveling the political dimensions behind increased capitalist enterprise. Jonathon Prude’s 1985 essay, “Town-Factory Conflicts in Antebellum Rural Massachusetts,” examines the social relations between factory owners and the townspeople of Dudley and Oxford—two rural Massachusetts towns. Prude opens up his essay by introducing Herman Melville’s poem, “The Tartus of Maids,” demonstrating, through literary means, the “strange and gloomy” nature many associated with factory life. Like Merrill, Henretta, and Clark, Prude asserts that a “commercial ethos” did not exist in these textile factory villages; however, with burgeoning industrialization and increased market transactions, a sense of consumerism began to entrench itself.²⁹ To show the social dimensions behind town-factory life, Prude illustrates the “direct and obvious ways in which the mills disturbed community equanimity.”³⁰ For example, Prude reveals the disputes over distribution of taxes and water resources; occasionally, textile dams collapsed, causing flooding on nearby fields or water shortages downstream.³¹ These instances, Prude argues, reflected the larger socio-economic transformations occurring in the Northeast; for industrial capitalism’s growth, Prude asserts, raised fundamental questions about its reconciliation with the nation’s republican roots.³²

The historical dialogue during the 1970s and 1980s predominately focused on the “moral economy” in Northeastern communities, and whether an “entrepreneurial spirit” or “liberal consciousness” had been present since the Revolution; however, J. Ritchie Garrison’s 1990 study, *Landscape and Material Life in Franklin County, Massachusetts, 1770-1860*, takes a different methodological approach by examining “archaeological, architectural, and documentary records.”³³ By analyzing the transformation of material culture, and its

²⁶ Gordon Wood, “Was America Born Capitalist,” 39.

²⁷ *Ibid.*, 312.

²⁸ Lamoreaux, “Rethinking the Transition to Capitalism in the Early American Northeast,” 438.

²⁹ Jonathon Prude “Town-Factory Conflicts in Antebellum Rural Massachusetts,” ed. Steven Hahn and Jonathon Prude *The Countryside in the Age of Capitalist Transformation*, 75.

³⁰ *Ibid.*, 81.

³¹ *Ibid.*

³² *Ibid.*, 95.

³³ *Ibid.*, 2.

representation of the deeper, social and economic contexts occurring throughout the Northeast, the study “contributes to an appreciation of how folk traditions and popular culture interacted in creating a vernacular landscape.”³⁴ In taking this approach, Garrison emphasizes the value of home ownership, for it became “a statement of economic and personal aspirations;” as a result, architectural improvements increased efficiency in household production and “encouraged more men and women to buy and sell things in the marketplace.” Garrison also reveals how the changing landscape became “the physical manifestation of the growth of capitalism.”³⁵ For instance, Garrison points to the abundant market opportunities available to farm families located on hilly, woodland areas. Many farmsteads under these circumstances, Garrison asserts, took on commercial practices like “palm leaf hat braiding” to compensate, thus increasing household “income and productivity.”³⁶ Garrison traces the transformation of Franklin County’s material culture during an era faced with increased commercialization and industrialization, showing how these manifestations reflected deeper, social and cultural expectations.

“Moral economy” historians effectively dismantled the “notion of self-sufficiency” throughout the 1970s and 1980s; but, in the process, gave little attention to gendered divisions of labor.³⁷ Laurel Thatcher Ulrich’s “Wheels, Looms, and the Gender Division of Labor in Eighteenth-Century New England” sought to fill this gap by examining women’s role in the burgeoning industrial and manufacturing markets of eighteenth and early nineteenth-century New England. Using probate inventories, diaries, and the manufacturing census of 1810, Ulrich reveals how weaving—once a male dominated trade in the sixteenth century—had been picked up by “dutiful daughters and industrious wives” in the eighteenth century;³⁸ effectually demonstrating that the shift did not occur arbitrarily, but resulted from a fundamental “transformation in the nature of production.”³⁹ In Essex County, Massachusetts, for instance, farmsteads began purchasing and inheriting looms from their predecessors, enabling household production of “huckaback, overshot, twill, diaper, dimity, fustian, jeans, shirting, wale, and many kinds of patterned coverlets”⁴⁰ for household

³⁴ J. Ritchie Garrison, *Landscape and Material Life in Franklin County, Massachusetts, 1770-1860* (Knoxville: The University of Tennessee Press), 5.

³⁵ *Ibid.*, 3.

³⁶ *Ibid.*, 249.

³⁷ Laurel Thatcher Ulrich, “Wheels, Looms, and the Gender Division of Labor in Eighteenth-Century New England,” *The William and Mary Quarterly* 55 (January 1998): 4.

³⁸ *Ibid.*, 6.

³⁹ *Ibid.*

⁴⁰ *Ibid.*, 8.

consumption. Thus, by mid eighteenth-century, “work that had once belonged to male artisans,” began appearing in New England households, providing women, along with their daughters, part-time work.⁴¹ During the early nineteenth century, as the rate of industrialization and commercialization increased, some women—“with enough talent and the right combination of circumstances”—moved beyond “utilitarian household products,” and began participating in wider markets, sometimes becoming “commercially successful.”⁴² This transformation, Ulrich asserts, molded a distinct female consciousness, reinforced communal values, and shaped industrialization. Although Ulrich’s study primarily focuses upon gendered roles in pre-industrial New England society, it reveals larger patterns of consumption and production at the heart of an increased market oriented society.

Like Ulrich’s examination of the gendered division of labor in eighteenth-century New England households, Carol Shamas’ study, *The Pre-industrial Consumer in England and America*, examines the household mode of production, and how household consumption and production patterns revealed the deeper, socio-economic contexts of early modern New England society. Both methods, however, draw influence from Jan De Vries’ study, “The Industrial Revolution and the Industrious Revolution.”

Vries exposes the problematic nature of the term ‘Industrial Revolution,’ for it limits fundamental understanding of the commercial and market ethos already apparent throughout the household economic system during the pre-modern era. By expanding on early modern economic history, scholars could better explicate the “gradual phenomenon”⁴³ of household production and consumption that predate the grand narrative of the Industrial Revolution. Furthermore, Vries demonstrates how “Industrial Revolution” connotes that the “course of modern industry” directly related to this singular event, thus contributing to an overly simplistic interpretation of the burgeoning market economy during the pre-modern era; for the production and consumption patterns of early modern households demonstrates a commercial ethos predating the “Industrial Revolution.” By focusing on the household, and the early modern consumption and production patterns attached to it, historians have underscored market orientation before the “Industrial Revolution.”

In searching for the “birthplace” of capitalism, historians have examined the Northeast United States as the locus of the burgeoning commercial ethos. During the early twentieth century, Percy Bidwell

⁴¹ Ibid., 10.

⁴² Ibid., 33.

⁴³ Jan De Vries, “The Industrial Revolution and the Industrious Revolution,” *The Journal of Economic History* 54 (June 1994): 261.

advanced the concept of “subsistence farming.” He argued that it grew out of necessity, for farmers had been isolated from industrial and manufacturing centers, and thus unable to adequately trade. During the mid twentieth century, however, with the increasing embrace of liberalism, agricultural historians like Rodney Loehr began to argue that subsistence farming ended immediately after the introduction of the local shopkeeper and merchant; for the farmer, since the nation’s birth, had been imbued with an “entrepreneurial spirit.” As social and cultural history became widely used within historiography during the 1970s and 1980s, however, the “moral economy” historians like Henretta, Clark, and Merrill challenged the underlying neoclassical economic assumptions posited by Loehr and Bidwell as ahistorical at its base. Throughout the past couple decades, however, increased emphasis has been placed on the household as the chief economic unit; and as such, consumption and production patterns of the pre-industrial consumer have been examined to show communal exchange at a basic and fundamental level.

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