SEEDS OF DESTRUCTION:
THE GLOBALIZATION OF COTTON AS A RESULT OF THE AMERICAN CIVIL WAR

by

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B.I.S., Murray State University, 2002
M.A., Murray State University, 2005

AN ABSTRACT OF A DISSERTATION

submitted in partial fulfillment of the requirements for the degree

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Department of History
College of Arts and Sciences

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Abstract

Cotton was the most important commodity in the economy of the industrialized Western world in the mid-nineteenth century, as vital then as petroleum is today. It was widely believed that a prolonged interruption of the cotton supply would lead not merely to a severe economic depression, but possibly to the collapse of Western Civilization.

Three quarters of the world’s cotton supply came from the Southern states of the United States. When the American Civil War erupted and cotton supplies were cut off, the British Cotton Supply Association was faced with the difficult task of establishing cotton cultivation in other locations. In order for the effort to succeed, the British had to obtain and distribute millions of pounds of American cotton seeds. The United States government, the Illinois Central Railroad, and a number of organizations and individuals cooperated to obtain the necessary seeds that the British had to have. American farm equipment manufacturers assisted by designing, making, and distributing portable cotton gins and other implements needed by cotton growers overseas. U.S. consuls overseas sometimes assisted the Cotton Supply Association with seed and equipment distribution.

This dissertation is about the implementation of the grand economic strategies of the United States and Great Britain. It is also about the people who implemented those strategies on the ground, people as diverse as Union agents who went into Confederate territory to procure cotton seeds, farmers in Illinois, British consuls who distributed seeds grown in Illinois to farmers in the Ottoman Empire, and English colonists who flocked to Fiji with high hopes of becoming cotton planters. It attempts to measure the impact of the cotton boom and subsequent bust that resulted from the American Civil War on societies around the world.
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Dedication

To every person, man, woman, or child, of any race, color, or nationality, who has ever toiled in a cotton field anywhere in the world.
Introduction

As Time moves on, the origin and the purpose of the four-years-conflict...ceases to be a mere episode in the private history of a particular people, on a particular spot...it expands far beyond the narrow limits of the land upon which so many lives were sacrificed.¹

As was obvious to General Camille de Polignac when he wrote those words in October 1913, the American Civil War had lasting global ramifications. Speaking to a British audience at Oxford University in 1913, Union army veteran and historian Charles Francis Adams, Jr., remarked that, “Other and equally momentous struggles” had by that time effaced the American Civil War in the consciousness of foreign generations born during the interceding half century.² Even greater struggles would further efface it in the next fifty years. Likewise, most ordinary Americans came to see the Civil War as a uniquely American experience, one that except for the Trent Affair and the exploits of the Confederate navy’s far-ranging raider Alabama was confined within the borders of the United States. Yet no matter where historians may focus their efforts, be it Victorian-era England, Latin America, Africa, India, Egypt, the lands of the former Ottoman Empire, or even the remote South Pacific islands they discover that the American Civil War was a critical strategic point of departure for subsequent history in locales far distant from its hallowed battlefields. The reason was cotton.

¹ Maj. Gen. Prince Camille de Polignac to Gen. Marcus J. Wright, Oct. 6, 1913, Marcus J. Wright Papers, Southern Historical Collection, University of North Carolina, Chapel Hill, quoted in Jeff Kinard, Lafayette of the South: Prince Camille de Polignac and the American Civil War (College Station: Texas A&M University Press, 2001), 186. Camille “Prince Polecat” Polignac was the last surviving Confederate major general.

When a little before sunup on the morning of Friday, April 12, 1861, the Citadel cadets manning the guns of Battery Stevens commenced firing on Fort Sumter, they set in motion a world crisis the seriousness of which can best be comprehended by comparing it with what the likely consequences would be today if a prolonged Middle East war were to cut off 75 percent of the world’s oil supply. In the mid-nineteenth century, cotton was the lifeblood of the Western world’s industrial economies, as vital then as petroleum is today. As Confederate Vice President Alexander Stephens told an audience at Augusta, Georgia, on July 11, 1861, cotton was “the great motor of the commerce of the world” that the nations of Europe could not do without, and added, “I cannot, today, tell you how the blockade is to be raised. But there is one thing certain—in some way or other it will be obliged to be raised, or there will be revolution in Europe—there will be starvation there.”

It was feared that a prolonged interruption of the cotton supply would trigger the complete collapse of Europe’s capitalist industrial economy, topple the institutions of Western civilization, and plunge it into revolution and anarchy. Further, replacing American cotton was not a simple matter of buying cotton grown elsewhere because the machinery in Europe’s mills was tailored specifically to the characteristics of American cotton. The machines could not be readily adapted to process the shorter, coarser, and differently shaped fibers of native Near Eastern and Asian cottons. Logic and reason suggested that Great Britain, then the world’s foremost industrial, economic, and naval power, would intervene in American affairs.

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rather than allow an interruption of the essential raw material that drove the Western world’s industrial economy.

The South’s strategy for winning its independence hinged on the interruption of cotton supplies forcing Great Britain to intervene in order to prevent the expected cataclysmic socio-economic collapse. However, British leaders had long recognized the danger inherent in reliance on the United States for three-quarters of their cotton supply. Prior to the Civil War, British cotton manufacturers formed the Cotton Supply Association, an organization whose sole purpose was to break the American cotton monopoly by sponsoring the growing of American-type cotton wherever around the globe that it might be possible to grow it. Although horticultural experiments were successful and labor costs in the undeveloped world were competitive with the American South’s slave labor, the low price paid for cotton and the expense and difficulty of transportation doomed those efforts to economic failure. American cotton was simply too plentiful, too easily obtained, and too cheap for anyone to compete successfully against it.

The North needed only to be left alone long enough for its superior manpower and resources to wear down the South and win the war. Assisting British efforts to break the South’s monopoly on cotton by supplying the large quantities of American cotton seeds that the British could obtain nowhere else, cotton gins, agricultural implements, and technical support was complementary to the North’s war aims. This was accomplished through the combined efforts of the Lincoln government, a loosely affiliated group of American capitalists known as the Boston Associates, and the
largely British-owned Illinois Central Railroad working in cooperation with the Cotton Supply Association.

Controversy still surrounds the dramatic and long lasting effects that these efforts had on countries and peoples far from the battlefields of the American Civil War. A central contention of this study, in contrast to other recent scholarship, is that the Cotton Supply Association’s attempt to spread cotton production around the world and displace the United States as the world’s monopoly cotton supplier succeeded only while the Civil War kept American cotton off the market. With the single exception of Egypt, it failed as soon as American cotton production recovered. It was the failure of the effort to globalize commercial cotton growing, not its success, that caused the personal and national indebtedness that characterized cotton agriculture in the undeveloped world after the Civil War.

Americans have written very little about the global cotton boom and subsequent bust that resulted from the Civil War. Brian Schoen examined the international context of the antebellum cotton economy in *The Fragile Fabric of Union; Cotton, Federal Politics, and the Global Origins of the Civil War* published in 2009, but his book ends with the outbreak of war in 1861. James A. Field skipped over the Civil War years in his *America and the Mediterranean World, 1776-1882*, published in 1969. Edward Mead Earle addressed the subject in an article entitled “Egyptian Cotton and the American Civil War” published in *Political Science Quarterly* in 1926, but his analysis has a strong imperialist slant and leaves much to be desired. Earle portrayed the transformation of Egypt that took place as result of cotton cultivation as progressive and generally beneficial. Earl S. Pomeroy touched
upon it in “French Substitutes for American Cotton, 1861-1865,” published in The Journal of Southern History in 1943. Frenise A. Logan made the best American effort to draw a direct connection between the Civil War and cotton growing abroad with a series of four articles about the 1861-1873 cotton boom in India written between 1956 and 1974. However, Logan’s work remains obscure, and is generally considered Anglo-Indian history, with only a peripheral connection to American history. Temple University historian Arthur W. Silver addressed the subject thoroughly as it related to India in Manchester Men and Indian Cotton 1847-1872, published in 1966. However, though Silver was an American, he was a professor of British history and his book was published in England. His work, like Frenise Logan’s, is considered Anglo-Indian history, with only a peripheral connection to the history of the American Civil War.

More has been written in the context of non-American history, especially in Indian, Turkish, and Egyptian history. British historian D. A. Farnie touched briefly upon the subject at several points in his massive, wide-ranging East and West of Suez: The Suez Canal in History, 1854-1956, published in 1969. It was not the focus of Farnie’s work, however. Dharma Kumar touched upon the affects of the American Civil War in India at several points in the massive Cambridge Economic History of India, but did not devote a chapter specifically to it. Indian historian Laxman D. Satya explored the impact of the cotton boom on the Indian province of Berar in Cotton and Famine in Berar 1850-1900 published in Delhi in 1977. Satya blamed cotton for most of the ills that beset Berar after 1860. Dietmar Rothermund, a German historian
specializing in Indian history, was much less critical of cotton’s adverse affects in *The Indian Economy under British Rule* published in India in 1983.

Turkish historian Orhan Kurmuş addressed the subject in the context of Turkish history in “The Cotton Famine and its effects on the Ottoman Empire,” a chapter in Huri İslamoğlu-İnan’s book *The Ottoman Empire and the World Economy* published in Britain in 1987. Kurmuş acknowledged the American Civil War as the impetus to the cotton boom in the Ottoman Empire but attributed the direct outside influence to the British. He made no mention of American involvement. Charles Issawi, in his *The Economic History of Turkey, 1800-1914* devotes a chapter titled “Cotton” to the Civil War era cotton boom but treats it as a temporary blip that was largely irrelevant in the long term. Alan R. Richards, an American economist who specializes in the Middle East, dealt with it extensively in “Primitive Accumulation in Egypt, 1798-1882,” a chapter in İslamoğlu’s book, and in his own book *Egypt’s Agricultural Development, 1800—1980: Technical and Social Change*, published in 1982. Richards, like Kurmuş, deals with the subject in the context of Ottoman-Egyptian history, with no mention of an American role nor linkage between British activities and American Civil War strategies. British economist Mary B. Rose touched upon the subject in *Firms, Networks and Business Values: The British and American Cotton Industries since 1750* published in 2006, but the focus of her work is economic theory, not history. Israeli historian Michael B. Oren wrote in *Power, Faith, and Fantasy: America in the Middle East, 1776 to the Present*, “The Civil War’s long-term impact on Egypt could be compressed into one word: cotton.”

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However, Oren devoted only five paragraphs to the rise of cotton in Egypt during the American Civil War, and those paragraphs are a general overview lacking specifics. In all of the foreign accounts, the starting point is when a representative from the Cotton Supply Association hands a local farmer a free sack of American cotton seed and says, “If you grow it, we will buy it.”

The only attempt at a global history is an article by Harvard University historian Sven Beckert, who published “Emancipation and Empire: Reconstructing the Worldwide Web of Cotton Production in the Age of the American Civil War,” in *The American Historical Review* in 2004. The paper focuses on the long-term global socio-economic macro-history of cotton cultivation as it relates to the impact of global capitalism and imperialism upon indigenous peoples. Beckert presents a soaring overview of what happened but rarely identifies the human actors involved nor give details about their activities. Beckert’s work has a strong anti-imperialist slant.

Beckert’s thesis is that British cotton interests, “invented…a new system of mobilizing non-slave labor, characterized by cultivators enmeshed in debt, share croppers burdened by crop liens, and rural producers with little political power.”\(^5\)

Beckert, like Satya, leaves the impression that what happened in India, Brazil, Egypt, and elsewhere was part of a global strategic economic plan that succeeded and that the results were pre-planned and intentional. Beckert leaves the impression that the outcomes in Egypt and Brazil were nearly identical. In fact while Egypt did become

entrapped in the cotton economy, Brazil all but stopped growing cotton soon after the end of the American Civil War.

Most historians would probably agree with Lenoir C. Wright when he wrote in his 1953 doctoral dissertation at Columbia University entitled *United States Policy Toward Egypt 1830-1914*, that if there was, “an active policy of the United States Government to stimulate cotton production outside the United States, there is no record in the Department of State correspondence to show that any concrete assistance was offered in Egypt or Turkey” or anywhere else. And indeed there is no one document nor one set of documents that spell out the Union’s global cotton strategy. To discern it this dissertation uses many widely separated sources that it would have been impossible for any one individual to locate before the Internet age. It uses archival sources from the United States, British and American government publications, newspapers and journals from the 1860s, contemporary travel accounts, and microfilms of the diaries and papers of individuals preserved in libraries as far away as Australia to discern the global cotton strategy that eluded historians in the past. It is written as world history for an American audience about the American Civil War’s place in that larger global history.

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Chapter 1
Cotton’s Peculiar Kingdom

[W]ould any sane nation make war on cotton? Without firing a gun, without drawing a sword, should they make war on us we could bring the whole world to our feet. The South is perfectly competent to go on one, two, or three years without planting a seed of cotton. ... What would happen if no cotton was furnished for three years? ... England would topple headlong and carry the whole civilized world with her, save the South. No, you dare not make war on cotton. No power on earth dares make war upon it. Cotton is King.¹

When South Carolina’s fire-eating champion of slavery Senator James Henry Hammond spoke those words on the floor of the U.S. Senate on March 4, 1858, cotton was the lifeblood of the Western world’s industrial economies, as important then as petroleum is today. This was especially true in England, then the world’s leading industrial and commercial nation. On the eve of the American Civil War, 500,000 people were directly employed in the English cotton mills. More than 4 million of England’s 21 million people were dependent on the cotton industry for their daily bread. Britain’s need for raw cotton was stupendous: in 1859, it imported 2,610,898 bales, more than 50,000 bales per week.² Britain’s mills were dependent upon the southern states of the United States for three-quarters of that cotton. Nor was Britain the only European nation whose industrial base was dependent on American cotton. From September 1, 1859 to August 31, 1860, the U.S. exported 589,587 bales

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to France, 295,072 bales to the countries of northern Europe, and 220,082 bales to other foreign ports.³

The cotton trade also supported a multitude of people not directly employed in the mills. Britain exported 2,776 million yards of cloth and 197 million pounds of yarn in 1860. Yarn and cloth accounted for one-half of the value of all British exports. Handling that staggering quantity of cotton provided employment to a vast number of seamen, railroad workers, stevedores, clerks, etc. Cotton dominated the United States’ economy as well. In 1858, the total value of all U.S. exports was $238 million; $161 million, or a staggering 68 percent, was cotton. In the decade before the Civil War, more than 2,000 U.S. merchant ships, totaling 1,100,000 registered tons, and 55,000 seamen were employed in the coastal navigation that brought cotton from southern ports to New York. Another 800,000 tons of American shipping and 40,000 seamen were employed in the transoceanic cotton trade. Even the fast New York to Liverpool passenger packets relied upon cotton to fill their cargo holds on the eastbound voyage across the Atlantic. Without cotton outbound ships would have had to cross the ocean empty, other American exports being insufficient to fill the cargo space that on west bound crossings was taken up by British manufactured goods. Banks, ship-owners, railroads, and merchant houses in Great Britain and the northern

states of the United States were all heavily invested in or dependent in one way or another upon the cotton trade.  

To understand the cotton-based political economy of the mid-nineteenth century and contemporaneous ideas about it, it is necessary to review the rise of the cotton industry. The seeds of the American Civil War were sown in England even before the independence of Britain’s thirteen American colonies by a series of innovations in spinning and weaving technology that made possible a quantum leap in the quantity of textiles manufactured and set the Industrial Revolution in motion.

From the time when the first woven fabric was made more than 25,000 years ago, spinning yarn and weaving cloth was one of the most tedious and time consuming of all human endeavors, making clothing scarce and costly.  

The first innovation, the principle of the spinning wheel, in its original East Indian form a horizontal wheel twirled by hand, was introduced into Europe at the end of the Middle Ages. In 1530 a German baker, Johann Jürgens, invented the classic vertical spinning wheel powered by a foot pedal linked to the wheel by a reciprocating offset push rod. Although it spun only one thread, the spinning wheel did so at several times the speed of the traditional distaff and spindle. It was readily adopted in England, where manufacture of woolen textiles had been a major industry since ancient times. There, two hundred

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5 Colin Renfrew and Paul Bahn, Archaeology: Theories, Methods, and Practice (London: Thames & Hudson, 2004), 341. The oldest known evidence of spinning and weaving is an impression of coarse cloth preserved in the clay of a fired hearth found at Pavlov, Czech Republic, which has been dated to between 25,000 and 27,000 years ago. The oldest surviving cloth is a tiny piece of linen unearthed at Çayönü, Turkey, which dates to c. 7000 BC. Scraps of cotton from South America and India have been dated to c. 4500 to 3500 BC.
years later, in 1733, John Kay, an English weaver, invented the fly shuttle, an improvement that allowed one person to operate a loom. This led to an increase in woolen cloth production to meet growing domestic and export demands and created a corresponding increase in the demand for yarn that could not be met by the spinning wheel.⁶

Until the mid-1700s, sheep wool remained the staple material of the English textile industry. Cotton fabrics were luxury goods imported from India by the East India Company and from the Ottoman Empire by the Levant Company. English woolen makers and their mercantilist-minded supporters in Parliament took a dim view of this trade in cotton fabrics, so much so that in 1700 they made a serious attempt to ban importation of cotton cloth and make wearing cotton clothing illegal. Wearing cotton clothing could not be prohibited as the woolen makers wanted, however, because there was by that time a small English handicraft cotton spinning and weaving industry. To supply it with raw material, England imported about 2 million pounds of raw cotton per year from 1700 until 1750, most of it from the West Indies and the Near East.⁷

The rate at which fibers could be spun into yarn constrained the textile industry’s growth until 1769, when James Hargreaves, an illiterate woodworker and weaver, invented the spinning jenny, a simple, hand cranked improvement upon the spinning wheel that allowed one operator to spin multiple threads simultaneously.

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⁷ Robson, _The Cotton Industry in Britain_, 1-5; Donnell, _History of Cotton_, 16-25.
Shortly thereafter, wealthy mill-owner Richard Arkwright employed John Kay (no relation to the inventor of the fly shuttle), a clockmaker, to devise a spinning jenny of much greater capacity. Known as the spinning frame, this machine was operated by waterpower and later by steam engines. In 1785 another Englishman, Edmund Cartwright, invented the power loom. Power operated looms enabled cloth to be produced cheaply and in quantities never before possible, and created a demand for wool that outstripped supply. The pressing need for a fiber that was more plentiful and cheaper than wool became apparent. Cotton became the fiber of choice. Cotton imports increased more than tenfold between 1750 and 1790, to 25 million pounds. England’s cotton suppliers remained the Levant, the West Indies, Brazil, and Dutch Guiana. Cotton was a scarce and expensive commodity, however, because it was necessary to separate the seeds from the fiber by hand, a slow and tedious process. An American, Ely Whitney, overcame this last hurdle constricting the manufacturing process in 1793, when he invented the saw gin, a simple machine that separated cotton lint from the seeds.8

The cumulative impact of these inventions on the political economy of the Western world was profound. In Britain, the production of textiles underwent a revolutionary change. From a cottage industry in 1700, before the end of the eighteenth century cotton textile manufacturing was transformed into a large-scale, factory-based industrial concern. Industrialization transformed the structure of English society from one whose political economy was largely rural agrarian-handicraft mercantilist in nature to one that was urban capitalist-industrial. Cotton

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manufacturing became concentrated in the county of Lancashire in northwestern England because of a set of fortuitous coincidences. Lancashire’s towns were free of medieval restrictions that retarded the development of manufacturing and commerce in many other English towns. Lancashire was situated spatially and topographically so that barge canals could easily be constructed to nearby Liverpool and the Thames River, making transportation of raw cotton from and finished goods to the seaports easy and inexpensive. Lancashire also sat atop a coalfield that provided cheap, easily accessible fuel for the steam engines that powered the mills.  

The rise of the British cotton manufacturing industry and invention of the cotton gin changed the trajectory of economic and political development in the United States. Prior to Whitney’s invention of the gin, cotton was a sideline crop grown mostly in small garden plots for making homespun cloth. Slave labor was not employed in cotton growing on a large scale. It appeared that slavery was becoming economically unviable as agricultural labor in the South as had already happened in the North. The cotton gin created a tremendous new demand for field hands to pick the cotton bolls, and thus reinvigorated slavery. Of equal importance to the gin was the introduction of a variety of *Gossypium hirsutum* cotton called “Petit Gulf,” the first seed of which were obtained from central Mexico at an uncertain date around 1800. Prior to the introduction of Petit Gulf, the upland cotton grown in the United States was *Gossypium herbaceum*, the foundation seed of which came from the Near East in the 1600s. Petit Gulf cotton was a hardy upland plant that adapted readily to

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the soil and climate of the lower Mississippi Valley, and it provided the foundation
stock of all subsequent American varieties known collectively as “New Orleans”
cotton. Petit Gulf cotton yielded more per acre than the Near Eastern variety
previously grown for domestic homespun, its seed were easier to remove, and its
longer staple length and fiber characteristics imparted superior spinning qualities.10

Geography and the advent of steamboats also facilitated commercial cotton
growing in the United States. The Mississippi River system, with its more than
16,000 miles of navigable streams, provided a huge area of undeveloped land that
was ideally suited to cotton cultivation easy access to the sea at New Orleans, while
the Tensaw-Alabama-Tombigbee River system gave Alabama’s hinterlands access to
Mobile. Navigable rivers also gave the cotton lands of South Carolina and Georgia
easy access to their Atlantic ports. Steamboats made the waterways useful in both
directions, and, by the 1840s over three hundred boats were operating on the western
rivers, almost all of them engaged in transporting cotton during fall and winter selling
season. During the 1845-46 marketing season, steamboats carried more than 800,000
bales of cotton to New Orleans for export.11

A ready market, abundant slave labor, surplus land, a variety of cotton
adapted to the environment and suited to manufacturing, and inexpensive riverine

Cotton* (New York: C. M. Saxon & Co., 1857), 94-128. Popular ante-bellum varieties were called
Sugar Loaf, Vick’s 100, Tarver (also called Alabama), Brown’s, Pitt’s Prolific, Hogans, Prout,
Chester, Pomegranate, Multibolus, Rob Smith’s 25-cents, Mammoth, and Mastodon.

11 Ellen Churchill Semple, *American History and its Geographic Conditions* (Boston and New
Descriptive and Statistical Gazetter of the United States of America* (New York: Sherman & Smith,
1843), 414; Wellington Williams, *Appleton’s Railroad and Steamboat Companion* (New York: D.
Appleton & Co., 1848), 303.
transportation made possible an enormous expansion of cotton acreage in a very short time. The United States exported less than 500,000 pounds of cotton in 1793. Ten years later, 41 million pounds of American cotton was exported. Prices as high as 35 cents per pound at New Orleans encouraged the rapid settlement and establishment of plantations in the new “Cotton Belt” states of Alabama, Mississippi, Louisiana, Arkansas, and Tennessee. By 1820, the United States was exporting almost 128 million pounds of cotton; 90 million pounds of it went to Britain. As the quantity of cotton grown in the United States increased, production outpaced demand, and the price declined steadily. By the early 1840s the price dropped to 4 ½ cents per pound. Yet American production continued to increase, as did English imports, because the low-priced cotton and high demand for cloth meant that the mills returned a handsome profit on capital, as much as 30 percent per annum, and the profit was invested back into more manufacturing capacity. A cyclical positive feedback loop developed. Each increase in mill capacity caused a short-term increase in demand that raised the price of raw cotton slightly, encouraging American planters to grow more. Increased supply caused a subsequent dip in cotton prices. Low-cost cotton and increased mill capacity and efficiency brought down the cost of finished goods, enabling sellers to charge lower prices. Each decrease in price brought the finished product within economic reach of a greater number of end users, resulting in increased sales. The resultant profits encouraged English manufacturers to add still more mill capacity, thereby increasing demand that caused another short-term rise in cotton prices.\(^{12}\)

\(^{12}\) *Weekly Nashville Union* (Nashville, TN), Jan. 29, 1845 and April 30, 1845.
In King Cotton’s peculiar realm, the basic economic law of supply and
demand seemed to operate according to Say’s Law, which in its simplest form states,
“Supply creates its own demand. Production creates demand sufficient to purchase all
the goods and services produced.”

The cotton market certainly behaved differently
than did other commodities markets. Exports of American wheat varied drastically
year-to-year, with frequent catastrophic collapses in demand due to big crops in
Europe, and with corresponding swings in price. Grain shipments to Great Britain and
Ireland dropped from over 21 million bushels in 1847 to 2 million the next year, rose
gradually to 12 million bushels in 1854, dropped to 7 million in 1855, averaged 12
million bushels for the next three years, and then collapsed to less than a million
bushels in 1859. In years of high production and low demand, farmers sometimes
could not find a buyer for their grain. Cotton exports on the other hand showed a
steady increase, with temporary reductions in exports occurring only when the crop
was short. The price of cotton rose when the crop was short and fell when the crop
was large, but the mills never failed to take all the cotton that American planters
could grow.

Corollary to this notion that demand for cotton was driven by its supply, there
emerged another quirk in economic logic that was unique to cotton. Dictionaries of
the mid-nineteenth century do not contain the modern economic term consumer
goods, but they define the word consume in some variation of the way Noah Webster

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14 Chamber of Commerce of the State of New York, Fifth Annual Report of the Chamber of
Commerce of the State of New York, for the Year 1862-'63 (New York: Chamber of Commerce of the
State of New York, 1863), 212.
did in 1857, “To destroy, by separating the parts of a thing by decomposition, as by fire, or by eating, devouring, and annihilating the form of a substance.”\(^\text{15}\) The French economist Jean-Baptiste Say wrote, “by consumption is meant the destruction of utility, and not of substance, or matter. When once the utility of a thing is destroyed, there is an end of the source and basis of its value.”\(^\text{16}\) In the peculiar case of cotton, the spinning mills, not the final end-users of cloth, were thought of as consumers. Comparatively little concern was given to end-user markets because India and China were thought to be bottomless economic sinks that could swallow limitless quantities of manufactured cotton goods provided there were no barriers to free trade and the retail price remained below the cost of homespun. An article from the *U.S. Economist* reprinted in *The Southern Planter* in 1860 called the potential of the Asiatic market “almost limitless.”\(^\text{17}\) In the thinking of the time, it was as if raw cotton was the fuel powering the economic engine. A letter to *The Cotton Supply Reporter* expressed this idea when the writer said, “Our own consumption of this article depends simply on the crop. We take all we can get, and desire only that the supply should be good, cheap, and certain.”\(^\text{18}\) An article published in 1860 in the *Levant Herald*, an English newspaper published in Constantinople, stated this belief even more succinctly:

> For whilst in other manufactures demand regulates the produce of the raw material, it is the reverse in this. Cotton wool can never become a


\(^{17}\) *Southern Planter* 20, no. 1 (Jan. 1860): 15.

\(^{18}\) *Cotton Supply Reporter* 1, no. 51 (Oct. 2, 1860): 266.
‘drug’ in Manchester, but the greater the supplies of it, the greater still the demand.\textsuperscript{19}

Field labor was the factor that governed how much cotton was grown, and cotton had its own peculiar economic logic when it came to calculating labor cost. To illustrate this, consider the following example. In the 1820s, as the cotton plantation economy was becoming established in Georgia, South Carolina, and the new states of the Old Southwest, diversified farmers in Ohio paid their year-round farmhands $12 a month plus room and board, making an employer’s yearly labor cost $144 in wages plus the expense of food and housing customarily provided to a farmhand. The Ohio farmer’s total labor cost per hand was thus approximately $165 per annum.

Calculated from prices paid for various types of produce in the 1820s and estimated yields, a hired hand working on a farm that raised wheat, corn, and hogs would produce annually about $250 worth of goods. After the farmer paid his production costs exclusive of labor, he would be left with about $195, more or less depending on the vagaries of weather, other growing conditions, and the farmer’s managerial efficiency. After paying his hired hand’s $165 wages and upkeep, the Ohio farmer would realize a profit of around $30.\textsuperscript{20}

Cotton presented a very different cost calculation, however. The price of cotton, like that of any commodity, was set by market demand, which in the case of cotton was primarily the demand of the English mills. What the English mills could

\textsuperscript{19} Levant Herald, quoted in Isaac Watts, \textit{The Cotton Supply Association: Its Origin and Progress} (Manchester: Tubbs & Brook, 1871), 54.

pay for raw cotton was in turn set by what the market for cotton yarn and cloth would bear. Because three quarters of the cloth that the English produced was sold in India, China, Eastern Europe, Russia, South America, and the Near East, locales where a large proportion of the buyers were first-generation consumers of factory-made cloth, British manufacturers dared not raise the prices that they charged much above what was necessary to cover their production costs lest the people in those markets stop buying industrially manufactured cloth and revert to domestic homespun. English mill owners were squeezed because their cost for building, machinery and transportation was fixed, and they were already paying their laborers the bare minimum necessary for sustenance. The cost variable that most affected the price of finished goods was the price that spinners paid the American planter for his cotton, in 1820 about 15 cents per pound. Using ante-bellum cultivation methods, one acre of cotton would yield about 250 pounds of lint. The general rule of thumb was that one field hand could tend three acres of cotton. Picking the bolls required by far the largest amount of labor in terms of man-hours. At those prices, one field hand could produce about $115 worth of cotton each year. Of that amount the planter cleared about $90, excluding labor cost. Were a cotton planter to pay a field hand at the same rate as an Ohio grain-hog farmer paid his hired hand, the planter would pay $85 more for labor than the cotton that laborer produced would sell for.21

A $500 slave seemed at first to be more costly than a $12 per month free hired hand, but in fact the slave’s cost was less. That is because a prime male field hand was expected to yield at least ten years’ labor, so his purchase price could be

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amortized over those ten years, making his labor cost $50 per annum. To this was added his upkeep of about $30, making the slave’s labor cost his master $80 per year, with the result that the planter realized a profit of $10 per year on his cotton. This peculiar situation also meant that for a Southern cotton planter to attain the same level of income as a Northern farmer who raised grain and hogs, he had to have three times as many field hands.

Another peculiarity of cotton was the semi-barter system known as factorage through which production was financed and the cotton marketed. Whereas Northern grain farmers operated in a money economy, Southern cotton planters were at the bottom of a multi-tiered system of extended credit that took the form of goods advanced against future sales of cotton. Middlemen known as factors supplied the planters with needed manufactured goods on credit, with payment to be made when the planter’s cotton was sold. This sale the factor handled as commission agent. Factors in turn obtained advances against future sales of cotton from New York and Liverpool cotton brokers. The factors used the advances to purchase manufactured goods from Northern merchant firms, most of them in located in New York. Oftentimes the New York cotton broker advancing the money and the New York merchant supplying the factor with his manufactured goods was one in the same. Very little actual money from the sale of cotton ever found its way back to the South. This cashless system of exchange thwarted any form of economic activity in the South other than large-scale plantation cotton agriculture that relied on slave labor.22

Cotton growing by yeomen farmers was deemed economically impossible. At prevailing prices, the quantity of cotton that one man could raise on his own land simply did not earn an amount sufficient to sustain him. At best a man, his wife, and several working children might eke out a bare existence raising six to ten acres of cotton, while with the same amount of labor they could get a greater return from crops other than cotton. Nor could yeomen growing cotton as a sideline crop produce enough to satisfy the demand for it from the English mills. Contrary to popular belief, there was no environmental reason that precluded cotton being grown as far north as Springfield, Illinois. Cotton could be and was grown on diversified farms north of the Ohio River until the 1840s, when it became unprofitable for farmers there to grow it.\(^\text{23}\)

Moreover, while the advent of mechanical reapers and threshers greatly increased labor productivity on grain farms, the cotton plant defied repeated attempts to mechanize its harvesting because cotton plants bloomed and set seed bolls throughout their long growing season. This characteristic precluded a mechanical harvester making one pass over the field and gathering the entire crop. Cotton pickers had to make repeated passes through the field, hand harvesting the bolls as they ripened. Horse-drawn cotton-picking machines identical in mechanical principle to modern mechanized cotton harvesters were invented and tried in the 1850s, but the cotton plant thwarted their successful operation for the next one hundred years. Not

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until the advent of chemical ripening agents and defoliants in the late-1950s did it become possible to mechanize cotton harvesting.\textsuperscript{24}

The downward trend in prices that occurred concurrent with the exponential increase in American production was disastrous for cotton growers in other parts of the world. Cotton prices fell below their costs of production and transportation, and they either stopped growing cotton entirely or reduced their planting to the amount needed to sustain local textile manufacture by traditional handicraft methods. The British West Indies, for example, exported 11,223,446 pounds of cotton to England in 1815. The quantity had declined to half that in 1825, to a tenth in 1840, and to just 427,735 pounds in 1850. In the Ottoman Empire, once continental Europe’s major cotton supplier, exports virtually ceased and production plummeted as English manufactured yarn and cloth forced local handicraft textiles out of the market. Brazilian planters, although they did not abandon cotton growing as did those in the West Indies, did not increase the size of their crop. England’s yearly imports from Brazil remained stagnant at around 20 million pounds for four decades. India’s output of cotton and the volume that it exported to Britain increased substantially, but because of high transportation costs and the low quality of indigenous Indian “Surat” cotton, its share of the English market declined from 26 percent in 1815 to an average of less than half that for the next forty-five years. That Indian cotton retained the share that it did is probably because it found a niche in coarse cloth used for making grain sacks. By the 1850s, Brazil, India, and the British West Indies, which between them supplied 49 percent of the cotton consumed in English mills in 1815 versus 46

\textsuperscript{24} James H. Street, “Mechanizing the Cotton Harvest,” \textit{Agricultural History} 31, no. 1 (Jan. 1957): 12-22.
percent from the United States, had shrunk to insignificance, leaving the United States as the monopoly supplier.\textsuperscript{25}

Lancashire cotton spinners came to prefer the American Petit Gulf and its derivative varieties over all other types of cotton except Sea Island and Egypt’s exceptionally fine and expensive arboreal “Jumel” variety, as did the end-users of cloth. American cotton could be spun into much finer yarn than could the Indian Surat or similar coarse, short-staple varieties from Brazil and the Near East. Finer diameter, softer yarn meant that cloth woven from American cotton was much softer, smoother, and more comfortable to wear than cloth made from Indian cotton. Spinners optimized their machinery to the characteristics of American cotton, an adaptation that made it extremely difficult to spin coarser, shorter staple Surat-type cotton. This further reinforced the American monopoly, since even if the economic and physical obstacles to obtaining cotton elsewhere could be overcome, that cotton was not suitable for the machinery in British mills. Modifying the machines was also a near impossibility. In 1860 it would have involved modifying or replacing more than 30 million individual spindles.\textsuperscript{26}

It would do well to remember that the period of rapid industrialization between the end of the Napoleonic Wars in 1815 and the outbreak of the American Civil War were years of great social turmoil in Europe. Britain had escaped the worst of the revolutionary upheavals that convulsed Europe between 1830 and 1860, mainly through a combination of political reforms that admitted the burgeoning new


\textsuperscript{26} Arnold, \textit{History of the Cotton Famine}, 36.
business-professional middle class into the governing elite, enacting laws that mandated improvements in working conditions in mines and factories, and repealing the so-called Corn Laws, a set of laws that kept the price of English grain high by limiting grain imports, in order to lower food prices. Most importantly, England preserved social peace by fostering full employment of its poor working class through industrial growth and economic prosperity based on cotton cloth exports.

Revolutionary upheavals in Europe that coincided with unemployment in the mills caused by shortages of American cotton in 1830, when a severe drought damaged the crop, and in 1848, after army worms devastated the 1846 and 1847 crops, made the British ruling classes fearful that a prolonged interruption in the supply of American cotton that caused a crippling shutdown of the cotton mills would bring about working-class revolution. Some feared that such a revolution would lead to collapse of the liberal capitalist economic system. Indeed it was feared that a prolonged interruption in the cotton supply would cause the social order and institutions of Western civilization to collapse. It was this feared catastrophe that Senator Hammond alluded to in his famous “Cotton is King” speech.27

Though laden with oratorical bombast, Hammond’s speech was grounded in the economic reasoning of the time. Although it is popularly attributed to Hammond, the term “King Cotton” actually comes from a book, Cotton is King: or Slavery in the Light of Political Economy, written by a Northerner, David Christy of Cincinnati, Ohio, in 1855. Although David Christy’s argument is almost invariably lumped into the “pro-slavery” category, he abhorred slavery, and his complex politico-economic

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thesis is seldom examined. Reviewing it is worthwhile in order to better understand the role of cotton in the political economy and the ideology surrounding it. Christy was an officer of the African Colonization Society, an abolitionist organization dedicated to gradually emancipating the slaves and sending them to Africa. *Cotton is King* was the report of an overseas fact-finding mission that Christy undertook on behalf of the Colonization Society. In it, he examined the socio-economic effects of technological innovations in the cotton industry and alleged that the cotton-driven capitalist economy was a vicious circle of which slavery was an inescapable part. To sustain the high volume of production necessary to maintain full employment in the cotton mills so vital to social peace in Britain and return the profits needed to underwrite further industrialization, British manufacturers had to keep the price of cloth low enough to sell large quantities of it in undeveloped countries. With their other costs fixed, manufacturers had to keep the price of raw cotton so low that it could not be produced in sufficient quantity without slave labor. Slavery as it existed in the United States, Christy asserted, had resulted directly from the economic influence exerted by the British cloth weaving industry’s insatiable appetite for the labor-intensive, thin profit margin fiber.²⁸

Christy’s book was an indictment of the structure of Britain’s cotton-based industrial capitalist economic system and a condemnation of the hypocrisy of the British government’s support of abolition in light of its liberal economic policy and imperialism, not a defense of slavery. Christy argued that the “free” labor that

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²⁸ E.N. Elliott, ed., *Cotton is King, and Pro-Slavery Arguments: Comprising the Writings of Hammond, Harper, Christy, Stringfellow, Hodge, Bledsoe, and Cartwright, on this Important Subject* (Augusta: Pritchard, Abbott & Loomis, 1860), passim; *Daily Register* (Raleigh, NC), June 16, 1860; *Weekly Raleigh Register* (Raleigh, NC), June 30, 1860.
Britain’s Liberal industrialists and abolitionist elite advocated employing to produce cotton in Africa and India as a way to break the British economy’s dependence on slave-produced American cotton was not free at all. He wrote:

Great Britain, in her efforts to promote cotton cultivation in India and Africa, now acts upon this principle [imposing a money economy on traditional societies, thus forcing them to grow cash crops], and that she thereby acknowledges the truth of the views which the author has advanced. It will be seen also, that to check American slavery and prevent a renewal of the slave trade by America’s planters, she has decided to employ the slaves of Africa in the production of cotton: that is to say, the slavery of America is to be opposed by arraying against it the slavery of Africa—the petty chiefs there being required to force their slaves to the cotton patches, that the masters here may find a diminishing market for the products of their plantations.\(^{29}\)

Christy asserted that Britain, because of its over-reliance on the cotton industry, and the United States, by allowing slave-produced cotton to become its principal export, had both fallen into an economically inescapable trap. He also inferred that the British government’s official support of abolition had less to do with moral opposition to slavery than it did with advancing the long-term strategic goal of breaking the United States’ cotton-growing monopoly in order to negate the threat that American control of the cotton supply presented to the British Empire.\(^{30}\)

Many knowledgeable people in Britain agreed with large portions of Christy’s economic argument, though most of them vehemently disagreed with his contention that employing low-cost native labor to grow cotton in undeveloped countries was slavery in another guise. Karl Marx, who both opposed slavery and considered the United States to be the most progressive nation in the world, asserted that, “Without

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\(^{29}\) Christy, *Cotton is King: or Slavery in the Light of Political Economy*, 22-36.

\(^{30}\) *Cotton Supply Reporter* 1, no. 66 (May 15, 1861): 497-498.
slavery you have no cotton, without cotton you cannot have modern industry.”

Marx also wrote, “Cause slavery to disappear, and you will have effaced America from the map of nations.”

Fears of an interruption of the supply of American cotton appeared in Britain as a result of Thomas Jefferson’s trade embargo of 1807-1809. In February 1809 the Court of Directors of the East India Company warned that unless Britain secured a supply of cotton from its own colonial possessions the United States had the capacity to severely curtail British industry and commerce. The cutoff of American cotton during the War of 1812 increased those fears. Should Great Britain and the United States again go to war, all that the Americans need do to cripple Britain’s economy was close their own cotton exporting ports. The 1831 Nat Turner Rebellion reinforced fears that a massive slave insurrection might someday erupt in the United States. In addition, the disastrous potato blight that struck Ireland in 1845-1847 prompted worries that a similar disease might wipe out the American cotton crop. Alarms of immediate threat sounded in 1851 when several hundred American cotton planters met in Macon, Georgia, and formed the Cotton Planters’ Association. The organization was intended to function as a cartel that would buy all American-grown cotton at a predetermined price and then set the price charged to overseas consumers. The scheme failed to come to fruition because the American Cotton Planters’


32 Ibid.

33 No. 18 Extract letter from the Court of Directors to the Governor in Council at Bombay, dated the 3d February 1809, in East India Company, Reports and Documents connected with the Proceedings of the East-India Company in regard to the Culture and Manufacture of Cotton Wool, Raw Silk, and Indigo, in India (London: East-India Company, 1836), 29.
Association was unable to secure the $20 million capital needed to finance it. Nevertheless, the prospect that American cotton planters might organize a cartel haunted British cotton interests for the next decade.  

Attempts to address Britain’s dependence on American cotton began in 1813, when the East India Company hired Bernard Metcalfe, a Georgia planter and cotton ginner, to install and operate Whitney saw gins in Madras. The East India Company began experimental planting of American cotton seeds near Bombay in 1828. At that time the East India Company obtained six additional Whitney cotton gins from the United States. These were used as models to manufacture the iron work for twelve gins in Britain. This ironwork, which was to be mounted in its woodwork in India, was shipped along with American seeds to Bombay, Madras, and Bengal during the winter of 1829-30. This experiment resulted in about 500 bales of cotton each weighing 249 pounds. After the experiment’s conclusion, the East India Company compiled a 431-page illustrated report about its cotton activities dating from 1788 to 1835.

In April 1839, the East India Company began another, much larger, experiment with American seeds and gins in India. The Company sent Lieutenant

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34 Watkins, *King Cotton*, 14-50.

35 No. 26 Extract letter from the Court of Directors to the Governor in Council, Madras, dated 7th May 1813, in East India Company, *Reports and Documents connected with the Proceedings of the East-India Company in regard to the Culture and Manufacture of Cotton Wool, Raw Silk, and Indigo, in India* (London: East-India Company, 1836), 50-51.


37 Ibid, viii.
Thomas Bayles, a British officer with experience in India, on a mission to the United States to initiate the project. Bayles purchased a large supply of New Orleans seed, 200 small hand-cranked gins, and other implements of the type used in the United States. Bayles hired ten American plantation overseers to go to India and establish cotton plantations where they would demonstrate American cultivation methods to the Indian farmers, called ryots. One American, Mr. W. R. Mercer, established a demonstration farm in the upland Dharwar district southeast of Bombay. Mercer supervised the planting of 600 acres of American cotton in 1842, and by 1845 the local ryots, encouraged by the promise that their cotton would be purchased at a preset price by the East India Company, had planted 15,000 acres. Mercer estimated that the district produced 1 million pounds of cotton from American seed that year. This was an impressive quantity, but at only 66 pounds per acre the yield was far below the normal yield in the United States. Low yield was not the only difficulty encountered, nor the hardest to overcome. Transportation was in an extremely primitive state. Bullocks were used to haul 700 bales of Dharwar cotton nearly 300 miles to Bombay, on roads that “were mere tracks marked out by bullocks’ feet, without bridges and rendered impassable by the nullahs after rain.”

At Bombay, the cotton was loaded into the East India Company ship Quentin Leitch for the voyage round the Cape of Good Hope to Liverpool, where it finally arrived in August 1847. The Quentin Leitch was followed by other ships bringing cotton grown from American seed under the supervision of American overseers in

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various Indian locales. At least eight East Indiamen arrived at Liverpool, bringing
5,025 bales. Spinners pronounced the Indian grown cotton to be as good as that
grown in America, and bought it at the same prices.\textsuperscript{40}

Though successful from a horticultural standpoint, transportation costs
doomed the cotton-growing experiment in India, and the East India Company
abandoned the project in 1849. Without an assured market, the Indian ryots stopped
growing cotton for export. The experiment also revealed another problem. Within
three years the American cotton hybridized with the native Surat. The resultant fiber
was unsuitable for the English spinning mills. Many people wrongly concluded that
the physical changes in the cotton fiber were the result of the plant acclimatizing itself
to the soil and climate of India. Newspapers in the United States trumpeted the
experiment’s outcome, and declared that the East India Company had at great
expense proven that, “the East Indies were not at all fitted for the production of
cotton, and that the experiment was a failure.”\textsuperscript{41}

As a result, the American cotton monopoly seemed more secure than ever.
Such was American confidence in the cotton monopoly’s continuance that in the
spring of 1857 \textit{The American Cotton Planter and Soil of the South} could boldly
declare:

\begin{quote}
England, ever watchful of her commercial and manufacturing
interests, has been casting about for the last quarter of a century for
some source from which she could obtain cotton independent of the
United States. She has induced, at the expense of probably a million of
\end{quote}

\textsuperscript{40} J. Forbes Royle, \textit{On the Culture and Commerce of Cotton in India, and Elsewhere} (London:

\textsuperscript{41} \textit{Weekly Nashville Union} (Nashville, TN), Oct. 28, 1846. Story “Cotton in India” reprinted
from the \textit{Richmond Enquirer}. 
dollars, to make the experiment in India, which ended in utter failure. … Those who entertain the theory that because a country is sufficiently hot, it therefore ought, with a favorable soil, to produce cotton, show a deficiency of practical knowledge of the subject.

It is so arranged in the order of Providence, that the United States possesses the only climate and soil adapted to the extended culture of cotton to be found, probably on the habitable globe. … The question at present as to the future supply of cotton is one of labor. The consumption of the article and its prices must be greatly influenced by the supply of labor. Our cotton lands…are yet extensive enough, if brought into full cultivation, to produce many millions of bales over the present yield just as easily as three million bales are now grown. … Have we the labor to produce it? Clearly not!^{42}

At the meeting of the Southern Commercial Convention held in Montgomery, Alabama, in 1858 William L. Yancey, who was later appointed to represent the Confederacy in England as a diplomat, advocated reopening the African slave trade. Yancey based his argument on the economic logic that the price of slaves was high because the labor supply was insufficient to meet the rising demand for cotton. More plentiful and thus cheaper slave labor would result in more and cheaper cotton. The Southern Commercial Convention subsequently approved a resolution calling for the repeal of all American laws banning the importation of slaves from Africa.^{43}

Yet at the same time American cotton planters’ confidence was soaring, a new effort to break the monopoly was being organized in England. That effort would prove far more adept at accomplishing its goal than had past English efforts, and it would contribute substantially to the South’s defeat in the Civil War by helping keep England on the sidelines.

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^{42} American Cotton Planter and Soil of the South (April, 1857): 108.

Chapter 2
Parameters of the Cotton Crisis

The Cotton Supply Association was formed by an élite group of about forty prominent British cotton spinners, manufacturers, brokers, bankers, and members of Parliament who met in the Mayor’s Parlor in Manchester Town Hall in the spring of 1857. The members elected John Cheetham, MP, as the Association’s first president and G. R. Haywood as secretary. The Cotton Supply Association’s stated mission was, “to obtain as full and reliable information as possible respecting the extent and capabilities of cotton cultivation in every country where it could be grown.”\(^1\) Its ultimate goal was to free England from her dependence on American cotton.

The Cotton Supply Association rented offices at 1 Newall’s Buildings on Market Street in downtown Manchester and a small staff went to work collecting cotton intelligence from around the globe. To disseminate the information that it gathered the Association began publishing its own twice-monthly trade journal, *The Cotton Supply Reporter*, in August 1858.\(^2\) Isaac Watts, in his *The Cotton Supply Association: Its Origin and Progress*, written as a secretary’s report addressed to the Association’s president, council, and members in 1871, did not identify the working staff at the Newall’s Buildings office, nor did he say anything about the office’s organizational structure. Watts was editor of *The Cotton Supply Reporter* and was probably in charge of the office’s day-to-day operations. It is evident from Watts and from *The Cotton Supply Reporter* that the red brick building located adjacent to the

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\(^2\) *The Cotton Supply Reporter* became a monthly publication on April 1, 1863.
old Royal Manchester Exchange housed a politically well-connected and well-financed organization with worldwide reach whose intelligence collection and analysis methods were adopted from contemporary journalism, and that also planned, financed, coordinated, and provided logistical support to multifaceted field operations on a global scale.  

In addition to the overseas contacts and business agents of its members, the Cotton Supply Association had the assistance of the Foreign Office, which instructed British consuls to provide detailed reports about cotton production or the prospects for it in their areas. The Foreign Office forwarded these consular despatches to the Cotton Supply Association’s office, and selected reports and extracts were then published in _The Cotton Supply Reporter_. Using funds solicited from its members, the Association began sponsoring experiments in growing cotton from seeds bought by its agents in the United States. British consuls abroad assisted in these experiments by distributing seeds and instructional pamphlets sent to them by the Association.

British consuls acting on behalf of the Cotton Supply Association also occasionally engaged in activities that today would come close to being industrial espionage. In response to a query from the Association concerning cotton gins suitable for use in Africa sent through the Foreign Office to Consul William Mure in New Orleans, Mure replied, “The one most in favour among the planters is what is called ‘E. Carver’s Patent Improved Cotton Gin’”, a small, portable machine that was

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4 *Cotton Supply Reporter* 1, no. 1 (August 1858): 1-10.
simple, rugged, and inexpensive. Mure went on to tell the Foreign Office and the Cotton Supply Association:

I have succeeded in procuring from the agent here a diagram of the cotton gin, accompanied by remarks and directions, a copy of which I beg to transmit herewith. . . . A good Manchester machinist might understand from this diagram and description the principle of this machine, but I would venture to suggest that it would be better to order one of the small sized ones . . . the cost of which would not exceed thirty-five pounds sterling, from which any number might be manufactured.\(^5\)

In addition to businessmen, the Cotton Supply Association also included among its members several prominent clergymen, and through them it established correspondence with British missionaries overseas. Missionaries in West Africa, in particular, took a keen interest in encouraging cotton growing, seeing it, as did Alexander Robb in Old Town, Kalabar, as a way to “civilize” the “degraded” natives by encouraging them to adopt habits of labor and industriousness.\(^6\) Writing about English missionaries’ attitude toward promoting cotton cultivation, the New York Times said, “every missionary explorer who leaves England to penetrate the African interior must . . . take with them the cotton-gin and cotton seed.”\(^7\) Indeed, the missionary societies saw the good of the cotton industry and their mission to evangelize and civilize native peoples as inseparable. In a speech in the House of Commons in July 1861 it was asserted that the American Civil War was, “the

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\(^5\) Cotton Supply Reporter 1, no. 6 (Nov. 15, 1858): 44.


\(^7\) New York Times (New York, NY), Jan. 22, 1861.
opportunity of nations…it may clothe the world in garments cheap enough to evangelize it—for Christianity without clothes is impossible.”

The Cotton Supply Association’s efforts in Africa received some encouragement from abolitionists in the United States. In April 1859, Edward Atkinson, a wealthy Boston cotton manufacturer and prominent abolitionist who was reputed to be the foremost American expert on the cotton industry, placed an order for 4,000 pounds of African cotton at 14 cents per pound delivered at Boston with Thomas Clegg, a member of the Cotton Supply Association. Atkinson’s stated intent was to manufacture the cotton into cloth as a demonstration project to show other New England manufacturers that cheap African cotton imported via England could be used to undercut slave-grown American cotton. Atkinson hoped that low priced cotton from Africa would make slavery in America economically unviable. Nothing came of the effort, but Atkinson’s correspondence with Clegg indicates that American abolitionists and the Cotton Supply Association were aware of one another’s goals and that those goals were mutually compatible.9

The Association’s primary focus was upon India, where it established relations with the British administration in India and with the Agricultural and Horticultural Society of India and its many gentlemen gardeners scattered throughout the sub-continent. In what was probably its most extraordinary move, the Association proposed that the government facilitate cotton production in India by expending £20,000,000 over the next five years to improve transportation infrastructure, with the

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money to be recouped through user tolls. But the Association did not ignore any locale where it might be possible to grow cotton, no matter how remote it might be. At the Association’s second annual meeting, held in Manchester Town Hall on May 10, 1859, it was reported:

Grants of Cotton-seed, from one bag to two hundred each, have been made, and forwarded chiefly to Bombay, Madras, Calcutta, Singapore; Sydney, in Australia, Savanilla, and Baranquilla, in South America; Sonsonate, Belize, and San Miguel, in British Honouras; Guatemala, Cuba, Jamaica, and Haiti, in the West Indies; Tunis, Lagos, Fernando Po, Sierra Leone, Cape Coast Castle, Cameroons, Bossessame, Monrovia, and Natal, in Africa; Macedonia, Aleppo, Jaffa, Sidon, Kaiffa, Broussa, Salonica, Serres, Constantinople, and Messina; and also to Attica, Argolide, Messinie, Laconia, Arcadia, Achaia, Phthiotis, Euboea, Cyclades, and the Agricultural School in Greece.

Grants of Cotton Gins also have been made, and forwarded chiefly to Bombay, Hyderabad, and Ahmebad, in India; Kanday, in Ceylon; Batavia; Singapore; Sydney, in Australia; the South Sea Islands; Peru, in South America; Sonsonate and Belize, in British Honouras; Tunis, Morocco, Abbeokuta, Lagos, Cape Coast Castle, Cape Palmas, Sierra Leone, and Cameroons, in Africa; Dardanelles; Larnaca; Broussa, and Athens.10

During the three years prior to May 1860, the Association expended £4,013 to distribute 591 barrels of cotton seeds and 254 cotton gins.11 These far-flung efforts were in the nature of small-scale experiment farms and demonstrations, not commercial cotton planting enterprises. John Cheetham told the Association’s

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members optimistically, “If only we throw the seed broad-cast, as we have been doing, the fruits of industry and planting will inevitably result.”

The Association’s efforts met with strong opposition from the Manchester school of economists, who deemed it interference with the workings of the free market. In the words of Isaac Watts, the Manchester school’s laissez-faire belief was that, “If there was any country or any people fitted to rival America in cotton culture, that people would find it out for themselves without any suggestions of ours.”

Many of the Association’s own members despaired of breaking the American monopoly by substituting free labor in the West Indies, India, Africa, and elsewhere for enslaved labor in America. Speaking to the Association’s fourth annual meeting on July 11, 1861, one of its founding members, Mr. William Cross, recalled that there had been much criticism of the fact that in the first four years of its existence the Association had spent £17,000 on numerous experiments and demonstrations, but had gotten no cotton to show for it. Henry Ashworth, another founding member who spoke at the meeting, said, “For years past some have imagined no doubt that we, the members of the association, have been dreaming and alarming ourselves unnecessarily about some cotton event which might or might not occur in any of our lifetimes.”

In January 1861, The London Review expressed this sense of futility when it reported:

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14 Cotton Supply Reporter 1, no. 68 (June 15, 1861): 531 and 537.
[I]t cannot be argued that a sudden emergency in the American market could be counter-balanced by any prospective increase in [cotton growing elsewhere]. The amount of produce must always depend on the amount of coloured labour which can be made available, not as a spasmodic effort, but as a permanent employment, supervised and assisted by European agency and capital. … In a country where all the necessities of life are procurable without exertion, the habit of continuous labour has to be learnt. … The Negro working on his own patch of ground can only give garden quantities, and no individual efforts can compete successfully with the organized slave labour of America.¹⁵

Others saw portents that the seemingly ironclad political economy that assured the American cotton monopoly’s continuance might be about to crack, and that the event would be cataclysmic. John Brown’s raid on the U.S. Arsenal at Harpers Ferry in October 1859 and subsequent news reports of slave conspiracies sent a shockwave through the British cotton industry that affected every sector of British society.¹⁶ Writing during the summer between Brown’s raid and the election of Abraham Lincoln to the presidency in November 1860, British historian and political economist James A. Mann wrote:

Ruinously low prices of cotton would extinguish slavery, but in the Southern States of America it is now more prosperous than ever. How long this can continue is a question which must arise in every mind, and one as difficult to find a reply to. While acknowledging its terrible strength from its deep rooted vitality, we must all dread the severity of the revulsion which must sooner or later arrive, and of which we have even lately received practical and unmistakable warning.¹⁷

Reading with hindsight and from an American perspective, one perceives that Mann saw in John Brown’s raid a portent of a massive servile rebellion, the


¹⁷ Mann, *The Cotton Trade of Great Britain*, 56.
impending Civil War, or both. However, Mann was writing from the viewpoint of a British political economist in the late summer of 1860. He did not specifically mention either Brown’s raid on Harpers Ferry or the approaching political rupture in the United States. The “revulsion” that Mann foresaw may have been something of an entirely different nature: a paralyzing systemic failure in the cotton economy itself.

Demand for cotton outpaced supply in the years 1854-1857. Severe drought reduced the 1856 crop to slightly less than 3 million bales, and the price of cotton on the Liverpool market rose from the low 5 d. per pound prices common in 1849 to slightly over 9 d. per pound in September 1856—an increase of 80 percent.18 These prices on the Liverpool exchange translated into planters being paid as high as 12 ½ cents at New Orleans in 1856, the highest price paid for cotton since 1839. Planters were seized by what Frederic Bancroft called the “Negro Fever,” an obsession with securing labor to meet the increased demand for cotton that they anticipated in the near future. Competition for available slaves was intense, and prices for field hands rose to $1600 and $1800 in January 1857. Children under the age of ten years sold for $800 and women close to sixty years of age often brought $700 or more.19

The 1857 crop was 20 percent larger than the one before it, yet demand for it held strong. The price at New Orleans reached 14¼ cents, and the general financial panic that struck in October 1857 did not greatly affect the cotton markets. This

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18 Donnell, *History of Cotton*, 425-493. The symbol d. stood for pence in old British money. £1 sterling was equal to 240 pence. At 1861-65 exchange rates, which were tied to gold, £1 sterling was equal to U.S. $4.80 in gold or 1 pence to U.S. 2 cents. The exchange rate for paper currency varied because of fluctuations in the price of gold vs. currency.

further encouraged the planters’ belief that the demand for cotton was about to outstrip the supply of labor available to produce it, and they continued to bid up the price of slaves. The 1858 crop came in at 3,851,000 bales, 680,000 bales larger than the previous year’s crop. Prices declined slightly, but many attributed the drop to jitters in the European financial markets because of the short war between France and Austria that broke out in April. News that new mills were under construction in Lancashire convinced planters that demand for cotton was about to soar, and they continued their slave-buying binge. In Alabama, field hands sold for $2,100 in January 1859, and it was reported that slave traders were scouring the Border States for every available slave.

Weather that year was favorable, and there were no major insect infestations, with the result that the 1859 crop was the largest grown up until that date. A traveler passing through New Orleans wrote home to San Francisco on December 5, 1859, “Cotton…is coming down in quantities so vast, that all calculators as to the amount of this year’s crop find themselves entirely unable to form hardly more than a conjecture as to what it will be.” Less than a month later, New Orleans brokers were estimating that the 1859 crop might be 4,250,000 bales, a half million bales more than in any previous year. On May 1, The Cotton Supply Reporter predicted that the crop would be slightly less than that: it said 4,225,000 bales. By the end of the month receipts had surpassed both estimates and American newspapers were reporting that the crop

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21 *Milwaukee Daily Sentinel* (Milwaukee, WI), Jan. 7, 1859; *Fayetteville Observer* (Fayetteville, NC), Feb. 28, 1859.

would be 4,500,000 bales. Actual receipts at the end of the marketing season on August 31, 1860 came in above even that estimate: a staggering 4,675,770 bales were brought to market. The excess supply led to a sharp decline in the price that factors were willing to pay planters for their cotton, which dropped to 5 ½ cents per pound at Mobile in July 1860.23

English mills took advantage of the opportunity to purchase an enormous overstock of raw material at low cost, while speculators, gambling that the next year’s crop would be short, bought the excess. Production of yarn soared from 735,656,000 pounds in 1857 to 770,000,000 pounds in 1858, to 869,250,000 pounds in 1859, to an incredible 983,650,000 pounds in 1860.24 Despite the inability of overseas markets to absorb the supply, British mills exported a far greater quantity of cotton goods in the years 1858, 1859, and 1860 than ever before. In 1860 the annual total of yarn and cloth exported reached 250,339,040 pounds in weight, a more than 70 percent increase over the previous high of 146,660,864 pounds in 1856. Exports would reach a staggering 298,287,920 pounds in 1861. In the years 1858 through 1861 British mills dumped 873,379,696 pounds of cotton goods on the world markets, most of it in India and China.25


24 Maurice Williams, “The Cotton Trade of 1862,” in Seven Years History of the Cotton Trade of Europe, 1861 to 1868 (Liverpool: William Potter, 1868), 26. Each year’s report is a reprint of the annual original so that page numbers start with 1 up for each year.

Encouraged by the news that consumption of cotton in Britain was surging, the “Negro Fever” among the cotton planters raged on, as did the transfer of slaves from the Border States to the South. *Hunt’s Merchants’ Magazine and Commercial Review* estimated that 60,000 slaves from the Border States were sold south to the cotton plantations in 1860. The magazine predicted that 70,000 additional field hands would be needed each year for the next ten years if the expected demand for cotton were to be met.26

In Lancashire, the pressure exerted by the huge supply of cheap cotton was pushing yet another of the cotton industry’s characteristic mill-building surges. On January 5, 1860, *The Times* in its “The Trade of 1859” recap predicted that Britain’s consumption of raw cotton would increase as new mills then under construction became operational in the spring. As to the outlook for the trade, the newspaper said that during the upcoming year:

[M]uch will depend upon the quantity that may be required for China, and the prices current in the market. Taking, then, all things into consideration, it does seem as though there would be an abundance of cotton for the requirements of the world, and if prices in America were only proportionate to the magnitude of the crop, we do not see why the new year should not be one of prosperity to all parties engaged in the trade, whether as importers or consumers.27

This time, however, something was seriously awry: the cotton-fueled economic engine was running at full throttle in England, but the East Asian economic sinks were clogged. In China, the religiously inspired Taiping Rebellion was in its bloodiest phase. Some estimates place the number killed during the Taiping Rebellion

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at 25 million, a number greater than the total population of England at the time, and more than double the number killed in the First World War. Several Chinese provinces were devastated, infrastructure was destroyed, the economy was wrecked, and millions of people were deprived of their livelihoods. In addition, Britain herself was engaged in dealing the Chinese government’s forces a humiliating defeat in the second of the two Opium Wars.28 The Times correspondent in Hong Kong wrote on November 30, 1859 that, “The import market during the fortnight, both here and at Canton, has been dull, and the demand for cotton goods very limited.”29 On February 16, 1860, a despatch from Hong Kong said, “The market has declined…in consequence of large arrivals. Stock large, and sales difficult.”30 A Canton despatch dated March 15 reported that the market for cotton yarn in China was “inactive.”31

In India, where British troops had just finished crushing the Sepoy Mutiny, a drought-induced famine was in progress, and the market was glutted with unsalable cotton goods. In mid-April 1860, The Times reported that export demand from India was weak and that large stocks of cloth and yarn had accumulated. At the beginning of the fourth week in May, news arrived from a correspondent in India reporting that, “the demand for cotton piece goods has been dull and disappointing” and that “stocks are accumulating in the importers’ hands.”32 A “Commercial Intelligence” column


30 Times (London), March 26, 1860.

31 Times (London), April 28, 1860.

32 Times (London), April 18, 1860 and May 22, 1860.
sent from Bombay on June 21 reported that there was, “little demand for cotton piece goods.”33 Demand was further reduced by a new tariff imposed upon imported cotton yarn and cloth by the Government of India.34

Mercantile prospects in Eastern and Southern Europe were also dim. In the spring and summer of 1859, Austria, where finances had not recovered from the heavy costs incurred to pay for prolonged military mobilization during the Crimean War, fought a short, unsuccessful war with France and Piedmont, part of the ongoing wars of Italian unification. In Hungary, the Habsburg Monarchy’s difficulties inspired Magyar nationalists whose bid for independence in 1848 had been bloodily suppressed by Russian and Austrian troops, and another Hungarian revolt seemed likely. In addition, the Habsburg Monarchy’s peasants’ purchasing power was hampered by high taxes levied upon them to pay the compensation given to their former manorial lords after the abolition of corvée labor obligations that were the last holdover from the days of serfdom.35

In Latin America, Argentina, Chile, Colombia, and Venezuela were fighting civil wars. Bolivia had just ended a bitter seven-year civil war between its Spanish-descended upper classes and its Indian masses and another seemed imminent. Peru and Ecuador were also experiencing internal turmoil and were on the verge of war with one another. Mexico was embroiled in the latest round in the endless series of bloody multi-sided civil wars, military coups, and chaos that had plagued it since

33 Times (London), July 21, 1860.
34 Times (London), August 18, 1860 and Sept. 20, 1860.
1810. It appeared that a second Mexican-American War might be in the offing after injuries and material damages suffered by Americans at the hands of various factions in Mexico prompted President James Buchanan to ask Congress to “pass a law authorizing the President, under such restrictions as they may deem necessary, to employ military force against Mexico for the purpose of obtaining indemnity for the past and security for the future.”  

Few people on either side of the Atlantic Ocean seem to have been concerned about the glut of cotton goods as it was developing, however. Most American planters were probably not even aware of it. In February 1860, a Liverpool cotton broker, Samuel Smith, told *The Weekly Mississippian* that the cotton supply would “probably be a little in excess” of consumption, but if nothing intervened to upset the market, prices for the crop that would be planted in the spring would not be appreciably different from those paid for the 1859 crop. Smith wrote to the newspaper:

> During the next few months, when an unusually large proportion of the supply will reach this port, a rather lower scale of prices may seem justified; but in the latter half of the year, the prospects of the next crop will be watched with much anxiety, for after the occurrence of two uncommonly large crops, the chances are certainly against a third, and a short crop next year would soon sweep away all the surplus stock accumulated during the two seasons of plenty.  

Samuel Smith’s sentiments appear to have been widespread among British cotton spinners. At the third annual meeting of the Cotton Supply Association that was held in Manchester Town Hall on May 11, 1860, the time when American cotton fields were being seeded, identical fears were expressed that after two consecutive

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37 *Weekly Mississippian* (Jackson, MS), Feb. 15, 1860.
record large American crops, a short crop like the one in 1845 was bound to follow. The Association pushed ahead toward its goal of breaking the American supply monopoly, hearing reports about the progress of its cotton-growing experiments begun the previous year. Its members voted to obtain cotton gins and bale presses that were inexpensive and suitable for use by farmers in India and Africa. Lastly, the Cotton Supply Association passed a resolution: “To offer to furnish SEED gratuitously or otherwise to all such persons as may desire to extend Cotton cultivation.”

American planters had ample reason to believe that the price of cotton would increase in the next marketing season, and continue to increase for years to come. On December 15, 1859, New York cotton brokers Messrs. Neill, Brothers and Company said in their circular that, although the current supply of cotton was adequate, “it must be considered that the maximum producing power of the present slave population has been attained, while consumption is everywhere stimulated to the utmost, and constantly expanding.” Prices for cotton and slaves bore out that assumption, or more correctly reflected it. On the day that Mississippi planters read Samuel Smith’s comments in The Weekly Mississippian, February 15, 1860, cotton was selling for 11¼ cents on the New York Cotton Exchange, and it had been at 11 to 11¾ cents range for the entire 1859-60 marketing season. Further, although the market was described as “dull” in Cotton Belt newspapers, cotton did not drop below 11 cents


until June 22, 1860, after the planting season was over. News that Lancashire’s spinning mills were running at full capacity and that new mills were being built encouraged planters in their assumption that demand would soon drive up the price of cotton to a level high enough to cover their greatly increased labor cost. After news that John Cheetham had told the Cotton Supply Association’s annual meeting that he expected the upcoming American crop to be short reached the United States, *Harper’s Weekly* declared:

> Never did cotton spinners do so well as they have done since last September. … Our own mills have been unceasingly active, yet have failed to supply the home demand and the inquiry for export to South America and Asia. … All over the world, in fact, the manufacture of cotton goods has been so very profitable that there must be an increased demand for the raw material this fall.

The *Harper’s Weekly* writer speculated that a crop of 5 million bales would soon be insufficient to meet demand. In its December 1860 issue, *Hunt’s Merchants’ Magazine and Commercial Review* predicted that consumption of cotton would increase 350,000 bales per year for the next ten years. Southern newspapers reflected this thinking in their market news. From reading the market news, cotton planters would be led to think that demand for cotton was strong when in fact it was not.

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42 Ibid.


44 *Daily South Carolinian* (Columbia, SC), March 16, 1860; *Weekly Mississippian* (Jackson, MS), April 25, 1860.
By the first quarter of 1860, English manufacturers began to worry about the glut of unsold goods. The chairman of the Manchester Chamber of Commerce warned its members in April 1860 that the current situation was abnormal. If the overproduction of goods continued, and prices for goods in the Asian markets continued to decline because of the glut, the manufacturers’ profit margins would soon shrink to the point that some of them would be forced out of business.\(^\text{45}\) Arthur Arnold, the British historian who wrote the first and definitive history of the Cotton Famine in 1864, stated that during the two years preceding the firing upon Fort Sumter, “the excess of production over consumption amounted to at least 300,000,000 lb. weight of manufactured goods; which in raw material, would be equal to 842,000 bales of 400 lb. each.”\(^\text{46}\)

By mid-summer, hints of the impending crisis in the economic cycle caused by over-production began to appear in the American press. In an article reprinted from the *Boston Traveller* on July 3, 1860, the *Charleston Courier* told its readers:

> The Cotton manufacture has been the most prosperous business in England and the United States for the last year, and it is increasing in England with a rush which must inevitably, at no far distant period, produce a disastrous reaction. … [T]he papers say that ten thousand more operatives are wanted at the present moment and 30,000 to 40,000 will be needed before long. … New mills are rising and new companies are forming.\(^\text{47}\)

Confusion reigned in the American cotton markets as the 1860-61 selling season began in September. Despite a harvest time hurricane that tore into the Gulf

\(^{45}\) Arnold, *The History of the Cotton Famine*, 42.

\(^{46}\) Ibid, 80.

\(^{47}\) *Charleston Courier, Tri-Weekly* (Charleston, SC), July 3, 1860.
Coast and destroyed a sizable portion of the crop and an early frost in the northern third of the Cotton Belt, early estimates put the crop at 4 million bales. Prices on the New York exchange held steady at around 11½ cents, but it was reported on September 13, 1860 that factors in New Orleans, who were wary of a decline in price before they could sell the cotton in Liverpool, were paying only 6½ cents. On that same day the Charleston Courier indicated that cotton planters were feeling the cost pinch and were looking for ways to economize. On December 1, two large, long-established cotton factorage firms in New Orleans, Fellowes & Co. and Walter Cox & Co., suspended operations due to Northern creditors’ refusal to provide operating loans because of the uncertainty of the market. On December 11 the Charleston Courier reported that the low prices being offered by factors was causing planters to hold back deliveries.  

While the hectic cotton season of 1860-61 was underway, the United States was spiraling into political dysfunction, disunion, and civil war. The Cotton Supply Reporter expressed forebodings of trouble ahead and hope that the situation in America would somehow resolve itself when on June 1, 1860, its editorial page said:

Cotton constitutes the leading element in the commerce of the world. This fibre forms the great commercial cable, whose messages, vibrating across the Atlantic, affect the remotest markets of the earth. Let us hope that this telegraph line may never be disrupted by the hand of social or servile convulsion.  

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48 Boston Daily Advertiser (Boston, MA), Dec. 12, 1860; Charleston Courier, Tri-Weekly (Charleston, SC), Sept. 13, 1860 and Dec. 11, 1860.

49 Cotton Supply Reporter 1, no. 43 (June 1, 1860): 129.
The November 16 issue of *The Cotton Supply Reporter* went to press before news that Abraham Lincoln had been elected president reached Britain, but there were already strong indications that the cotton-growing states of the Deep South would secede from the Union if he won the election. At that point, the future held great uncertainty, both for the continuance of the United States as a unified nation and for the cotton supply. Two weeks later, when the December 1 issue appeared, South Carolina had seceded, other states were on the brink, and, ominously, military preparations were underway in the South.\(^{50}\)

The sense of alarm in Britain continued to build through January. On January 19, Lord John Russell, the Foreign Secretary, citing the extraordinary magnitude of the impending crisis, broke with precedent and the virtually sacrosanct doctrine of *laissez-faire* and wrote an official letter to the Manchester Chamber of Commerce, informing them that he wished “to place at the disposal of the cotton manufacturers in this country the service of any of Her Majesty’s Consuls residing in countries which, from the information now in possession of the Cotton Association, offer a prospect of immediate supply, if it be necessary to have recourse to them.”\(^{51}\) By putting Great Britain’s numerous consuls at its disposal, Lord Russell gave the Cotton Supply Association a global force of capable field operatives whose official standing lent the power and prestige of the British Empire to the projects that they undertook on the

\(^{50}\) *Cotton Supply Reporter* 1, no. 78 (Nov. 16, 1861): 317; *Cotton Supply Reporter* 1, no. 55 (Dec. 1, 1860): 321; *Cotton Supply Reporter* 1, no. 57 (Jan. 1, 1861): 353-356.

\(^{51}\) Lord John Russell to the Manchester Chamber of Commerce, Jan. 19, 1861, in *Cotton Supply Reporter* 1, no. 35 (Feb. 1, 1860): 385; also in *New York Times*, Feb. 6, 1861.
Association’s behalf. Eventually, communications and liaison with the Cotton Supply Association became the responsibility of James Murray in the Foreign Office.\textsuperscript{52}

On January 22, a special meeting was held in Manchester Town Hall, with the Lord Mayor presiding, to discuss the American crisis and its potential impact on the cotton supply. At that meeting it was decided that in light of the dire consequences of an interruption of the cotton supply, the conventional \textit{laissez-faire} notion that demand would automatically bring forth supply was inadequate. For cotton to be grown in commercially useful quantities in the places where the Cotton Supply Association had conducted its horticultural experiments, a wide array of physical, legal, economic, and socio-cultural impediments would have to be removed, and the Association committed itself to an organized, multi-faceted effort to address the full range of problems. To further that effort, it was decided to charter the Manchester Cotton Company, Ltd., an adjunct of the Cotton Supply Association “with capital of £1,000,000; in 100,000 shares of £10 each.” The company’s purpose was to promote cotton growing and “disseminate instruction as to the cultivation, to distribute seed, and contract for the purchase of the cotton.”\textsuperscript{53} It appears that the Manchester Cotton Company was intended to be a buyers’ cartel that would function in a manner resembling a vertical trust.

News of the emergency meeting in Manchester Town Hall took two weeks to reach North America, and when it did it was badly misinterpreted, especially in the

\textsuperscript{52} \textit{Cotton Supply Reporter}, passim. Although it was never stated explicitly that Murray was the liaison, his name was mentioned frequently in reference to communications with the Foreign Office, leading to that assumption.

\textsuperscript{53} \textit{Cotton Supply Reporter} 1, no. 35 (Feb. 1, 1860): 388-400
South. On February 11, 1861, the Fayetteville Observer copied an alarmist story from The Times of January 22, that the North Carolina newspaper headlined “Effects of the American Revolution in England—A Panic in Cotton.” Should civil war break out in the United States, The Times columnist asserted, a slave rebellion (the Observer’s editor struck out the words “slave rebellion” and replaced them with dashes) was a virtual certainty. In that event the current cotton crop would surely be destroyed, none would be planted the next year, and probably none for years to come. Civil war in America, the article led readers to believe, would result in an almost immediate shutdown of the English mills, with catastrophic consequences. In the late spring, the Richmond Whig scoffed at the notion that British efforts to replace American cotton with cotton grown elsewhere could succeed, and recited a history of past failures and recounted the many obstacles that lay athwart the path to success. Readers were left with the impression that cotton was in high demand and critically short supply.\(^{54}\)

In fact, the opposite was true. Arthur Arnold wrote, “April, 1861, was a time of gorged markets, both at home and abroad. The India and China markets had been over-fed with manufactures until they threatened to burst with bankruptcy.”\(^{55}\) Maurice Williams, a Liverpool cotton broker who published annual recaps of the market, remarked that in February 1861 there were, “large stocks of Goods, &c., in

\(^{54}\)Fayetteville Observer (Fayetteville, NC), Feb. 11, 1861 and April 18, 1861; Times (London), Jan. 22, 1861. The Fayetteville Observer reprinted the Richmond Whig story on April 18, but it is evident from the content that it was written before the firing on Fort Sumter.

\(^{55}\)Arnold, The History of the Cotton Famine, 42.
the hands of the Trade, and an indication of short time being adopted by many Spinners and Manufacturers, but there was little demand."\(^{56}\)

At the start of 1861 it appeared that unless the export trade revived soon, Britain might be headed for severe labor problems. Textile manufacturers in Lancashire reduced wages at their factories by up to 7½ percent shortly after New Year’s Day. Workers in Staleybridge, Glossop, Ashton, Bolton, and several smaller towns went out on strike. The strike at Bolton became particularly bitter.\(^{57}\) There was a general consensus that the overstock of cotton goods would soon force the spinning mills and weaving factories to begin operating on “short time,” the term used for reducing production and laying off workers.\(^{58}\)

The over supply of raw cotton on hand in England continued to grow through the spring of 1861. While the secession crisis was playing out through February and March and into April the American cotton markets remained open. Receipts and shipments were heavy. At New York, longshoremen at Brooklyn’s Atlantic Dock, the port’s cotton terminal, were busy unloading ships from Southern ports and loading others bound overseas.\(^{59}\) So great was the quantity of cotton that speculators did not bid up the price, as it might have been normal to expect in a crisis situation that threatened to interrupt the vital supply. The price remained nearly changeless

\(^{56}\) Williams, “The Cotton Trade of 1861,” in *Seven Years History of the Cotton Trade of Europe, 1861 to 1868*, 12.


\(^{58}\) Great Britain. Parliament. *Reports of the Inspectors of Factories to Her Majesty’s Principal Secretary of State for the Home Department, for the half year ending 31st October 1861* (London: Her Majesty’s Stationery Office, 1862), 19.

\(^{59}\) Atlantic Dock was located on the site presently occupied by the Brooklyn Cruise Terminal.
roundabout 11½ cents on the New York exchange. Prices on the Liverpool Exchange held steady at around 7¼ d. through January and February, and actually dropped to 6¾ d. on March 1 and stayed below 7 d. for the entire month, a reaction to the enormous quantity of cotton arriving at the port. Liverpool was literally running out of warehouse space to store it. And still the heavy-laden cotton boats continued arriving in the Mersey Estuary from New Orleans, Mobile, Charleston, and New York to wait their turn to unload at one of Liverpool’s four long cotton docks. All the while, no one knew how large the crop would be. When the books were finally tallied, the 1860 crop that came to market before the outbreak of war closed the markets was 3,656,000 bales. Of that number, 1,842,000 bales eventually arrived at Liverpool, while 521,000 went to France and 516,000 to other nations on the Continent.  

While the confrontation between Lincoln and South Carolina over Fort Sumter was building toward its climax, the Cotton Supply Association’s May 1860 decision to secure American cotton seed and distribute them abroad was proceeding. On Wednesday, March 18, 1861, the American sailing ship Sam Dunning, Captain Thomas Skolfield master, put to sea from Mobile bound for Liverpool laden with 5,620 bales of cotton. Along with the more than $288,000 worth of cotton in her hold, the Sam Dunning also carried 132 sacks of Alabama cotton seed, with a declared value of $198.  

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61 New York Herald (New York, NY), March 22, 1861.
The slow Sam Dunning was still plodding eastward across the North Atlantic when on the afternoon of Thursday, April 25, 1861, the Montreal Ocean Company’s packet steamer Nova Scotian arrived at Londonderry, Ireland, and Captain William Ballantine telegraphed urgent news to The Times in London: A little more than twenty-four hours before the Nova Scotian departed Portland, Maine, on the morning of Saturday, April 13, 1861, the South Carolina batteries had begun bombarding Fort Sumter.62

The news that the American Civil War had begun did not break on Europe like a thunderclap, but came incrementally over the next five days. Captain Ballantine’s report was confirmed at 4 a.m. the next morning when the fast North German Lloyd Lines packet steamer New York that had sailed from New York on the afternoon of April 14 arrived at Southampton and Captain H. J. von Santen telegraphed the news that Fort Sumter had surrendered to the Reuter’s Telegrams news service. The Times printed notices of the Nova Scotian and New York telegrams on Friday, April 26. It reprinted sketchy stories from the April 14 editions of the New York Times and Herald that Captain von Santen put on the Friday night train to London in its Saturday, April 27 edition, but it remained unclear whether or not a full-fledged civil war had begun in America.63

Contrary to what might be expected, the news did not cause an immediate panic in the cotton trade. In the same Saturday edition in which it reprinted the New

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62 Times (London), April 26, 1861.
63 Times (London), April 26, 1861 and April 27, 1861.
York newspaper accounts of Fort Sumter, *The Times* reported that on the previous Friday in Manchester:

> The only effect of the American news received today seems to have been to suspend all business here that can possibly be deferred. The Liverpool market has again moved upward, in consequence of the reported hostilities, and spinners at Manchester are asking ¼ d. per lb. advance to-day. But scarcely anything has been done in yarns for any quarter. … In the cloth-market all descriptions of goods have become quieter since Tuesday. Buyers for the East are now holding back. The prices of some fabrics are hardly quotable at the rates that might be considered as established on Tuesday. … The demand here is dull, and prices are in favor of the buyer. 64

The troubles in the cotton industry were dragging Britain into an economic crisis before the South Carolina batteries fired on Fort Sumter. Export orders were virtually non-existent. Domestic shopkeepers were wary of the economic situation, and were placing only small orders for finished cotton goods. The spinning mills were working at full capacity, but cloth manufacturers were cutting back production. The number of unemployed factory workers was increasing, while others were working short time. Other industries were affected as well. On the day that the news Fort Sumter had been fired upon reached Britain, *The Times* “State of Trade” feature reported that in Birmingham, home of the Birmingham Arsenal and Enfield Foundry Limited, Britain’s principal armaments manufacturers, “the gun makers are doing so little that many of the men are out of employment.” 65

Not until Sunday night, April 28 when the Hamburg-American Company’s steamship *Borussia* arrived at Southampton and Captain H. N. Trautmann sent Reuter’s Telegrams the news that President Lincoln had called for 75,000 troops to

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64 *Times* (London), April 27, 1861.

65 *Times* (London), April 25, 1861; April 27, 1861.
suppress the rebellion and that the Southern states were preparing to resist coercion
with armed force did anyone in Europe know for certain that the American Civil War
had indeed begun. The *Borussia* arrived after the Sunday evening newspapers went to
press, so the general public did not learn the news until Monday morning, April 29,
when *The Times* reprinted lengthy stories from the April 15 editions of the *New York
Times* and the *Herald* brought by the *Borussia* under the ominous headline,
“Proclamation of War by President Lincoln.”  

Reaction to the news on the floor of the Liverpool Cotton Exchange on its
next day of sales, May 3, 1861, was muted. There was no panic buying of cotton and
no sharp spike in prices. Cotton had been selling at 7\(\frac{1}{4}\) d. on April 19, and prices on
May 3 were only fractionally higher. Stocks of raw cotton on hand continued to
increase daily, rising from 884,911 bales on the day that the news of Fort Sumter
arrived to peak at 1,150,068 bales on June 7.  

As Maurice Williams put it in his circular, there was “little animation manifested” in the market in June.

There seems to have been considerable doubt in Britain as to exactly what the
parameters of the civil war in America would be, and whether or not cotton supplies
would be interrupted. The latter question was not answered until September, when
President Lincoln announced that the blockade of the South would include cotton.
The Confederacy pursued an active strategy to hasten the expected “cotton famine” in
Britain. One of the first acts of the Confederate Congress was to place an embargo on

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66 *Times* (London), April 29, 1861.


68 Williams, “The Cotton Trade of 1861” in *Seven Years History of the Cotton Trade of
the export of cotton. This proved much more effective in keeping cotton off the world market during 1861 and 1862 than did the initially porous Union naval blockade.\footnote{Ibid.}

Cotton prices remained in the range between $7\frac{1}{2}d.$ and $8d.$ until the middle of July 1861, when a steady increase began that would see the year end with the price at $11\frac{1}{2}d.$\footnote{Donnell, \textit{History of Cotton}, 508-509.} There was certainly apprehension about the future supply but the large stock of raw cotton on hand, uncertainty about whether or not next year’s American crop would be available, and the enormous stock of unsold cotton goods were a brake on cotton prices. Not until October 1861 was there an upturn in prices, the increase mostly driven by speculators anticipating a shortage after Lincoln’s interdiction of the South’s cotton exports. News of the \textit{Trent} Affair and expectation that the Royal Navy would break the blockade caused the upswing to collapse in November. As Williams put it in his statement for 1861, the market ended the year on “a most depressed and desponding tone.”\footnote{Williams, “The Cotton Trade of 1861” in \textit{Seven Years History of the Cotton Trade of Europe, 1861-1868}, 13-15.}

On December 31, 1861, there was on hand in Great Britain 595,000 bales of unmanufactured cotton. This was enough cotton to keep Lancashire’s mills running at full capacity for twelve weeks.\footnote{Donnell, \textit{History of Cotton}, 507.} English mills began reducing production in October 1861, well before a shortage of cotton forced them to do so. Throughout 1862 they were working at about half capacity.\footnote{Williams, “The Cotton Trade of 1862” in \textit{Seven Years History of the Cotton Trade of Europe, 1861-1868}, 23.} As mills went on short time or closed,
unemployment increased in the Lancashire cotton manufacturing cities. By the end of 1862, half of Britain’s cotton mill workers and their families were in desperate straits.

The picture of the Cotton Famine in American minds is frequently the one drawn by historian Frank Lawrence Owsley, who based his assumptions primarily on the despatches of Confederate diplomatic agent John M. Mason. Owsley graphically recounted the English mill workers’ plight when he wrote:

These people were thrifty and self-respecting. They had saved their little pittance, some of them for a lifetime; they were members of co-operative aid societies, and looked with dread upon the work-house or public charity. When the mills began to stop in 1861 those who were thrown out of employment did not appeal to the Poor Law Guardians of the Parish, but curtailed their expenses, wearing old clothes and eking out a bare existence. When their savings were gone, they pawned their treasured pieces of furniture, article by article…the crockery and china followed, and then the utensils down to a pot and pan. The bedsteads were sold, then the beds, then the blankets, until nothing but piles of old straw littered the desolated floor. Still, no appeal, in most cases, would yet be made to the dreaded Guardians of the Poor whose aid would forever brand them as paupers. The mothers and little children grew undernourished, many of them dying from slow starvation. The father and older members of the family wearily tramped the streets…pathetically seeking a place to work during the winter and spring of 1862. … Many of the girls in dispair [sic] resorted to prostitution, selling themselves for a pittance with which to feed the aged parents or the helpless children who often lay slowly dying from want upon the piles of dirty straw.74

Writing in 1864, Arthur Arnold painted a picture that was much less desperate and bleak. Arnold wrote:

‘The History of the Cotton Famine’ should be a welcome chapter in the annals of our country, for it records one of our greatest national triumphs.75


75 Arnold, History of the Cotton Famine, vii.
There certainly was suffering in the Lancashire mill towns. Mill owners fostered social peace by offering assistance to their unemployed workers. Some paid their idled workers one-and-a-half day’s wages each week. Many opened soup kitchens for their workers. Others rotated workdays, so that all of their workers had some employment during the crisis. Numerous mill owners funded schools for mill children and adults alike and either provided food or paid them a small wage to attend. Many ceased collecting rent from employees who lived in company housing. Moreover, other sectors of the British economy experienced an economic upturn during the war. Outside of Lancashire, Britain enjoyed prosperity. Money was available from private donors to pay for the largest mobilization of public relief in Britain’s history up until that time. Parliament passed the Public Works Act on July 21, 1863, which provided work to unemployed mill workers on infrastructure construction. By the end of 1863 the worst of the unemployment crisis was over. Britain never came anywhere near either economic collapse or revolution.

As can be seen from the table below, Great Britain had a larger stock of unmanufactured cotton on hand at the end of 1862 than it did in any of the previous five years. Its imports in 1864 exceeded those of 1858 by 144,000 bales. In 1865 the import increased another 168,000 bales. Most of that cotton came from new fields in India, the Near East, Egypt, and Brazil.

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Table 1
Imports in thousands of bales to Britain, Stock of unmanufactured cotton on hand as of Dec. 31 of each year, and Average price in British pence for 1857-1871.
(E. J. Donnell, History of Cotton)

<table>
<thead>
<tr>
<th>Year</th>
<th>Import</th>
<th>Britain</th>
<th>Europe</th>
<th>Total</th>
<th>Avg. Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1857</td>
<td>2,417</td>
<td>332</td>
<td>107</td>
<td>439</td>
<td>7.05</td>
</tr>
<tr>
<td>1858</td>
<td>2,443</td>
<td>452</td>
<td>174</td>
<td>626</td>
<td>6.51</td>
</tr>
<tr>
<td>1859</td>
<td>2,829</td>
<td>372</td>
<td>185</td>
<td>557</td>
<td>6.28</td>
</tr>
<tr>
<td>1860</td>
<td>3,368</td>
<td>470</td>
<td>101</td>
<td>571</td>
<td>5.66</td>
</tr>
<tr>
<td>1861</td>
<td>3,035</td>
<td>595</td>
<td>187</td>
<td>782</td>
<td>7.63</td>
</tr>
<tr>
<td>1862</td>
<td>1,445</td>
<td>699</td>
<td>173</td>
<td>872</td>
<td>15.40</td>
</tr>
<tr>
<td>1863</td>
<td>1,932</td>
<td>434</td>
<td>73</td>
<td>507</td>
<td>20.69</td>
</tr>
<tr>
<td>1864</td>
<td>2,587</td>
<td>327</td>
<td>37</td>
<td>364</td>
<td>25.25</td>
</tr>
<tr>
<td>1865</td>
<td>2,755</td>
<td>576</td>
<td>72</td>
<td>648</td>
<td>17.90</td>
</tr>
<tr>
<td>1866</td>
<td>3,749</td>
<td>406</td>
<td>60</td>
<td>466</td>
<td>14.34</td>
</tr>
<tr>
<td>1867</td>
<td>3,343</td>
<td>465</td>
<td>---</td>
<td>---</td>
<td>10.24</td>
</tr>
<tr>
<td>1868</td>
<td>3,312</td>
<td>352</td>
<td>---</td>
<td>---</td>
<td>9.92</td>
</tr>
<tr>
<td>1869</td>
<td>3,072</td>
<td>337</td>
<td>---</td>
<td>---</td>
<td>11.42</td>
</tr>
<tr>
<td>1870</td>
<td>3,265</td>
<td>269</td>
<td>---</td>
<td>---</td>
<td>9.40</td>
</tr>
<tr>
<td>1871</td>
<td>4,003</td>
<td>566</td>
<td>---</td>
<td>---</td>
<td>8.03</td>
</tr>
</tbody>
</table>

Donnell’s statistics end in 1871. The first edition of Shepperson’s *Cotton Facts* was not published until 1876.

How Great Britain and the United States cooperated to accomplish that feat is one of the untold stories of the American Civil War.
Chapter 3
The Warp and Weft of Grand Strategies

When on May 3, 1861, the new Confederate States of America’s envoys William Lowndes Yancey, Pierre A. Rost, and Ambrose Dudley Mann arrived at the Foreign Office for their first meeting with Lord John Russell, the Foreign Secretary, they were under instructions from Confederate Secretary of State Robert Toombs to seek formal British diplomatic recognition of the Confederacy’s independence. Toombs’ instructions to the Confederate envoys reiterated:

The Confederate States produce nearly nineteen-twentieths of all the cotton grown in the States which recently constituted the United States. There is no extravagance in the assertion that the gross amount of the annual yield of the manufactories of Great Britain from the cotton of the Confederate States reaches $600,000,000. The British Ministry will comprehend fully the condition to which the British realm would be reduced if the supply of our staple should suddenly fail or even be considerably diminished. A delicate allusion to the probability of such an occurrence might not be unkindly received by the Minister of Foreign Affairs, an occurrence, I will add, that is inevitable if this country shall be involved in protracted hostilities with the North.¹

The strategy that Toombs outlined was blackmail expressed in polite diplomatic language, and it did not succeed. Lord Russell insisted that the meeting with the delegation of American secessionists be informal, meaning that Russell met with them as private citizens of a foreign country who were bringing a matter of mutual concern to the attention of the British government. The Confederate envoys were not, as they and Toombs had hoped, formally received as diplomats. Had they

been, it would have constituted *de facto* recognition by Great Britain that the Confederacy was an independent nation, since according to the internationally accepted standard of the time only representatives of a sovereign nation-state could be considered diplomats.\(^2\)

If the Confederates entertained hopes that the Cotton Supply Association would put pressure on the British government to intervene in the American conflict in order to secure the South’s cotton, they were badly disappointed. On May 7, the House of Commons took up a motion by Sir William Henry Gregory, a fiercely anti-American member of the Anglo-Irish landlord class, calling for diplomatic recognition of the Confederate States. Almost immediately, the proposal, “at the request of the Secretary of State for Foreign Affairs, and the representatives from Manchester, Liverpool, and others, was withdrawn.”\(^3\) On May 15, *The Cotton Supply Reporter*’s front-page editorial began with the declaration:

> The country to which the Cotton trade of Great Britain has so long trusted for their supply of the raw material is now convulsed with Civil War—from its centre to its coasts. This war is based upon the principle of Slavery or No-Slavery—not exclusively as to its internal traffic, but more particularly as to re-opening the slave trade between the Southern States and Africa. This, all along, has been the secret object of the South, and in the midst of the strife there is every reason to fear that the slaves will take advantage of the blind enthusiasm of their masters, or from being tampered with by the Anti-Slavery sentiment of the North, will rise in open rebellion. … The Cotton Supply Association was established purely from a knowledge of the now practically developed fact that the system of slave labour was not to be safely trusted to as a dependence, either as to numbers or

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\(^3\) W. L. Yancey and P. L. Rost to Robert Toombs, May 10, 1861, in *Confederate Diplomatic Correspondence*, 19-20.
character, for the supply of raw material to meet the rapidly increasing powers of consumption.\textsuperscript{4}

That same day, the Palmerston government caused to be published in the name of Her Majesty Queen Victoria a “Proclamation of Strict Neutrality,” a lengthy document that spelled out Great Britain’s neutral position in the American conflict. Under accepted international law of the day, Britain, by declaring herself neutral, had accorded the Confederacy equal status with the Union, which amounted to quasi-recognition that the South was an independent nation. However, the Queen’s proclamation stipulated that the United Kingdom was only recognizing the fact that the South was a belligerent in a fight that was undecided, and declared that Britain would take no side in that fight. It was less than the formal recognition of Southern independence that the Confederacy hoped for, but it was far better than nothing.

Under international law as it then stood “rebels” or “insurgents” were not legitimate combatants and could not lawfully buy arms or secure loans in a foreign country. By declaring neutrality, the British government had recognized the South’s right to fight for its independence, but did not recognize that independence itself. That permitted the Confederacy to contract loans and buy arms in Britain, and made it legal under British law for British merchant ships to run the Union blockade at their own risk.

Even that limited half-recognition of the Confederacy was not well received in Washington, where President Lincoln had referred to the war as an “insurrection” in his declaration of a blockade of the South on April 19, and it caused Secretary of

\textsuperscript{4} Cotton Supply Reporter 1, no. 66 (May 15, 1861): 497.
State William H. Seward to stop just short of calling for war with Great Britain. It was, however, presumably good news for the unemployed Birmingham gun-makers.5

Behind the proclamation of neutrality lay a complicated, intertwined weave of British foreign policy toward the United States of more than a half-century’s standing, an assessment of the risks and cost of a potential war with the North, the general dynamics and current situation of the cotton economy as it was understood at the time, and British domestic politics. British imperial foreign policy provided the broad parameters. When the French Revolutionary and Napoleonic wars ended in 1815, Great Britain was the principal beneficiary of the destruction of Europe’s ancien régime. Alliance with Spain against Napoleon and the weakening of Spanish control during the period of turmoil while Spain was occupied by French armies and ruled by Napoleon’s brother had led to opening of Spain’s American colonies to British trade. The Latin American revolutions and the emergence of independent states in Mexico and South America further opened the region to unimpeded British commerce. At the same time that the British economy was becoming dependent on the cotton textile industry, Britain’s trade policy was undergoing a shift from mercantilist protectionism to the new laissez-faire free-trade economics expounded by Adam Smith in his Wealth of Nations published in 1776. Moreover, the loose collection of common interests that bound Britons of different nationalities together

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prior to the revolutionary upheavals had taken on a national identity that was self-
consciously British.\(^6\)

After the final defeat of Napoleon, Lord Castlereagh’s government began
fashioning a new imperial policy intended to assure that Britain became economic
hegemon over Latin America based on the new free trade paradigm. No longer was
there thought of conquest and absorption of Spanish America into the British Empire,
as had been the case during the eighteenth century. According to the new paradigm,
the British sought a favorable free-market for their industrial goods and economic
dominance but did not want the costly burden of ruling the turbulent Latin
Americans. As a corollary to that policy, the British sought to forestall the possibility
of any other power dominating the new Latin American republics. British
policymakers anticipated that Great Britain’s most likely competitor for the role of
hegemon in the Americas would be the United States.\(^7\)

British policymakers realized that the United States was a country that had
nothing to lose and everything to gain by disturbing the *Pax Britannia*. In particular,
Britain viewed the prospect of American expansion westward to the Pacific Ocean
with alarm. Possession of a Pacific seaboard, the British realized, would transform the
United States from a coastal nation into what would be, in effect, a gigantic island
country. And island nations, the British knew from their own experience, inevitably
became maritime powers. Moreover, with possession of the vast natural resources of

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\(^7\) C. K. Webster, “Castlereagh and the Spanish Colonies,” *The English Historical Review* 27,
no. 105 (Jan., 1912): 78-95.
the North American continent available to it on secure interior lines of
communication, the United States would be self sufficient and invulnerable to naval
blockade.

American control of Britain’s cotton supply compounded the problem. British
commercial interests recognized in the 1820s that income from cotton exports was
rapidly paying off the United States’ national debt and would soon place the United
States in a position of financial independence. Once that was achieved, the United
States would be free to follow an expansionist policy if it desired to do so. British
economic strategists anticipated that cotton revenues would enable the United States
to industrialize far more rapidly than Britain had done. Further, it was thought that the
Americans would industrialize beyond what was necessary to meet their domestic
needs. It was thought that when American factories were producing an exportable
surplus of goods, American merchants were virtually certain to challenge Great
Britain’s global commercial dominance.8

For a time, Britain tried to use Mexico as a bulwark against American
expansion, and then sought to sustain Texas as an independent republic so that it
would serve as a bulwark between the United States and Mexico. When the Treaty of
Guadalupe Hidalgo ended the Mexican-American War, Mexico was forced to
renounce claims to Texas and cede California and the desert Southwest to the United
States. It was a disaster for Britain’s containment strategy. Just as British strategists
had feared, the United States had become an island nation continental in extent with

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8 No. 63 Minute of a Committee of Correspondence, January 30, 1829, Mr. Tucker’s Paper, in
East India Company, Reports and Documents connected with the Proceedings of the East-India
Company in regard to the Culture and Manufacture of Cotton Wool, Raw Silk, and Indigo, in India,
164-165.
vast natural wealth capable of becoming Britain’s serious industrial, commercial, and naval rival.\(^9\) The situation was made all the worse by the fact that Britain was yearly paying an ever larger amount of money for American cotton and was more dependent on it than ever.

Anglo-American relations improved during the 1850s, but many in the Cabinet harbored deep distrust of the United States. Lord Palmerston, the Prime Minister, had been principal architect of the containment policy prior to the Mexican-American War, and was bitterly opposed to republicanism and vehemently anti-American. He would have liked nothing better than to see the United States split apart. Gladstone’s stance was enigmatic. He did not think that the North could defeat the South militarily and publicly advocated British recognition of the South’s independence, but according to confidential information passed to Charles Sumner by Richard Cobden his sympathies were with the North because of his opposition to slavery. Lord John Russell, who as Foreign Secretary had the most control over what in Britain was called the “American Question,” also favored recognition of Southern independence. Secession of the Southern states presented Palmerston and Russell an opportunity to restore the geostrategic balance in North America that Britain had sought to maintain prior to American victory in the Mexican-American War. They had to be careful not to do anything that would offend the North, however. Russell and Palmerston were particularly distrustful of U.S. Secretary of State William H. Seward, a man known for his anti-British views that they considered the real power in the Lincoln administration. They feared that Seward might try to involve the United


Three Cabinet members, the Duke of Argyll, Charles Villiers, and Milnes-Gibson, though they held less powerful posts than Palmerston, Gladstone, and Russell, formed a solid anti-slavery, pro-North triumvirate. The Duke of Argyll was an especially staunch abolitionist, and carried on a correspondence with Harriett Beecher Stowe and other prominent New England abolitionists during the war. This group vehemently opposed recognition of the South, and shared Palmerston’s and Russell’s wariness of Seward. In a private letter to his son, Charles Francis Adams, the U.S. Minister to Great Britain said, “The impression is general that Mr. Seward is resolved to insult England until she makes a war. … [The popular impression was that] Mr. Seward is an ogre fully resolved to eat all Englishmen raw.”\footnote{Charles Francis Adams to Charles Francis Adams, Jr., Dec. 20, 1861, in Worthington Chauncey Ford, ed., \textit{A Cycle of Adams Letters, 1861-1865}, vol. 1 (Boston: Houghton Mifflin Company, 1920), 87-88.}

Opinion in Parliament was similarly divided. Sir William Henry Gregory, A.J.P. Beresford-Hope, W.S. Lindsay, and J.A. Roebuck were at the center of a pro-South group of Conservatives whose support for the Confederacy was based on aristocratic dislike for republicanism and fear of democracy. Opposing them were the middle-class Liberals and a small number of Radicals centered around John Bright and Richard Cobden, whose support for the North was based primarily upon opposition to slavery, but who also admired American democratic institutions. Bright
and Cobden, like the Duke of Argyll, carried on correspondence with prominent Northern abolitionists. Indeed, Cobden’s list of contacts during his 1859 trip to the United States is a veritable who’s who of American society and politics. Cobden had particularly strong ties to Senator Charles Sumner, the radical Massachusetts Republican. Cobden’s relationship with Sumner provided an unofficial channel of communication to the Lincoln administration that by-passed Seward. Cobden had close ties with Northern businessmen associated with the Illinois Central Railroad, in whose stock almost his entire personal fortune was invested. He also enjoyed good relations with Charles Francis Adams. 12 John Bright also had cordial relations with Adams, who called Bright, “my favorite Englishman.” 13

British public opinion divided along social class lines. Conservative aristocrats were generally supporters of the South, insofar as supporting the South meant supporting dissolution of the United States. Abolitionists and Radicals who adhered to the reformist democratic ideas expressed by Bright and Cobden were natural supporters of the North, as were Chartists and Socialists. Middle class capitalist Liberals, whose free labor ideology made them oppose slavery, also supported the North, although as advocates of free trade they disliked its tariff policies and were opposed to democracy. Most of England’s cotton industry elite fell into this category. The English working class, which did not have the right to vote,


was taken into consideration only insofar as its potential for proletarian revolution or riot and anarchy was concerned, with anarchy probably seen as the greater threat. The North’s supporters could not, however, make effective use of anti-slavery as a rallying point early in the conflict because of President Lincoln’s initial refusal to make abolition a Northern war aim lest it alienate Kentucky’s slave-owning Unionists.  

From the amount of coverage that the British press devoted to it during the six months leading up to the firing on Fort Sumter, it is evident that the deepening crisis in the United States was being watched with keen interest, and that a loose consensus had been reached as to what course Britain should follow. *The Times* was very thorough in its coverage of what it termed “foreign intelligence” about political affairs in nations around the world and paid close attention to developments in the United States that might affect the British economy. *The Times*’ most concise examination of the deepening rift between the American national government and the Southern states was an essay headlined “Disruption of the Union as it would affect England” that was reprinted from the influential *Economist* on January 21, 1861:

> The first question that arises is, “Will England recognize the independence and sovereignty of the new State?” The natural and spontaneous answer is, of course, in the affirmative. Our principle is, and long has been, to recognize, and to enter into amicable relations with, all *de facto* States and Governments. The moment the severance is complete and admitted, we have no concern either with antecedent causes or proceedings. But here a difficulty arises…  


15 *Times* (London), Jan. 21, 1861.
The “difficulty” was, of course, really two difficulties. First, it was not at all clear whether or not the passage of acts of secession by the state legislatures of the Southern states of the United States constituted “complete and admitted” dissolution of the Union in either legal or real terms, a situation that was cast even more in doubt by the outbreak of war. Between the lines of legalistic quibbling about the internationally recognized definition of independence could be read the real thrust of British thinking: while Great Britain would be glad to see the United States split asunder, Her Majesty’s government did not want to risk American anger by extending premature recognition to a breakaway Southern Confederacy and then its independence prove to be short lived. The second difficulty, slavery, was a matter of domestic British politics. British politicians, no matter how advantageous they thought a breakup of the United States would be to the British Empire, were loath to incur the wrath of Britain’s abolitionist elite by extending recognition to a “slave state.” Only if the South had already effectively won its independence by defeating the North’s attempt to conquer it could Britain extend recognition without this domestic political difficulty.

Gladstone outlined the difficulties that diplomatic intervention in the American war entailed in a secret memorandum for the Cabinet on October 25, 1862. In it, he asserted that Britain could not act alone with much hope of success. Neither could Britain and France act in concert, since Napoleon III’s actions in Mexico had by that date aroused considerable anti-French hostility in Lincoln’s cabinet and

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16 *Times* (London), Jan. 21, 1861.

among the Northern public. Only in the event that Russia, with her historic friendly relations with the United States, became a partner with Britain and France would a European mediation effort have any chance of success. The Russians gave no indication of willingness to do so.\(^\text{18}\)

As to the supposed immediate devastation that a disruption in the supply of American cotton would wreak upon the British economy, the *Economist* article said:

> It is easy to over-estimate the extent or gravity of the consequences to Great Britain of a cessation, or even of any large or sudden diminution, of the supply of cotton from the United States.\(^\text{19}\)

The gist of it was that the best-informed minds in Britain did not believe that the American crisis presented an immediate danger to British economic security, nor were its leaders prepared to immediately intervene in the American war to secure the supply of cotton. Either the United States would break up or it would not; better for Britain to wait until the probable outcome became clearer. In addition, there was a widespread belief that the time frame for the American dispute to work itself out would be short. Most thought that the issue would be resolved before the next cotton crop came to market. Only a massive slave rebellion, *The Times* article warned, would cause a disruption in the cotton supply of sufficient duration to shut down the cotton industry and have “unforeseeable” consequences.\(^\text{20}\)

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\(^\text{19}\) *Times* (London), Jan. 21, 1861.

\(^\text{20}\) Ibid.
To understand the American strategic perspective in the global effort to break the South’s monopoly on cotton production, it is necessary to consider that civil wars are by definition peoples’ wars. The American Civil War was no exception, a fact that was more evident to participants than to succeeding generations to whom it became a clash of armies in blue and gray. Civil wars are also battles over and between conflicting social ideologies. The popular issue that leads to the taking up of arms is often only an easily identifiable component that provides the emotional flashpoint. As seen by the New England Republican elite, the underlying cause of the Civil War was not slavery \textit{per se}, but class conflict between themselves and the aristocratic planter elite of the South. Elite New England Republicans saw themselves as the only legitimate heirs of the American Revolution, and, in the larger scheme of history, inheritors of the legacy of the Puritan Roundheads and the English Glorious Revolution of 1688. At the pinnacle of this New England elite stood the wealthy capitalist elite of Massachusetts, about eighty men of Puritan descent from a circle of interrelated families called the “Boston Associates.” The term was originally applied to a limited partnership composed of wealthy Boston ship owners and merchants that was formed to establish the Boston Manufacturing Company in 1813. The company built and operated the Waltham cotton mill.\footnote{Vera Shlakman, \textit{Economic History of a Factory Town, A Study of Chicopee, Massachusetts} (Northampton: The Dept. of History of Smith College, 1935), passim.} During the half-century before the Civil War the investors expanded their holdings into other manufacturing industries, railroads, and banking. By the start of the Civil War the first generation descendants of the original Boston Associates controlled a large percentage of the United States’
industry and capital. At the core of the second-generation Boston Associates was a small inner circle that included wealthy merchant, ship owner, and railroad magnate John Murray Forbes, his cousin Paul Forbes, a banker, merchant, and vice-president of the Suez Canal Company, cotton broker and mill owner Edward Atkinson, businessman Amos A. Lawrence, and lawyer-politician Eli Thayer. Charles Francis Adams, Sr., the U.S. Minister to Great Britain, was also a member of this inner circle. Senator Charles Sumner was another. Though a New Yorker, wealthy businessman William H. Aspinwall can be considered a close affiliate of the Boston Associates because of his connections with John Murray Forbes in commerce, shipping, and railroads. Their hatred of aristocracy in general, and of the slave-owning Southern agrarian aristocrats in particular, was palpable.

John S. C. Abbott, a Connecticut Yankee who wrote a partisan two-volume history of the Civil War while it was still being fought began the preface of his first volume with a condemnation of the Southern planters’ “baronial arrogance” and devoted the first nineteen pages of his first chapter entitled “Cause of the Conflict” to a recounting of the wrongs and abuses committed by the European aristocracy since Roman times. Of the nature of the American conflict Abbott wrote:

It is impossible that two such antagonistic systems as democratic equality and aristocratic privilege, should live in peace


under the same Government, or even side by side. … The antagonism between the two systems is deadly and universal. The history of the world has proved that there can be no reconciliation between them. … And there can be no peace in our land, until this aristocratic element is banished effectively from our government. … As a class, the wealthy cotton growers are insolent, they are proud, they are domineering, they are ambitious. They have monopolized the government in its honors, for forty or fifty years. … When they saw the sceptre about to depart from them, in the election of Lincoln, sooner than give up office and the spoils of office, in their mad and wicked ambition they determined to disrupt the old Confederation, and erect a new one. … There is indeed one cause, and but one cause, for this animosity. It is the antagonism between the system of aristocratic privilege and democratic equality.  

The thinking expressed by John S. C. Abbott was particularly pronounced among the Massachusetts elite. In a letter to British economist Nassau William Senior written in the summer of 1855, John Murray Forbes said:

The real danger will come, if ever, when the North, strong and growing, shall wake up to find itself bound through corruption and fraud to the will of the aristocratic minority. Then the North may insist upon being put back where they were, even at the cost of revolution. The Southern politicians have undoubtedly been aiming at securing enough new slave States to give them a majority in the Senate, which would then become practically a House of Lords, with a veto on all legislation and with a claim to a large share of the patronage of government…the safety of the North and of the Union consists in a firm resistance to the further extension of slavery or the increase of slave States.  

In another letter to Senior written in September 1861, Forbes wrote that the North “was not fighting to subjugate the South, but to put down a small class who have conspired against the people, and who are a thousand times worse enemies of

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the people of the South than the North.”\textsuperscript{26} In December 1861, Forbes said of the Southern planter elite that there were “one million, of all ages and sexes, who, through owning slaves and connection with slaveholders, may think they have a class interest in the success of the rebellion. This class we can crush out.”\textsuperscript{27} Six months later, Forbes said that the Civil War was a fight between “the government of the people vs. Aristocratic government; in other words, the people vs. a class.”\textsuperscript{28}

New England abolitionists who shared this sentiment saw themselves as revolutionaries, and were prepared to take matters into their own hands if necessary. In his posthumously published reminiscences, Forbes revealed that he had, at the invitation of Samuel Gridley Howe, met John Brown before the raid on Harpers Ferry. Forbes gave Brown $100, although he claimed ignorance of Brown’s intentions. Forbes also admitted that he had allowed, indeed organized and helped finance, shipments of Sharps rifles to Kansas over the Hannibal and St. Joseph Railroad, of which he was managing director. Along with the breech-loading rifles had gone, “free men from Massachusetts, bent on preventing the dreaded institution of slavery from gaining a foothold” in Kansas.\textsuperscript{29}

After the secession crisis began, this group considered compromise with the South surrender to the slave-owning Southern aristocracy. In his memoirs Forbes

\textsuperscript{26} John Murray Forbes to Nassau William Senior, Sept. 20, 1861, in Hughes, \textit{Letters and Recollections of John Murray Forbes}, vol. 1, 250.


\textsuperscript{29} Hughes, \textit{Letters and Recollections of John Murray Forbes}, vol. 1, 177-182.
boasted that Massachusetts radicals were responsible for thwarting the so-called Washington Peace Conference, the last-ditch attempt to avert the Civil War led by Kentucky’s elderly Whig Senator John J. Crittenden and Ohio’s Republican Congressman Thomas Corwin. In cooperation with Governor John Andrew, Forbes and a group of unnamed Bostonians began making plans to send supply ships to Fort Sumter if Lincoln did not. Their aim was to either force the South to back down or provoke war.\(^3\)

Almost immediately upon commencement of hostilities, Forbes and a group of prominent Bostonians, “raised a subscription among the Boston merchants for half the needful amount and the banks advanced the other half to the governor; and so in partnership with the State we bought the steamers *Cambridge* and *Pembroke*, borrowed guns from the navy yard” and sent the two armed civilian ships to hunt for a suspected Confederate privateer flying the French flag that was reportedly stalking shipping in the approaches to Boston. In his written instructions to Captain Matthews of the *Cambridge*, Forbes ordered, “take the responsibility *carefully*, of hailing vessels, and if you find one that you *feel sure* is a privateer or a pirate, take her, or *better still sink her*, but be sure you are right before you fire.”\(^3\) This freelance naval warfare entailed potentially disastrous consequences. A mistaken attack upon a French or British ship could have provoked the aggrieved foreign power to war. Forbes seems to have recognized the questionable legality of the venture, and in his instructions to Captain W. P. Lee of the *Pembroke* cautioned that care should be taken

\(^3\)Hughes, *Letters and Recollections of John Murray Forbes*, vol. 1, 186-194.

to ensure that the joint private-Massachusetts state naval activities did not get into the newspapers.\textsuperscript{32}

The initial decision to cooperate with and assist the Cotton Supply Association in breaking the South’s cotton monopoly was evidently made in similar fashion, by private individuals, rather than by officials in the Lincoln government. Indeed, it probably came about through a harmony of ideas among men like Edward Atkinson and John Murray Forbes, rather than as a deliberate decision. Members of the New England elite clearly understood that the cotton monopoly was the basis of the hated Southern aristocracy’s wealth and power, and they saw the strategic need to destroy it as going far beyond merely forestalling British recognition of the Confederacy and possible interference with the blockade. In their view, cotton and the culture that it had spawned was antithetical to republican virtue. Henry Adams, the son and private secretary of Charles Francis Adams, reflected this thinking when he said in a letter to his brother Charles Francis Adams, Jr.:

The nation has been dragged by this infernal cotton that had better have been burning in Hell, far away from its true course, and its worst passions and tastes have been developed by a forced and bloated growth. It will depend on the generation to which you and I belong, whether the country is to be brought back to its true course and the New England element is to carry the victory, or whether we are to be carried from war to war and debt to debt and one military leader to another, till we lose all our landmarks and go ahead like France with a mere blind necessity to get on, without a reason or a principle.\textsuperscript{33}


\textsuperscript{33} Henry Adams to Charles Francis Adams, Jr., May 22, 1862, in Ford, \textit{A Cycle of Adams Letters, 1861-1865}, vol. 1, 151-152.
This ideology meshed readily with that of British Radicals like John Bright and Richard Cobden, and with the Cotton Supply Association’s goal of freeing Britain from the American cotton monopoly. Four months after the firing on Fort Sumter, Charles Francis Adams, Jr. wrote to Henry, advising him:

Look into the cotton supply question and try to persuade the English that our blockade is their interest. If they raise it and transfer it to our coasts, they have the power to do so, but they ally themselves with slavery—give it the victory, give the lie to their own protestations and secure to the South for years with the advantage of their system of labor and production that monopoly of cotton under which England groans. If the blockade lasts and forces supply, England will purchase, at the price of one year’s suffering, freedom and plenty for ever.  

Two days later, Charles Francis Adams, Jr., followed the first letter to his brother with a second devoted to how he should approach the English with a proposal that would counter the South’s “King Cotton” diplomatic strategy:

Start at once with the paradox that, instead of desiring to break this blockade, England should pray it might last for two years…[as] its inevitable result must be, after one or at most two years of high prices, to forever break down the price of cotton to a reasonable profit over the cost of its cheapest possible production. This opens the whole question of supply. Two things are necessary to the production of cotton—an abundance of labor and a cotton soil.

Charles Francis Adams, Jr. suggested to his brother that he read “Mann’s Manual of Cotton, a book of about one hundred pages; the third annual report of the Manchester Cotton Supply Association and the numbers for May and June of the Cotton Supply Reporter of Manchester” for background information. He went on to suggest that India had the labor and soil, but that its seasonal monsoon rains could not

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be depended upon for watering cotton at the right time in its growing season. He suggested that, “all Africa (which is not desert), Australia and the Fiji Islands are better than our cotton states and need only organized labor.” Breaking the cotton monopoly, Adams made plain, was the only way to end slavery and destroy the power of the Southern aristocracy. Transferring cotton growing to the undeveloped world “would bring cotton down to the cost, with a profit, of its production in cheap labor countries, say three pence a pound.”

Henry Adams replied from London on September 14, 1861, immediately after the first letter concerning cotton reached him:

The main principles which you aim at demonstrating, that the American monopoly of cotton is in fact a curse both to America and to Great Britain, and its destruction might be made the cause of indefinite blessings to the whole range of countries under the torrid zone, this principle is and has always been an axiom here. It needs no proof. … The real difficulty with regard to cotton does not lie there…

The real question, the younger Adams son told his soldier brother, was whether or not England would be ruined during the two years that it took to get cotton cultivation established in the new locales, and added, “My own belief is that she will be ruined.” Henry Adams foresaw the Cotton Famine that would strike in 1862, but said that he did not think that Britain would attack the blockade. And even if Britain did go to war with the North, he thought that “it would only complicate matters still


38 Ibid.
more” and would not bring forth any great quantity of cotton.39 Two weeks later he was confident enough of that conclusion to write, “we are no longer uneasy about the blockade.”40

Sometime prior to the end of September 1861, Henry Adams began what would in modern terminology be called a psychological warfare campaign in England aimed at undercutting the South’s “King Cotton” diplomatic strategy. Using aliases or agents to hide his involvement, Adams sent letters to various English newspapers that were, “if not my writing, at least my hand.”41 According to Adams, The Times published at least fourteen of them. The possibility exists that Adams paid bribes to have letters and articles planted in British newspapers. In a cryptic note to his brother, Henry Adams said in reference to the matter, “I wish you could manage to get the money from Raymond without letting the subordinates into the matter. I doubt if I can carry it on much longer without being known.”42

During the second week in November 1861, Henry Adams set out for Manchester to in his words, “see everything that is to be seen and learn all that is to be learned.”43 He carried with him letters of recommendation to prominent people in Manchester, and his plan was to “report with as much accuracy as possible all my conversations and all my observations” and to send them to his brother. Charles

39 Ibid.


42 Ibid.

Francis Adams, Jr., subsequently sent Henry’s report to the *Boston Courier*. Other American newspapers reprinted the article.\(^{44}\)

Henry Adams spent several days in Manchester, staying in the home of an American, whom he identified only as Mr. Stell, and talked with a number of cotton merchants, spinners, and manufacturers. Stell told him that the majority of the “solid people” of Manchester were anti-North in their sentiments. However, one cotton merchant that Adams talked to told him, “The present pressure on the spinners is an excellent thing, provided that it does not last too long.” That was because the markets were flooded with yarn and cloth, and a temporary interruption in production would enable spinners to sell off the overstock of yarn lying unsold in their warehouses. Cotton was available, but almost all of the activity in the market was by speculators. Spinners were buying very little. About one-quarter of the spindles were idle, and a proportionate number of mill workers had been discharged to as Adams put it, “starve as they best might.” Adams also paid a call on the Cotton Supply Association’s offices, examined its displays of cotton samples and cotton gins, and discussed prospects for cotton in India and elsewhere with some of the Association’s staff and members, whose identities he obscured.\(^{45}\)

That Henry Adams established cordial relations with the Cotton Supply Association’s leadership and reached a consensus of opinion with them at the moment when he did may have been more fortuitous than history recognizes. News that Captain Charles Wilkes of the U.S.S. *San Jacinto* had stopped the British mail steamer *Trent*

\(^{44}\) Ibid.

and taken captive Confederate envoys John M. Mason and John Slidell broke in the British press on November 28, 1861, and the incident was immediately perceived as an insult to Britain’s national honor. There was much indignation and popular clamor for war with the United States. On November 30, writing from London, Henry Adams told his brother, “This nation means to make war. Do not doubt it.” Adams expected that Britain would break diplomatic relations with the United States by New Years Day. The price of cotton on the Liverpool Exchange fell by 2 d. per pound as speculators reacted negatively in the belief that the blockade was about to be broken and the supply of cotton from America resumed. On December 20, Charles Francis Adams penned an ominous warning to his eldest son, “War with the United States seems imminent. It may spread itself all over Europe.”

The Cotton Supply Association vehemently opposed war, however. On December 16, when British anger toward the United States was at its height, The Cotton Supply Reporter’s front-page editorial declared:

Fear of the American crop, by reducing prices, must remove a powerful stimulus to efforts which are being made in India and elsewhere to liberate us from dependence on one source of supply. … Should war intervene, the excitement amongst speculators would of course be intensified to the highest pitch, prices would fall with unprecedented rapidity.

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46 Ibid.

47 Times (London), Nov. 28, 1861; Williams, “The Cotton Trade of 1861” in Seven Years’ History of the Cotton Trade of Europe, 1861 to 1868, 15.


49 Cotton Supply Reporter 1, no. 80 (Dec. 16, 1861): 721.
War with the United States, the Association contended, would not only preserve the American monopoly in the long-term, but was likely to greatly worsen the immediate shortage of cotton. The unsigned editorial’s author offered the presumption that the U.S. Navy would not meet the Royal Navy in battle off the blockaded Southern ports, but that its ships would disperse far and wide across the oceans to wage a devastating campaign against British merchant shipping. Sinking cotton boats would be the American cruisers’ primary task. The editorial also said that Northern armies in the Western theater were preparing to invade the South by pushing down the Mississippi Valley, a strategy that would probably result in cotton from the upper South becoming available for export via Northern ports. In the event of war with Britain, however, the objective of those Northern armies would be to forestall any chance of cotton falling into British hands by burning it.50

Peaceful resolution of the Trent Affair marked a significant improvement in relations between the North and Great Britain. At the end of the third week in February 1862, Henry Adams wrote to his brother:

The Trent affair has proved thus far somewhat in the nature of a sharp thunderstorm…and the consequence has been a decided improvement of the state of the atmosphere. … The natural effect is to reduce the apparent dimensions of all other causes of offense. The Manchester people are patient and uncomplaining. The distress is not yet of such a kind as to give rise to much uneasiness, and the blockade shuts up the expectation of cotton enough to stimulate the prospect of production in other quarters, so that England shall not be again subject to a similar catastrophe.51

50 Ibid.

Concurrent with resolution of the Trent Affair came a better understanding of the parameters of the crisis in the cotton economy as well. While Henry Adams was in Manchester, George Francis Train, a wealthy Massachusetts merchant and railroad builder who was a long-time acquaintance of Lord John Russell was in England engaged in pro-Union propaganda.\(^{52}\) Train mailed a letter from Manchester to the editor of the *New York Herald* in which he said:

> The cotton famine has saved the manufacturers from ruin and put the burthen [sic] upon the masses. The world’s hongs are stocked with Manchester goods, and another year of plenty of cotton would have ruined half Lancashire. High prices of cotton on hands clears off nearly all their renewed bills.\(^{53}\)

Another letter from someone identified only as “an intelligent American merchant” was mailed from Manchester to the *North American and United States Gazette* on November 16. Its anonymous writer said:

> Great apprehension appears to be felt that England will interfere with our blockade. Let me assure you this will never be. Not even the most violent advocate of the south suggests such an alternative, and England is only too happy to increase the importance of her own colonies by encouraging the growth of cotton. … It is not cotton that is wanted at the moment—it is customers for manufactured goods.\(^{54}\)

There is no way to know whether or not Henry Adams had a hand in these letters, but it certainly appears that someone in Great Britain was trying to manipulate American opinion about the cotton crisis in the same way that Adams was trying to manipulate opinion about it in England.


\(^{53}\) *New York Herald* (New York, NY), Nov. 23, 1861.

There is an intriguing possibility that freelance American agents were engaged in a deliberate effort to manipulate the English cotton market at the same time Henry Adams and George Francis Train were conducting their propaganda campaigns. American speculators appeared at the Liverpool exchange around the end of June 1861 and began buying cotton and shipping it to New York. As *The Times* reported on July 19, 1861, this was, “a circumstance before unknown in the present century.” The Americans bought in small lots, the total amounting to over 1,000 bales during that week. Karl Marx spotted this strange activity and on September 21, 1861, mentioned it in an article written for the *New York Daily Tribune*, for which he was a correspondent. Marx described what was happening as “a feature hitherto unknown in the English cotton market, viz., American operations in cotton at Liverpool, partly on speculation, partly for reshipment to America.” Marx reported that as a consequence of the American buying the Liverpool market had become “feverishly excited” as speculators and manufacturers fearing a shortage bid up the price. The market’s behavior at this time made no economic sense to Marx, because China and India were enormously overstocked with unsold cotton cloth, and the oversupply of goods was increasing, resulting in a sharp decline in prices paid for cloth. He wrote, “Under these circumstances, the demand for the British cotton manufactures decreasing, their prices can…not keep pace with the progressive rise in the price of raw material;

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55 *Times* (London), July 19, 1861.
56 Ibid.
58 Ibid.
but…the spinning, weaving, and printing of cotton must…cease to pay the costs of production.”

Massachusetts cloth manufacturers were behind the American cotton buying. On January 9, 1862 the *Lowell Daily Citizen and News* reported that Lowell’s manufacturers had ordered 50,000 bales of cotton from England. Eight days later the newspaper reported the arrival in New York of the steamer *Saxonia* with 675 bales of cotton purchased in England. Other observers besides Karl Marx could not understand the economic rationale of this cotton buying. On March 10, 1862 the San Francisco *Daily Evening Bulletin* reported that, “The London *Economist* is of the opinion that the American manufacturers are insane in working cotton, costing nearly 40 cents a pound.” The California newspaper cited the *Economist* in saying that 16,000 bales of cotton had been bought in Liverpool and shipped to the United States by December 31, 1861. Another 20,000 bales were purchased and shipped to New York and Boston in the first two months of 1862. These purchases continued throughout 1862 and into 1863, as shown by the arrival at Portland, Maine, of the ship *Norwegian* from Liverpool with 1,735 bales of cotton in December 1862. During the week preceding February 20, 1863, ships departed Liverpool for New

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59 Ibid.

60 *Lowell Daily Citizen and News* (Lowell, MA), Jan. 9, 1862.


62 *Daily Evening Bulletin* (San Francisco, CA), March 10, 1862.

63 Ibid.

York with 6,000 bales of cotton.\textsuperscript{65} Maurice Williams put the total American purchase for 1861 at 25,000 bales.\textsuperscript{66} In his 1862 circular Williams stated that 60,000 bales were re-exported to the United States and predicted that the North would buy 150,000 bales of cotton on the Liverpool exchange in 1863. Williams attributed the American speculator’s buying to the pull of the New York market, where cotton had shot up to 38 cents, making it higher there than in Liverpool.\textsuperscript{67}

At the time it was assumed that the Massachusetts manufacturers were using this cotton in their mills, as the comments of Marx and the \textit{Economist} show. However, of the 60,000 bales bought by Americans on the Liverpool exchange in 1862, only 12,048 bales came to Boston.\textsuperscript{68} At the beginning of the Civil War the Massachusetts mills had a full year’s supply of cotton on hand.\textsuperscript{69} A large portion of the cotton that Americans purchased in Liverpool came to New York, where it remained for a time and was then shipped back to Liverpool and resold.\textsuperscript{70} No doubt some and perhaps all of this trans-Atlantic buying and selling was the work of private speculators motivated purely by profit as Maurice Williams thought, and with the rise in cotton prices that took place it certainly was profitable. The enterprise also

\begin{itemize}
\item \textsuperscript{65} \textit{Ballou’s Dollar Monthly Magazine} 15, no. 2 (Feb. 1862): 196.
\item \textsuperscript{66} Williams, “The Cotton Trade of 1861” in \textit{Seven Years’ History of the Cotton Trade of Europe, 1861 to 1868}, 9.
\item \textsuperscript{67} Williams, “The Cotton Trade of 1862” in \textit{Seven Years’ History of the Cotton Trade of Europe, 1861 to 1868}, 20-35.
\item \textsuperscript{68} Boston Board of Trade, \textit{Ninth Annual Report, presented to the Board at the Annual Meeting, on the 14th January, 1863} (Boston: Boston Board of Trade, 1863), 48.
\item \textsuperscript{69} Boston Board of Trade, \textit{Ninth Annual Report}, 95.
\end{itemize}
furthered the strategic goals of both the Cotton Supply Association and the Lincoln government. Whether planned or not, the run-up in prices encouraged other countries to grow cotton. Artificially raising the price of cotton also helped alleviate the financial distress of the Manchester manufacturers by allowing them to sell the large stocks of raw cotton that they had on hand to speculators at a substantial profit.71

Circumstantial evidence to support the supposition that Americans deliberately manipulated the market comes from three sources. First, at the same time American speculators were active in Liverpool, Americans were buying cotton in distant foreign markets in what appears to be an effort to spur cotton growing in those places by bidding up prices. For example, the ship Levanter arrived in New York on June 11, 1862 from Macao with 735 bales of Chinese-grown cotton.72 Sometime in 1863, Edward Atkinson purchased 15 bales of Egyptian cotton on the Alexandria exchange, paying 28½ d. per pound for it. The cotton arrived in Boston in January 1864.73 If this cotton was purchased between May and August 1863, Atkinson paid a premium of 6 d. to 8 d. over the current Liverpool market price.74 In early 1863, Atkinson told the Boston Board of Trade that during 1862 about 30,000 bales of cotton had been received from “India, Smyrna, Hayti (sic), Jamaica, Brazil, Peru, Honduras, China, and Japan.”75 In the instance of Smyrna (Izmir, Turkey), the U.S.

71 Arnold, History of the Cotton Famine, 47.
72 Lowell Daily Citizen and News (Lowell, MA), June 12, 1862, March 7, 1863, and March 13, 1863.
73 Williamson, Edward Atkinson; the Biography of an American Liberal, 5.
74 Ibid, v.
75 Littell’s Living Age 21, no. 992 (June 6, 1863): 464.
consul suggested that the purchases be made to William H. Seward, with the stated purpose of encouraging Turkish farmers to grow cotton.\footnote{Julius Bing to William H. Seward, Jan. 24, 1862, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862 (Washington: GPO, 1863), 572.} This foreign cotton was not suitable for making clothing, but was in Atkinson’s words, “useful for making grain bags.”\footnote{Littell’s Living Age 21, no. 992 (June 6, 1863): 464.} Atkinson’s statement leaves the impression that Boston manufacturers were buying cotton for which they did not have an immediate need and could not use.

Second, there were men among the activist New England elite who already had practical experience in doing something similar. In the fall of 1855, Louis Napoleon (Napoleon III) approached John Murray Forbes with the proposition that J. M. Forbes & Company make large purchases of wheat on the American markets to alleviate a food shortage in France. Louis Napoleon wanted to hide the French government’s involvement so as not to drive up prices, as it was feared would happen if government intervention in the market were to become known. Using French government funds laundered through Barings Bank to hide their source, J. M. Forbes & Company purchased $5 million worth of wheat through intermediaries in Michigan and Illinois. The wheat was then sold in France at a pre-agreed price, alleviating the food shortage and the social unrest that it caused, while still keeping the French government’s intervention in the market secret. Forbes wrote in his memoirs that, “Our secret was so well kept that nobody dreamed of any government being behind us.”\footnote{Hughes, Letters and Recollections of John Murray Forbes, vol. 2, 145-146.}
Later in the war, in March 1863, John Murray Forbes and William H. Aspinwall were sent to England on a secret mission to buy the so-called Laird rams, the two powerful ironclad warships that were being built for the Confederacy by the Laird shipyard. Forbes and Aspinwall were provided with $10 million in U.S. Treasury bonds to finance the purchase. The bonds were to be used as collateral to secure a £1 million loan from Baring Brothers. A cover story that Forbes and Aspinwall were buying the ships for China or some other country was used to conceal the involvement of the United States government. The scheme, which involved espionage and possibly bribery, was kept secret from Charles Francis Adams, the United States minister to Britain. The mission’s secrecy was compromised to The Times by an unidentified source in New York and the plan to purchase the two warships was never put into action. William H. Aspinwall’s obituary in the New York Times and recent research by Walter Stahr suggests that the Forbes-Aspinwall mission was more successful than it appeared, however.\(^79\)

Increased cotton prices actually helped the British mill owners. During the first few months of the American Civil War, the English mills continued running at full capacity, depleting the supply and adding even more surplus cotton goods to the already glutted markets. Arthur Arnold reported that at the time of the first battle of Bull Run, July 21, 1861, the rate of cotton goods production in England had never been greater.\(^80\) Robert Baker, the Inspector of Factories, wrote on December 2, 1861:


\(^80\) Arnold, History of the Cotton Famine, 45-47.
I have been informed that, irrespective of the causes which have interrupted our usual supplies of cotton from America and our exports, short time must have been kept during the ensuing winter in consequence of the great increase in production during the last three years, and the unsettled state of the Indian and Chinese markets.  

English manufacturers began 1862 with an eight months’ stock of unsold goods on hand. The backlog of unsalable cotton goods persisted into 1863. Mills were operating at only two-thirds capacity due to the large stock of unsold yarn on hand, a situation worsened by stoppage of cloth exports to the United States. There was in Britain a stock of almost 800,000 bales of cotton. According to Maurice Williams, this was the largest stock on hand at any year’s end since 1853. This was enough cotton to keep the spinning mills running at the 1860 rate of consumption for seventeen weeks. When he compiled his statistical data in 1872, E. J. Donnell put the total stock of raw material on hand at slightly less, giving an inventory of 622,565 bales as of December 31, 1861. Spinners returned a large proportion of their raw cotton to the market for resale, where it was bought by speculators at prices considerably above what the mills paid for it.

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81 Great Britain. Parliament. _Reports of the Inspectors of Factories to Her Majesty’s Principal Secretary of State for the Home Department, for the half year ending 31st October 1861_ (London: Her Majesty’s Stationery Office, 1862), 19.

82 Arnold, _History of the Cotton Famine_, 81.

83 Williams, “The Position of the Cotton Trade at the close of February, 1863” in _Seven Years’ History of the Cotton Trade of Europe, 1861 to 1868_, appendix (pages not numbered).

84 Williams, “The Cotton Trade of 1861” in _Seven Years’ History of the Cotton Trade of Europe, 1861 to 1868_, 1-17.

85 Donnell, _History of Cotton_, 508-509.
Writing one year later, on December 31, 1862, after the crisis that brought unemployment, destitution, and near starvation to millions of mill workers and their families had struck and the worst of it had passed, Maurice Williams wrote:

Such a rapid increase in Manufacturing power naturally produced a great accumulation of Stocks of Goods not only in Europe, but also in the various ports of in [sic] the world; for Merchants, in the expectation that the then relative cheapness of Cotton fabrics would lead to an increased Consumption, went on shipping (more especially to India and China) far more than was required. Up, therefore, to a certain point, the stoppage of the American supply, and consequent curtailment of the production of Cotton Goods, proved of essential service to our Manufacturers,—for it enabled them, in many instances, to realize very handsome profits on previous accumulations of Stocks, whilst, had the supply continued as abundant as before, it is natural to anticipate such a panic in consequence of over production as would have entailed even far more serious losses to them, as Manufacturers, than they have, so far, experienced by the forced closing of their mills.86

In short, the American Civil War could not have come at a better time insofar as the British cotton manufacturers were concerned. The mill owners and the British government clearly recognized that the stoppage of American cotton was beneficial to themselves, since it allowed them to deflect the working class’s dissatisfaction aroused by conditions at home by pointing to a foreign war in which Britain had no part as the cause of their misery. One year after the Civil War began, the animosity between labor and mill owners was gone. Factory Inspector Alexander Redgrave wrote, “The feelings between the masters and the operatives has never been better.”87

86 Williams, “The Cotton Trade of 1862” in Seven Years’ History of the Cotton Trade of Europe, 1861 to 1868, 20.

87 Great Britain. Parliament. Reports of the Inspectors of Factories to Her Majesty’s Principal Secretary of State for the Home Department, for the half year ending 30th April 1862 (London: Her Majesty’s Stationery Office, 1862), 10.
At the same time, the stoppage allowed Britain’s manufacturers a way out of the economic disaster facing them because of the large supplies of unsold cotton goods on hand. Prices would surely rise, and they could sell these goods at a substantial profit and meet their financial obligations while their mills sat idle.\textsuperscript{88}

The prevailing situation in the cotton trade and the blockade of American cotton broke the economic paradox that had heretofore assured that the United States’ cotton monopoly would continue. As the statements of David Christy, Karl Marx, and others show, it had long been thought that without slavery cotton growing in the United States would cease. Previously, it had been thought that only “ruinously low prices” as described by James A. Mann could end slavery in America. But low prices prevented other countries where low cost labor might allow cotton to be grown more cheaply than in the United States from doing so because cotton prices low enough to bring about the demise of slavery would not pay the transportation costs. That now changed, because with American cotton kept off the market by the war, the price would be sufficiently high to encourage others to grow it and pay the cost of transportation. Further, many people in Britain believed from the onset that if the American war continued for any length of time, the North would make abolition a war aim.\textsuperscript{89}

It was recognized that the Civil War was aiding Great Britain in other ways as well. W. C. Corsan, an English merchant, traveled through the South in 1862 and

\textsuperscript{88} Arnold, \textit{History of the Cotton Famine}, 47 and 81.

\textsuperscript{89} Williams, “The Cotton Trade of 1861” in \textit{Seven Years’ History of the Cotton Trade of Europe, 1861 to 1868}, 17.
reported a conversation that he had with an unnamed Confederate leader in Richmond. The Confederate told Corsan:

   Yours is a rich aristocratic country, and you can afford to keep the poor caused by the Cotton Famine for twenty years, if necessary, if at the end of that time you shall have made yourselves independent of the world for cotton, and such discredit has been thrown on republican institutions by our ruin, as to render their rise for another century impossible.\[^{90}\]

Manchester cotton men were making huge fortunes from selling their stocks of cotton to speculators and investing the proceeds in Northern industries. The ironworks in Sheffield and the armaments makers in Birmingham were making armour and weaponry for both sides. Confederate naval raiders like the Alabama were driving the United States merchant marine off the seas, with the result that British ships were acquiring the American share of ocean trade.\[^{91}\] American gold in staggering amounts poured into Britain to pay for the arms. To illustrate the amounts, in just one installment of hundreds, the ship Persia carried over $80 million in Union gold to Britain.\[^{92}\] Much of that gold went to pay for cotton overseas, which in turn stimulated British trade and manufacturing by bringing goods that had previously been unaffordable to them within reach of buyers in India, Egypt, the Ottoman Empire, and elsewhere.\[^{93}\]

American leaders were understandably unhappy with what was happening to the United States merchant fleet. But they discerned the parameters of the strategic


\[^{91}\] Ibid.


\[^{93}\] *Times* (London), Feb. 24, 1864.
economic situation and recognized that the interests of the Union and those of Great Britain converged when it came to cotton. Speaking to a Rhode Island audience in 1862, Caleb B. Smith, Lincoln’s Secretary of the Interior, echoed Henry Adams and the Cotton Supply Association when he said:

A few years’ continuance of the war, by the high prices resulting from the sudden loss of the American crop, will stimulate the production of the staple in numerous parts of the world where it is not now raised, and then the Southern monopoly will be gone, and with it will go Southern slavery forever. Without cotton, what is slavery worth? 

Very early in the war, a decision was made at the highest levels of the Lincoln administration to assist the British in their efforts to encourage overseas cotton growing. William H. Seward wrote in a letter to the U.S. Consul-General in Egypt:

Under the circumstances it has seemed to the Government an obvious duty to cast about and examine the capacities of other countries for cotton culture and stimulate it as much as possible, and thus to counteract the destructive designs of the factious monopolists at home.

To accomplish that goal there was one indispensable component that the Union had to supply and which it did not have readily at hand: large quantities of American cotton seed. Had the North not obtained those seeds and sent them to England, the Cotton Supply Association could not have carried forward its plan to break the American cotton monopoly, and the South’s “King Cotton” strategy might well have succeeded.


Chapter 4
Seeds of Destruction

There is no evidence that any large supplies of American cotton seed existed outside the South at the beginning of the Civil War. The Cotton Supply Association certainly possessed some cotton seed stocks, but nowhere near enough to plant cotton acreage sufficient to replace the American crop. No significant commercial seed industry existed in either the North or South. Cotton planters generally saved seed from one year to the next. Ginners considered excess seed a waste product and threw them away or sold them to local farmers for livestock feed. There were a few Northern firms that engaged in the crushing of cotton seed for oil, which was burned in lamps. The first such firm appears to have been established at Providence, Rhode Island, in 1856, and it was reported at that time that factories for crushing cotton seed were being built in Boston. These facilities probably had small stocks of uncrushed cotton seed on hand, but they could not have furnished seed in quantity since their supplies from the South were cut off by the outbreak of war.\(^1\)

Yet during the Civil War between 8 and 10 million pounds of cotton seeds were exported through the port of New York, most of them to England. The cotton seed was “intended for distribution abroad, in different new quarters where cotton cultivation has recently been entered on.”\(^2\) Obtaining that quantity of cotton seeds was a major wartime undertaking that involved at least two major operations. One was located at Atlantic Dock, Brooklyn, New York, and overseen by the Treasury

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\(^1\) *Fayetteville Observer*, (Fayetteville, NC) Dec. 15, 1856; *Charleston Courier, Tri-Weekly*, (Charleston, SC), July 14, 1860.

Department through the New York Custom House. The other was centered at Cairo, Illinois, and extended as far as southeastern Kansas. It was begun with funds appropriated by Congress and run by the Illinois Central Railroad. The War and Navy Departments provided considerable assistance to both operations. New Orleans provided a third outlet through which cotton seed could reach Britain after Union forces captured the city in April 1862.

    Documentation directly relating to the North’s cotton gin at Atlantic Dock is extremely sparse. Henry S. Stiles said nothing about cotton related activities at Atlantic Dock during the Civil War in his History of the City of Brooklyn published in 1869, nor did Ellen M. Snyder-Grenier in her 1996 book Brooklyn! An Illustrated History. The Brooklyn Historical Society has no information about it in their collections. As a result of this dearth of documentation, the cotton operations at Atlantic Dock can be viewed only indirectly, through British sources and the documentation generated during a post-Civil War congressional investigation of rampant corruption in the New York Custom House. In that investigation, Congress was never able to locate the New York Custom House’s accounting records relating to its cotton activities.³

    Cotton ginning at Atlantic Dock evidently began as the result of a convergence of circumstances, rather than by deliberate plan. From the beginning of the war, the Navy sent captured blockade runners to Atlantic Dock where the ships and their cargoes were condemned in U.S. District Court and sold at auction. Seized

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³ House Committee on Expenditures of the Treasury Department, Captured and Abandoned Property. Testimony taken before the Committee on Expenditures of the Treasury Department. 44th Cong., 1st sess. (Washington: GPO, 1876), 5.
cotton was taken to T. M. Wheeler & Company, known as “Wheeler’s Stores,” an Atlantic Dock storage warehouse, where it was sold at public auction by Daniel H. Burdett, of the firm of Burdett, Jones & Co., Auctioneers. Seven auctions were held between February 5 and September 12, 1862, in which Burdett sold 1,117,234 pounds (3,325 bales) of cotton for $676,340.71. Hiram Barney, government cotton agent at the New York Custom House was responsible for the cotton and funds raised from its sale.\(^4\) Unginned cotton seized by U. S. Treasury agents after Union forces captured Port Royal, South Carolina, in November 1861 was shipped to Atlantic Dock in January or February 1862. To prepare the Port Royal cotton for sale, several Brown’s “Excelsior” gins were acquired and installed at Atlantic Dock, probably in or near the Wheeler’s Stores warehouses.\(^5\) That small start grew into an industrial-scale cotton ginning facility. The *Brooklyn Daily Eagle* listed the Atlantic Dock ginnery in its “Statistics of Manufactures” in 1864 as a “cotton seed” establishment having $20,000 capital invested. This gives the impression that the ginnery was operated by a contractor, rather than directly by the federal government.\(^6\)

Subsequent to the installation of cotton gins at Atlantic Dock, considerable quantities of unginned cotton was seized by Union forces in the South and shipped to New York. According to the one small article that *The Cotton Supply Reporter* devoted to the “government” cotton ginnery at Atlantic Dock, by August 1862, five

\(^4\) U.S. Congress. Senate. *Letter from the Secretary of the Treasury, in Answer to a resolution of the Senate of the 9\(^{th}\) instant, information relative to the amount of government cotton sold in New York since the blockade of the southern ports. February 19, 1863.* Ex Doc. No. 42. 37\(^{th}\) Cong., 3\(^{rd}\) sess. (Washington: GPO, 1863); *New York Times* (New York, NY), March 6, 1862.

\(^5\) *Cotton Supply Reporter* 1, no. 96 (August 15, 1862): 977.

\(^6\) *Brooklyn Daily Eagle* (Brooklyn, NY), April 22, 1864.
million pounds of cotton had been received at the facility, and two million pounds of it had been ginned. At the generally accepted ratio of at least two parts seed to one part fiber, one million pounds of cotton “in the seed” would yield more than 660,000 pounds of seed. Given these figures, Atlantic Dock should have had available well over three million pounds of seed by planting time 1863. The Union’s cotton agents were discriminating in the kind of cotton that they chose to seize and send to Brooklyn, and evidently kept the lots of cotton and the seed obtained from each lot segregated by place of origin. This would not have been necessary if obtaining cotton fiber was the only concern, but would have been of critical importance if the objective were obtaining seed for planting in different climatic regions. The Cotton Supply Reporter article made especial note that the Atlantic Dock ginnery had received a large shipment of “what is called ‘Coffin Cotton’, a species cultivated on Col. Coffin’s plantations at Beaufort, S.C., and which is stated to be the largest and most beautiful staple that comes to market.”

This mention and advertisements for cotton seed in The Cotton Supply Reporter provided the clue to ascertaining how cotton seeds from the federal ginnery at Atlantic Dock found their way to Britain. Purchases of American cotton seed were apparently not direct transactions between the Cotton Supply Association and the federal ginnery at Atlantic Dock, but were handled by commercial intermediaries. In January 1863, James Madden, who was associated with the London trading firm of Messrs. Bevan, Cole, and Harris, advertised the arrival in Liverpool of “about thirty

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7 Cotton Supply Reporter 1, no. 96 (August 15, 1862): 977.
tons” of the “Best Variety (Coffin Brand)” cotton seed, described as “for planting.”

As the war progressed, Madden advertised “New Orleans cotton seed for planting.”

James Madden also became the British sales agent for American Brown’s “Excelsior” cotton gins, which by January 1863 were being made under license in England. A Liverpool trading firm, Stuart and Warry, also advertised cotton seed, “Just landed, per ship ‘Resolute’, from New York, a quantity…new seed, from the last crop of Cotton—selling in the Liverpool market from four to six shillings per pound.” By the spring of 1864, D. Stuart & Company in the Manchester Buildings, Liverpool, was advertising “Cotton Seed—New Orleans, Choice, for Planting” in 30-ton lots. Whether these English trading firms dealt direct with the federal cotton gin at Atlantic Dock or through American commercial agents is unknown, but in early 1863 there was at least one trading firm in New York that dealt in cotton seeds, Sheppard & Seward, with offices at 214 Pearl Street. Another New York firm, T. Bourne, located at 116 Nassau Street, was advertising cotton seed in The Cotton Supply Reporter in the spring of 1866.

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12 Cotton Supply Reporter 1, no. 124 (May 2, 1864): 1435.


14 Cotton Supply Reporter 1, no. 146 (March 1, 1866): 1810.
The Cotton Supply Association had some cotton seeds shipped direct from New York to overseas consignees. On February 23, 1863, G. R. Haywood informed Michael Mulhall, the editor of the *Standard*, a British newspaper published in Buenos Aires, Argentina, that the Association’s Executive Committee had instructed its agent in New York to purchase seed and forward them to Mulhall in monthly shipments. That this actually was done is evidenced by correspondence concerning safe arrival of the ship *Friedrich Martin* at Montevideo, Uruguay, from New York on October 8, 1863, with 20 bags of seed sent to the British consul there by an agent of the Association. Another ship from New York delivered 270 sacks of Sea Island and upland seed, 6 American cotton gins, and a bale press consigned to President Lopez of Paraguay. James Monroe, the United States consul in Rio de Janeiro, Brazil, reported the arrival there of the Danish-registered sailing ship *Anna Jane* from New York with “169 barrels of cotton seed for the Brazilian government” on December 27, 1864.

The Atlantic Dock cotton ginnery operated in an environment of pervasive graft, corruption, and lawlessness. As the cotton enterprise grew ever larger, the New York Custom House became a center of malfeasance and corruption. The central figure was Simeon Draper. Draper was of Puritan descent, the son of a Revolutionary War militia captain of the same name who moved his family from Massachusetts to New York in the early 1800s. The elder Simeon Draper attained some wealth, and his

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son rose to prominence as a merchant and investor, but overextended himself and lost the fortune that he had inherited speculating in railroad bonds in the 1850s.\textsuperscript{17} He was active in New York Whig politics, became a personal friend of William H. Seward, and followed Seward into the new Republican Party after the demise of the Whigs.\textsuperscript{18} When the Civil War began Draper was president of the Republican Central Club, the organization of Lincoln partisans in New York City. In April 1862 Draper helped raise funds to subsidize \textit{The London American}, a newspaper that Thurlow Weed was using to disseminate pro-North propaganda in England.\textsuperscript{19} Draper’s prominence as an abolitionist was enough that \textit{The Times of London} named him in the same sentence with Horace Greely and Rev. Henry Ward Beecher.\textsuperscript{20}

At face value, Simeon Draper appeared to be a typical Union patriot activist. He was also a financial schemer and war profiteer who conspired to evade the law in order to enrich himself. General La Fayette Curry Baker, Chief of the National Detective Police, alleged that not long after all trade with the South was prohibited, “a party, composed of D. Randolph Martin, General W. P. Dole, Indian Agent, Mr. McCulloch, Mr. Harrington, and Simeon Draper and his brother, met on several occasions, to devise some plan to make money on cotton.”\textsuperscript{21} This corrupt ring’s activities eventually became so intertwined with the government’s efforts to obtain

\begin{footnotes}
\item[17] Thomas Waln-Morgan, \textit{The Drapers in America, being a History and Genealogy} (New York: John Polnemus Company, 1892), 70; \textit{The Times of London} (London), Nov. 22, 1853.
\item[18] “Obituary of Simeon Draper,” \textit{Frank Leslie’s Illustrated Newspaper} (New York, NY), Nov. 24, 1866.
\item[20] \textit{Times} (London), Aug. 16, 1862.
\end{footnotes}
cotton that it is almost impossible to distinguish one from the other. The “Mr. McCulloch” was Hugh McCulloch, who later became Secretary of the Treasury. The “Mr. Harrington” was George Harrington, who also became a high-ranking Treasury Department official. In early 1863, Hiram Barney was promoted to Collector of the Port of New York. Simeon Draper used his political connections to gain appointment as Barney’s replacement as Cotton Agent, in charge of disposing of seized Southern cotton.22

As the war progressed, Draper’s control over cotton operations steadily increased, as did his independence from oversight. In the spring of 1864, an article in the Brooklyn Daily Eagle complained of his political influence over the operations of the New York Custom House. That autumn, Hiram Barney resigned as Collector, reportedly pressured to do so by McCulloch so that Draper could be appointed to the position. At that point, Draper was in virtually complete control over efforts to seize cotton in the South and sell it on government account.23 The graft, corruption, extortion, and outright thievery involved in those cotton seizures is well documented, and need not be reiterated here.24 Congressional investigators later accused Simeon Draper of embezzling enormous sums of money from the proceeds from sales of seized Confederate cotton. By the time those charges were made, Draper was beyond the reach of Congress, having died in November 1866. From near bankruptcy at the time of his appointment as Cotton Agent in 1862, Draper was a multi-millionaire at

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23 Brooklyn Daily Eagle (Brooklyn, NY), April 19, 1864, Sept. 4, 1864, Jan. 9, 1865.

24 See Harold D. Woodman, King Cotton & His Retainers, 198-268.
the time of his death. No audit of the New York Custom House’s cotton accounts was ever made, however. Draper’s assistant, Francis Robinson, testified before Congress that he sent the New York Custom House cotton account books to the Treasury Department shortly after Draper’s death, but Treasury officials insisted that the ledgers never arrived there. No satisfactory explanation of what happened to the books was ever forthcoming, and investigators implied that someone, either Robinson or one of Draper’s accomplices at the Treasury Department, destroyed them.

It is also possible that some of the records pertaining to federal cotton activities at Atlantic Dock were destroyed in a fire on the night of December 1-2, 1865. That night a five-story brick storage warehouse located at No. 15 State Street, Brooklyn, was completely destroyed in a blaze of suspicious origin. More than 2,000 bales of government-owned cotton valued at $200,000 burned in the building. Seven Brooklyn fire fighters and a policeman were killed when an exterior brick wall of the burning structure buckled and collapsed into the street, crushing them beneath the rubble.

The culture of lawlessness at Atlantic Dock was not confined to Simeon Draper and his ring of white-collar criminals at the New York Custom House. Thefts of cotton from Atlantic Dock warehouses and ships were common. On April 4, 1862, the Brooklyn Daily Eagle reported:

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25 United States Congressional Serial Set, Report of the Joint Select Committee to inquire into the Condition of Affairs in the late Insurrectionary States (Washington: GPO, 1872), 444.


27 Brooklyn Daily Eagle (Brooklyn, NY), Dec. 2, 1865.
Stealing Cotton—Two boys named Edward Smith and Edward Donnelly [were arrested for stealing 40 lbs. of cotton from Atlantic Dock]. A large quantity of cotton is stolen every year in this manner by boys who go around the docks, fill their pockets with cotton, and then deposit it somewhere and come back and repeat the operation, until they accumulate a large quantity, which they sell to junk dealers.28

On that date cotton was selling for 27½ cents on the New York exchange, meaning that the two boys cost the Treasury $11.00 in lost revenue.29 This petty pilfering by delinquent boys was nothing compared to the thefts that followed. In March 1863, James Johnson, a laborer at Atlantic Dock was arrested for stealing two bales of cotton valued at $400. A police investigation revealed that Johnson had accomplices among the sailors on the ship from which he stole the cotton.30 Ten days later, another Atlantic Dock laborer, Thomas Doud, was apprehended in the act of stealing cotton.31 A Brooklyn police detective identified as “Officer Holliday” observed laborers Patrick Graham and Charles Collins in the act of stuffing cotton into their pockets on August 21, 1863. In this instance, Holliday followed the thieves to their fence, Owen Gilmartin, and arrested him for receiving stolen goods.32 On Christmas Eve 1864, Holliday caught 34-year old Atlantic Dock laborer Michael Croonin in the act of stealing “$50 worth” of cotton from the schooner Alabama.33 The thieves that Holliday caught were small fry, however. As the price of cotton

28 Brooklyn Daily Eagle (Brooklyn, NY), April 4, 1862.
29 Donnell, History of Cotton, 515.
30 Brooklyn Daily Eagle (Brooklyn, NY), March 26, 1863 and April 8, 1863.
31 Brooklyn Daily Eagle (Brooklyn, NY), Aug. 18, 1863.
32 Brooklyn Daily Eagle (Brooklyn, NY), Aug. 21, 1863.
33 Brooklyn Daily Eagle (Brooklyn, NY), Dec. 24, 1864.
soared to the phenomenal high of $1.89 per pound in August 1864, an organized gang of cotton thieves began rowing boats from the East River into the Atlantic Dock ship basin under cover of darkness. The thieves came alongside ships moored in the 50-acre basin, climbed aboard, intimidated the crews, and lowered bales of cotton over the side into their boats. Detectives finally managed to surprise the gang in the act of pilfering a ship and arrested them on the night of March 15-16, 1865.  

A great deal more information is available about the North’s other effort to obtain cotton seed, this one in southern Illinois. The efficiency and businesslike way that it was managed and the civic mindedness of the leaders of the project stands in sharp contrast to the operation at Atlantic Dock. The Illinois cotton project apparently originated with William H. Osborn, president of the Illinois Central Railroad. Soon after the outbreak of the Civil War, Osborn approached William H. Seward and Senator Jim Lane of Kansas with a proposal that the federal government should secure a supply of cotton seed from the South, preferably from the most northerly cotton-growing regions, with the stated aim of growing cotton in southern Illinois and the southerly portions of other Northern states.  

Though there is no documentation of it, the idea may have been suggested to Osborn by someone in Britain. Although the Illinois Central was the prototype American land grant railroad, the majority of its stockholders were British and it was financed by London banks, to which the Illinois Central pledged its land holdings as collateral to secure the loans. Among the Illinois Central’s stockholders were many

34 *Brooklyn Daily Eagle* (Brooklyn, NY), March 16, 1865.

prominent British names, including Richard Cobden, John Bright, William Gladstone, Robert Gladstone, William Peel, James Caird, Lawrence Heyworth, William Moffatt, Charles Paget, Alexander Haldane, Joseph Paxton, and Stephen Cunard. Osborn made frequent trips to London to raise funds and confer with stockholders and creditors before and during the Civil War.\textsuperscript{36} Richard Cobden and James Caird, who was regarded as Britain’s foremost agronomist, visited the United States on Illinois Central related business in the summer of 1859. During that trip, George B. McClellan, then the general manager of the Illinois Central, and Ambrose E. Burnside, then the railroad’s treasurer, briefed Cobden about the railroad’s operations and prospects. McClellan accompanied Cobden on a tour in the director’s car down the tracks from Chicago to Cairo. At Cairo, Cobden and McClellan were met by Senator Jefferson Davis of Mississippi. The three men boarded a steamboat for an excursion to the cotton growing areas in western Tennessee and northern Mississippi where cotton seeds would later be procured. Cobden also met M. L. Dunlap, the editor of \textit{The Illinois Farmer} who would later play a leading role in the effort to grow cotton in Illinois.\textsuperscript{37}

So strong was the British influence in the Illinois Central that on the eve of the Civil War some in the United States had begun to suspect that the railroad was a tentacle of British imperialism thrust into America’s heartland. By 1860, British investors had poured $17 million into Illinois Central stock and bonds. Further, the Illinois Central routed its Atlantic-bound freight and passenger traffic to Port Huron,


\textsuperscript{37} Cobden, \textit{The American Diaries of Richard Cobden}, 59-81, 152-155, and 188.
Michigan, on the Michigan Central Railroad, in which British investors also held a large stake. A railway ferry at Port Huron passed Illinois Central traffic over the St. Claire River to the Canadian Great Western Railroad. Freight and passengers bound for New York and the U.S. Atlantic seaboard re-entered the United States across the great new Victoria Bridge over the St. Lawrence River. Critics complained that grain and meat from the Midwest was traveling this rail route to Montreal, where it was loaded on Quebec Line steamers to Liverpool. It was further alleged that the cargo traveled on through Chicago-to-Liverpool bills of lading issued by the Illinois Central. This meant that the profits accrued to British brokers and freight forwarders, not to New York and Boston merchants. In January 1860 a New York Times editorial headlined “A British Seizure in Earnest” complained that, “it is by no means certain that in another year the Cotton of Tennessee and North Mississippi will not be made to take the same extraordinary direction, say from the planting States to Manchester through Canada.”

As the secession crisis built toward war, it appeared that the New York Times editor’s prediction was in process of becoming a reality. In a speech delivered before an audience of prominent New York merchants, industrialists, and financiers that included Illinois Central investor and director William H. Aspinwall in February 1860, naval officer, explorer, and geographer William Francis Lynch reported that during the 1858-1859 marketing season, steamboats delivered 80,000 bales of cotton to Cairo, Illinois, where it was loaded onto Illinois Central trains for shipment to the

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In January 1861, the exporting firm of Messrs. Graham, Haliday & Company entered into a contract with the Illinois Central to ship cotton grown in Tennessee and Arkansas, both of which were at that time still in the Union, to Cairo by steamboat, and then to Detroit and the Atlantic seaboard on the railroads. During February and March 1861, more than 10,000 bales of cotton traveled the Illinois Central-Canadian Great Western route and crossed the Victoria Bridge to New York. Cotton also came to Cincinnati, Ohio, by steamboat, and went to Boston by way of the Baltimore and Ohio and New York Central Railroads at a cost of $18.00 per ton. This river-rail freight rate was cheaper than the all-water route through New Orleans, and it took a month less time. At the same time this new cotton route was coming into use, the Illinois Central was accepting “millions of bushels” of wheat as payment-in-kind from cash-short farmers to whom the railroad had sold land along its tracks on credit. This wheat was destined for the European market.

The Illinois Central Railroad was also well connected to the U.S. government, the Union army, and the New England elite. Abraham Lincoln was in the Illinois state legislature when the railroad received its first charter in 1836, he supported its land grant bill while in Congress, and the Illinois Central retained him as its lawyer from 1853 until 1860. William H. Osborn and Secretary of State William H. Seward were long-time acquaintances. Seward was heavily invested in Illinois Central bonds. The

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41 *Lowell Daily Citizen and News* (Lowell, MA), Feb. 8, 1861.

42 *Fayetteville Observer* (Fayetteville, NC), April 11, 1861.

governor of Illinois was an *ex officio* member of the railroad’s board of directors and the state of Illinois received a percentage of the railroad’s gross income in lieu of taxes. In addition to George B. McClellan and Ambrose E. Burnside, Union generals Nathaniel Banks, John A. Logan, Grenville M. Dodge, Thomas E. G. Ransom, Mason Brayman, and James Lane were at some time employed by or had some connection with the Illinois Central.\textsuperscript{44}

Immediately after Richard Cobden’s 1859 visit, the Illinois Central Railroad began sponsoring cotton growing experiments in the southern counties of Illinois similar to those sponsored by the Cotton Supply Association overseas. Appollos Cooper, a migrant from Tennessee, raised a few acres of cotton in Jackson County near Carbondale in 1860. Cooper reported harvesting 1200-1600 pounds of seed cotton per acre. This would have yielded one 400-pound bale of clean cotton per acre. Cooper’s yield was on par with the best achieved in the South. Isaac Ford successfully raised small plots in 1860 and 1861 in Washington County about 50 miles southeast of St. Louis.\textsuperscript{45} French Canadian immigrants planted ten acres of cotton near Assumption, a whistle-stop village on the Illinois Central tracks immediately south of Springfield in the spring of 1861, using seed from Tennessee.\textsuperscript{46}

The Illinois Central Railroad sent samples of cotton grown in these experiments to the Cotton Supply Association for evaluation. The Manchester spinners reportedly


deemed the Illinois product better than the average New Orleans, and stated that they would like to have “10,000 or 20,000 bags per week.”

Upon the outbreak of war, the Illinois Central began a publicity campaign to promote cotton growing in southern Illinois. On December 23, 1861, the *Chicago Tribune* ran a lengthy article entitled “Cotton Culture on the Prairies—Historical Facts and Proofs” in which it printed information furnished by the railroad. The article included numerous testimonials from men in their sixties who recalled how they or their families had raised cotton in southern Illinois in the early 1800s. At that time, settlers from Kentucky, Tennessee, and North Carolina grew cotton as far north as Springfield. Several gins had remained in operation until the early 1840s. Old cotton growers repeatedly cited the low prices paid for cotton, not the climate as the reason that they quit planting it.

The press campaign to promote cotton growing in Illinois soon spread to eastern newspapers. In a letter to the *New York Times* dated Tuesday, January 21, 1862, John Law, a member of the U.S. House of Representatives who represented the district of Indiana that included Vincennes, reported that when he was a boy “45 years past” cotton had been grown on the Wabash River in southern Indiana. At that time farmers in Law’s immediate neighborhood shipped 20-30 bales downriver to New Orleans each year. Commenting on Law’s letter, the *New York Times* editor expressed the opinion that cotton could be successfully grown in southern Illinois and Indiana “whenever the price is high enough to give it greater value as a crop than

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47 *Chicago Tribune* (Chicago, IL) Jan. 4, 1862.

48 *Chicago Tribune* (Chicago, IL), Dec. 23, 1861.
wheat or corn.” To support his contention, the editor cited John A. Kennicott, an “eminent agriculturist of Illinois” who verified that cotton had indeed been grown commercially in southern Illinois and Indiana prior to 1820, before the price declined to the point that cotton became less profitable than grain. Letters offering to plant cotton came to the New York Times from even farther afield. W. H. Scofield wrote from Wyandotte, Kansas, to say that farmers in his area had tried small garden plantings of cotton the previous year, and that there were Kansas farmers willing to “put in two acres this season, if seed can be obtained.”

By the time these appeals appeared in the New York Times, Senator Lane had already asked Congress for an appropriation of $20,000 to be used for the purchase of cotton seed for distribution to farmers in the North. After substantially reducing the amount of money and adding a proviso that tobacco seed also be purchased, the final amended bill, designated H. R. 255, was passed by unanimous consent of the House of Representatives on January 29, 1862. President Lincoln signed it into law on February 13, 1862. The Act, remarkable for its brevity, read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there be, and is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of three thousand dollars, for the purchase of cotton seed, and one thousand dollars for the purchase of tobacco seed, under the superintendence of the Secretary of the Interior, for general


50 Ibid.

distribution: Provided, That said cotton seed shall be purchased from places where cotton is grown as far north as possible.\textsuperscript{52}

Secretary of the Interior Caleb B. Smith designated the Patent Office as the agency responsible for implementing the Act, and commissioned two Special Agents to actually purchase the seeds, Walter Collins and D. C. Donnohue. Interestingly, Smith noted in his subsequent report to Congress that, “No specific compensation was agreed upon with the agents employed. They will be paid a reasonable compensation for the services actually rendered.”\textsuperscript{53}

Little biographical information could be discovered about Walter Collins, except that he was a Virginia Unionist. Collins was allocated four hundred dollars and sent to Union occupied territory in the vicinity of New Bern, North Carolina, where Army units under command of General Burnside assisted him in acquiring 1,400 bushels of cotton seed. A military supply ship transported the seeds to Baltimore. Upon arrival in Washington on April 28, 1862, the seeds became the responsibility of William T. Dennis, described in a \textit{New York Times} article as, “the working man of the Agricultural Department” at the Patent Office. One hundred women were hired to clean the cotton seeds and package them in sacks. The bagged cotton seeds were then made available to members of Congress, who used their franking privileges to distribute them through the mail to farmers in their districts.\textsuperscript{54} These seed packages


\textsuperscript{53} U.S. Congress. House. \textit{Letter from the Secretary of the Interior, in Answer to Resolution of the House of the 14\textsuperscript{th} instant, in relation to the purchase and distribution of cotton seed. April 30, 1862.} Ex. Doc. 108. 37\textsuperscript{th} Cong., 2\textsuperscript{nd} sess. (Washington: GPO, 1862).

\textsuperscript{54} Ibid; \textit{New York Times} (New York, NY), Feb. 23, 1862.
were probably small. A double-thickness cloth bag containing one quart was the standard size packet used for wheat and other cereal grain seeds given to Congressmen and Senators by the Patent Office for free distribution through the mail. Printed planting instructions accompanied the seeds. The Patent Office also sent small quantities of cotton seed to the Agricultural Society in Cleveland, Ohio, and to the Pennsylvania Agricultural Society for free distribution to their members for experimental planting. Representative Timothy G. Phelps sent North Carolina cotton seeds to California, entrusting them to the editor of the San Francisco Daily Evening Bulletin for distribution. Some of the North Carolina seed were planted experimentally as far north as Burlington County, New Jersey, where a wealthy gentleman, Edward G. James, planted three acres on his estate. Frost cut this experiment short. The State Department sent a few packets of cotton seeds to American consuls overseas.

The other Special Agent, Dillard C. Donnohue, was a resident of Greencastle, Indiana, where he practiced law. Census records indicate that Donnohue was born in Kentucky in c. 1815-1816, probably in the vicinity of Mount Sterling, where he married Mahala Tipton in 1833. The Donnohue family, which by 1860 included eight children, moved to Putnam County, Indiana, sometime between 1840 and 1850. D. C.

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56 Cleveland Daily Herald (Cleveland, OH), May 10, 1862; North American and United States Gazette (Philadelphia, PA), May 10, 1862.


58 Illinois Farmer 8, no. 2 (Feb., 1863): 53.

59 Mulhall, The Cotton Fields of Paraguay and Correintes, 16.
Donohue represented the Seventh District of Indiana (Indianapolis and surrounding counties) as a delegate at the 1860 Republican Convention in Chicago, as did Caleb B. Smith.60

Donohue was allocated one thousand dollars, later increased to fifteen hundred, and sent to Paducah, Kentucky, with instructions to buy cotton seeds anywhere along the Cumberland and Tennessee Rivers where he might find them available. He was also provided with letters of authorization from the Secretary of the Interior and the Secretary of War that enabled him to carry out his task in areas under military jurisdiction and to use military transportation. Donohue departed Paducah on February 28, 1862, aboard a military steamboat and proceeded up the Tennessee River, which was by then under Union control.61 Two weeks later Donohue wrote to the Secretary of the Interior to report that he was with General C. F. Smith’s army encamped at Savannah, Tennessee, about 15 miles north of the Mississippi state line. Donohue reported that he had, “found cotton seed plenty—and will buy them after a battle is fought—I cannot have them brought to the boats until the rebels are either driven off or captured.”62 Next day, March 16, 1862, Donohue sent a message down river to Paducah for transmission to Caleb B. Smith by military telegraph, “I can


62 D. C. Donohue to Caleb B. Smith, March 15, 1862, in The Letters of D. C. Donohue.
procure cotton seed—in great abundance—so soon as the country is occupied by our troops—cotton plenty and cheap. Dispatch to me care of Genl. Smith.”

Donnohue did not wait for an answer from Washington, but proceeded on his own initiative to contract purchases of cotton from local planters. Little of it had been ginned, however, because the Union’s blockade of the rivers prevented local gins from obtaining the coarse jute bagging material used to wrap the bales. His initial effort at buying cotton seeds from gins in the Savannah neighborhood netted about three hundred bushels at a cost of 13 cents per bushel. The cost increased to 20 cents when wagon transportation from the gins to the steamboat was paid. Donnohue’s major difficulty was securing containers for the seed. Cloth bags were unavailable locally because of the blockade. He was forced to scavenge old wooden barrels to ship the first lot, and many of these fell apart in transit. Writing from Paducah on March 28, 1862, Donnohue reported to Caleb B. Smith that in future strong gunny sacks would have to be provided, and that he had, “advised the Ills. Central R.R. it is utterly impossible to ship seed in anything that can be procured up the Tenn. River.”

Obtaining the necessary sacks may have been the reason for Donnohue’s return to Paducah. He also availed himself of the opportunity to complain that an Army officer, Quarter Master Lyman, was being uncooperative in arranging transportation.

As soon as a shipment of empty grain bags arrived in Paducah, Donnohue again steamed up the Tennessee River. He arrived at Pittsburg Landing on the

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63 D. C. Donnohue to Caleb B. Smith, March 16, 1862, in The Letters of D. C. Donnohue.
64 D. C. Donnohue to Caleb B. Smith, March 28, 1862, in The Letters of D. C. Donnohue.
65 Ibid.
morning of April 6, 1862, just in time to witness the Battle of Shiloh. Undaunted by either the carnage or the threat presented by Confederate forces in the area, Donohue continued his cotton seed buying. He eventually obtained about eight hundred bushels of seed. Donohue was careful in choosing the seed that he purchased, selecting a variety of cotton that “is the only variety that fully matures in this climate.”

Donohue delivered the cotton seed to Cairo, where he turned them over to the Illinois Central Railroad. The railroad’s station masters were responsible for distributing the seed to farmers along the tracks. Farmers were charged only for the cost of bagging and freight; the cotton seed themselves were free. Seeds were dispensed in one-bushel bags, each weighing 22 pounds net. Farmers were advised that 22 pounds of seed was enough to plant from two to four acres if they planted the seeds individually in spaced hills like corn instead of thickly broadcasting them in rows and thinning later, as was the normal practice in the South. Farmers who wished to try only a small experiment could order half-pound packets of cotton seed through the mail for 8 cents each. Station agents accepted postage stamps in payment for mail ordered seed. The Chicago Tribune advised farmers that the Illinois Central’s personnel would, “spare no pains to have all who wish supplied with the seed.”

M. L. Dunlap, editor of The Illinois Farmer and a contributor to The Journal of the Illinois State Agricultural Society joined the Illinois Central’s publicity campaign to promote cotton planting in February 1862. Dunlap held out hopes that eventually 20,000 acres of cotton would be planted in the southern part of Illinois

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66 D. C. Donohue to Caleb B. Smith, April 25, 1862, in The Letters of D.C. Donohue.

67 Chicago Tribune (Chicago, IL), May 7, 1862.
known as Egypt and looked forward to the development of a variety of cotton that was acclimatized to the region. Dunlap told his readers that, “at fifteen cents a pound it will be one of our best paying crops.” Dunlap assured his readers that the Illinois Central Railroad would install equipment to gin and bale the cotton crop at locations along its line, as it was already doing at Assumption in expectation that eighty farmers there would plant 12 acres each in 1862. Dunlap cautioned inexperienced growers against planting an excessive amount of cotton to start, however. He recommended that farmers start with three acres or so, what one bushel of seed would plant. Dunlap revealed that he was corresponding with the Cotton Supply Association in Manchester, and that he was conferring regularly with officials of the Illinois Central Railroad. In December 1862, *The Cotton Supply Reporter* published an anonymous article about Illinois cotton that bears a striking resemblance in style and content to articles written by Dunlap in *The Illinois Farmer.*

The Illinois State Agricultural Society joined the Illinois Central Railroad’s cotton promotion campaign, using an appeal to patriotism mixed with the prospect of profit. In the March issue of its *Journal*, the Society printed a lengthy front page article about the physical characteristics of the cotton plant, cotton economics, and advice about its cultivation by C. Thurston Chase, an agricultural expert in Chicago. The *Journal* also printed an exchange of letters between John P. Reynolds, the

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corresponding secretary of the Agricultural Society, and Caleb B. Smith, in which
Smith informed Reynolds of D. C. Donnohue’s cotton seed buying mission to
Tennessee. Donnohue wrote to Reynolds from Paducah on April 12, 1862,
informing him that he was sending 75 sacks of cotton seed to Cairo by steamboat,
consigned to the Agricultural Society in Springfield. Donnohue informed Reynolds
that he had sent planting and cultivation instructions to William H. Osborn for
publication by the Illinois Central. Subsequent issues of the *Journal* reported on the
progress of the first Illinois cotton crop.

Press reports of how much cotton was planted in southern Illinois in the spring
of 1862 vary wildly. East coast newspapers reported that a company of wealthy
Cincinnati investors employed Unionist refugees from Tennessee and Georgia to
plant 7,000 acres of cotton in the Cairo area. These reports indicate that the Cincinnati
company used seed purchased in Tennessee for 30 cents per bushel. This implies that
the company did not rely upon seed supplied by the government, but bought its own.
It was also stated that the company had “several large cotton-gins and warehouses at
different points for the purpose of packing and storing cotton.” At the other extreme
the *Chicago Tribune* complained that Illinois had been supplied with only 75 bushels
of seed, and that only “small patches have been planted.” These small plots, the
*Tribune* said, were capable of producing only small amounts of cotton for use in

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73 *Journal of the Illinois State Agricultural Society* 1, no. 6 (June, 1862): 22-23.
making homespun.\textsuperscript{75} The correspondence between John P. Reynolds and Caleb B. Smith in the Agricultural Society’s \textit{Journal} indicates that the real acreage was somewhere between the two extremes presented by the newspapers, with the acreage closer to the low end of the scale. The \textit{Journal} reported that an unnamed farmer at Rosemond, near Springfield, planted ten acres using government-furnished seed. This presumably was the largest single planting.\textsuperscript{76} It was also reported that in 1862 a “large number of small patches from one to five acres were planted in Union and Alexander counties.”\textsuperscript{77} Cotton gins were in operation at Carbondale, Vienna, and Jonesboro in time to gin the 1862 harvest.\textsuperscript{78} About 3,000 bushels of seed were saved from these three gins.\textsuperscript{79} At 22 pounds per bushel, this amounts to 66,000 pounds of seed, indicating that the fiber yield was about 30,000 pounds, or about 75 bales.

Substantially more cotton was planted in Illinois in 1863, though again firm statistics are lacking. As planting time approached, there were numerous complaints about inadequate seed supplies.\textsuperscript{80} In March, \textit{The Illinois Farmer} expressed hope that 20,000 bushels of seed would be available, though it was doubtful that the supply would be anywhere near that amount. This shortage of seeds in Illinois is telling, given that large supplies should have been available from Atlantic Dock unless the bulk of the seeds from the Brooklyn ginnery were being shipped overseas. The 3,000

\begin{itemize}
\item \textsuperscript{75} \textit{Chicago Tribune} (Chicago, IL), Aug. 11, 1862.
\item \textsuperscript{76} \textit{Journal of the Illinois State Agricultural Society} 1, no. 6 (June, 1862): 22-23.
\item \textsuperscript{77} \textit{Illinois Farmer} 8, no. 2 (Feb., 1863): 40.
\item \textsuperscript{78} \textit{Illinois Farmer} 8, no. 3 (March, 1863): 89.
\item \textsuperscript{79} Ibid.
\item \textsuperscript{80} Ibid.
\end{itemize}
bushels of cotton seeds saved from the Carbondale, Vienna, and Jonesboro gins the previous year were enough to plant “about two thousand acres.”

In April, as farmers were getting ready to plant, M. L. Dunlap commented that cotton was “becoming one of the regular crops” in southern Illinois. Dunlap offered advice to farmers on how to use horse drawn mechanical corn planters to plant cotton seeds, indicating that he expected them to plant considerable acreage. The Illinois Farmer reported that one large landowner was planning to require all of his tenants to grow the maximum possible acreage of cotton in the coming year, “taking into account the number of children, whose services will turn to good account in picking.”

Isaac Newton, the Commissioner of Agriculture, sent 1,500 bushels of North Carolina cotton seed to Illinois in time for planting in May. Newton urged that Illinois merchants purchase cotton seeds from Tennessee and market them to farmers. The New York Times reported in September that “tons of seed” had been bought and “hundreds of acres” planted along the line of the Illinois Central south of Springfield.

An effort was even made to grow a variety of cotton native to northern China on Illinois farms. In the fall of 1862, John A. Griswold, William H. Osborn’s predecessor as president of the Illinois Central Railroad, imported 3,000 pounds of Chinese cotton seeds. In January 1863 these were advertised for sale at the Great

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81 Ibid.
82 Illinois Farmer 8, no. 4 (April, 1863): 118.
83 Illinois Farmer 8, no. 2 (Feb., 1863): 45.
84 Illinois Farmer 8, no. 5 (May, 1863): 155.
85 New York Times (New York, NY), Sept. 18, 1863.
Western Railroad depot in Springfield “at the net cost of the seed and transportation.”

The announcement in *The Illinois Farmer* noted that other domesticated plants native to north China had done well in Illinois, and implied that Chinese cotton should perform equally well. *The Illinois Farmer* later expressed reservations about planting Chinese cotton, however, citing concerns about the age and poor condition of the seeds.

A small quantity of Peruvian cotton seed were also planted in Illinois. These were obtained in England by Charles Francis Adams and sent to the State Department. The Peruvian seed were then turned over to the Patent Office for distribution through the mails by members of Congress in the same manner as the North Carolina seeds obtained by Walter Collins.

As planting time approached, preparations were underway to process a larger crop. In March 1863, Stratton & Ferguson, a grain mill in Mount Vernon, installed a newly purchased cotton gin in their mill. Cotton gins were eventually operating in Mount Vernon, Assumption, Cairo, Jonesboro, Du Quoin, and Carbondale. There were probably others, as cotton was being shipped from virtually every town on the Illinois Central tracks south of Springfield by the time the Civil War ended. Cairo and Carbondale became the largest ginning centers, with more than one gin facility

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87 Ibid.

88 *Illinois Farmer* 8, no. 3 (Mar., 1863): 89.


90 *Illinois Farmer* 8, no. 3 (Mar., 1863): 90.
operating in each city.\textsuperscript{91} Little information survives about the Illinois cotton gins because of various catastrophes, including the 1937 flood that destroyed Cairo.

A picture of the Northern cotton gins such as the one in the Stratton & Ferguson grain mill can be obtained from similar gins that were operating in Kansas at the same time. J. M. Piazzek, a Polish immigrant living in Valley Falls, Kansas, was a grain mill operator. In 1862, while the push to grow cotton in the North was gathering momentum, Piazzek ordered a cotton gin from the Southern Cotton Gin Company in Bridgewater, Massachusetts. The gin cost $60, plus $40 freight to Kansas. That machine still survives in near working condition, and is now in storage at the Kansas State History Museum in Topeka. Piazzek’s gin is a ruggedly-built machine with a cast iron housing that stands 29 inches high, is 34 inches long, and 27 inches wide. It is a saw-type gin with 18 circular saws driven by an external power source via a belt pulley. Mr. Piazzek installed the gin in his grain mill and used the same power source to operate it as ran the grain grinding equipment, probably a water wheel.\textsuperscript{92} It is obvious from the factory pre-assembled, self-contained unitary design of this machine that its manufacturer intended it to be used in this fashion. The machine arrived ready to use as soon as it was removed from the shipping crate. It did not require a special building or assembly.

Several Northern manufacturers produced gins similar in design to Piazzek’s machine. The models most often mentioned in newspapers and in consular reports from abroad were the Brown’s “Excelsior” and machines made by the American

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\textsuperscript{92} Information File: 15.48 “Piazzek” Kansas State History Museum, Topeka, Kansas.
Eagle Company, New York Cotton Gin Company, and Emery Brothers Agricultural Works in Albany, New York. In its full-page advertisement in the 1865 edition of *Trow’s New York City Directory*, Emery Brothers listed four different models of hand-cranked gins. These had from 13 to 19 saws and the sale price ranged from $78 to $114. Hand-cranked gins were “capable of cleaning from 25 to 35 pounds of cleaned cotton per saw per day of ten hours.” Emery’s power gins ranged in size from 25 saws up to 69, and sold for prices from $137.50 to $379.50. The company advertised that its “Power Gin will clean from 35 to 50 pounds per saw per day of ten hours, requiring about one indicated horse power per every 20 saws.” Emery Brothers also manufactured “Horse Powers of all sizes and kinds, for different countries and adapted for driving Cotton Gins.” Although the advertisement is not specific, the “Horse Powers” were apparently small stationery steam engines. The company trumpeted the fact that it had exported its cotton gins to “China, Burmah [sic] and Africa, Native India, or Surat, Smyrna, Italy, Greece, Turkey, Egypt, Jamaica, Brazil, Hayti [sic], Hondouras [sic], Central America, Monte Video [sic], and Australia.”

Kansas gins afford insight into cotton gins’ mode of operation in remote areas. According to a clipping from an unidentified newspaper dating to August 1915 when Piazzek donated his cotton gin to the museum, he used it to clean 1,000 pounds of cotton from the 1862 crop and larger amounts in subsequent years. To sell the cotton, Piazzek hauled it 30 miles from Valley Falls to Leavenworth in a wagon. Another cotton gin, probably a Brown’s “Excelsior” model, operated in a water-powered grain

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93 *Trow’s New York City Directory, compiled by H. Wilson, Vol. LXXVIII, for the year ending May 1, 1865* (New York: John F. Trow Publisher, 1865), 270.

94 Information File: 15.48 “Piazzek” Kansas State History Museum, Topeka, Kansas.
mill housed in a large three-story stone building located on the bank of the Neosho River at the end of Kennebec Street in Burlington, Kansas. As of this writing the building is still standing, now transformed into a private home. Farmers hauled cotton to the Burlington gin from more than 30 miles away in wagons. This was the case with Mr. M. Pruett, who brought 5,000 pounds of seed cotton harvested from 10 acres in Anderson County to have it ginned in 1865. Cotton from the Burlington gin was taken to St. Louis for sale, most likely by boat down the Neosho River.

Boosted by the Illinois Central Railroad’s promotion campaign and with seed and gins available, cotton production in Illinois increased rapidly during the Civil War. The yield reached 30,000 bales in the 1865-66 marketing season. Though there was never any direct mention of what was done with the seed obtained from Illinois cotton, The Illinois Farmer declared that, “Every seed will be saved.” Given the Illinois Central Railroad’s British affiliations and the ease with which seeds from southern Illinois could have been freighted to Montreal or New York, it is likely that some of them were sent to Liverpool for distribution abroad. Further, though 12 million pounds of cotton fiber was miniscule in comparison to Britain’s needs, the 30 million pounds of cotton seed that came from it was enough to plant a million acres of cotton.

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96 Wyandotte Commercial Gazette (Kansas City, KS), Jan. 28, 1865.

97 Donnell, History of Cotton, 540.

98 Illinois Farmer 8, no. 2 (Feb., 1863): 44.
Chapter 5
The Ottoman Centre

One destination for American cotton seeds was the Ottoman Empire. When the Civil War began in America, the Ottoman Empire was at a critical phase in the era of reform and modernization known as Tanzimat (the Turkish word “tanzimat” means both “reorganization” and “regulations”) that spanned from 1839 to 1876. The aim of the Tanzimat was to strengthen the Ottoman state and reestablish the central government’s authority over the provincial peripheries. The Tanzimat reformers also sought to modernize the Ottoman state’s institutions in order to preserve the Empire’s integrity against European encroachment and European inspired separatist nationalism among its non-Turkish ethnic groups, particularly the Christian Greeks, Armenians, and Balkan Slavs. To accomplish those goals required substantial investment in modern infrastructure.

In the spring of 1861, the Ottoman Empire was in the midst of multiple crises. The Tanzimat’s initiator, Sultan Abdul Mejid, was debilitated by illness and died on June 25, 1861. He was succeeded by his half-brother, tall, robust, thirty-one year old Abdul Aziz. At the time there were widespread fears in the West that Abdul Aziz was a throwback to the old-time “strict Mussulman” Turkish rulers, what in twenty-first century terminology would be called an Islamist reactionary. In its obituary for Abdul Mejid, The Living Age, a Boston weekly news magazine associated with American missionary organizations, stated that if the fears about Abdul Aziz’s Islamist inclinations proved true, “the catastrophe so long dreaded in Constantinople is assuredly at hand.”\(^1\) This fear was rooted in two thwarted plots, one hatched in 1853

\(^1\)“The Late Sultan,” The Living Age 14, no. 898 (Aug. 17, 1861): 421-422.
and the other in 1859 among Islamic theological students, called *softas*, to overthrow Abdul Mejid and put Abdul Aziz on the throne. Abdul Aziz was not personally involved in either conspiracy.\(^2\) The fact that Abdul Aziz was a large, physically imposing man who projected a grim, intimidating persona probably contributed to fears about him, as it appears that the authors of articles about him tended to extrapolate his political character from his personality traits. Other Western observers deemed Abdul Aziz a potentially more progressive ruler than Abdul Mejid. Abdul Aziz was known to possess strong personal will, a trait that would enable him to enforce his decisions whereas his older brother was often manipulated by courtiers.\(^3\)

Sultan Abdul Aziz surprised even his admirers with the burst of progressivism, energy, and ability that marked the first year of his reign. He began by dismissing Abdul Mejid’s ministers. Most of them had been in office for many years and were reportedly corrupt. Abdul Aziz replaced them with younger men of his own choosing. This made the infamously lethargic Ottoman government remarkably responsive to his direction at the critical time in the cotton crisis.\(^4\)

Debts incurred to pay for the Crimean War were the Sultan’s major immediate concern. In 1861, the Ottoman foreign debt stood at slightly over £15 million. Annual interest on the debt amounted to slightly over £1 million. Principal payments were in

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the form of a 2 percent sinking fund, amounting to about £300,000 annually.\(^5\) The problem was serious, but not insurmountable. According to J. Lewis Farley, a British subject who in 1860-61 was Accountant-General of the British-backed Ottoman Bank in Constantinople, the Empire’s foreign debt at that date amounted to only about three years’ tax revenues.\(^6\) The foreign debt problem was compounded by the Free Trade Treaty of 1838, an agreement with Great Britain which severely limited the Ottoman government’s ability to levy tariffs on imported goods. Because of it, the Ottomans were forced to rely on high export tariffs, internal tariffs on their own manufactures, and direct taxes on agricultural producers for revenue. The cumulative result was a flood of imported European manufactured goods without offsetting exports. This caused a severe drain of specie out of the country.\(^7\) Sultan Abdul Aziz grasped the opportunity that the American Civil War gave the Ottoman Empire to seize a share of the English cotton market, correct the trade imbalance, service the debt, and raise surplus funds to pay for modern infrastructure.

Much of the groundwork for expanding Ottoman cotton production had already been laid during the fifteen years leading up to the cotton crisis. The Ottoman Empire had a historic reputation as a premier cotton-growing region. It had once been England’s largest cotton supplier. Queen Elizabeth I established diplomatic relations

\(^5\) Martin, \textit{The Statesman’s Year-Book: A Statistical, Mercantile, and Historical Account of the States and Sovereigns of the Civilised World, a Manual for Politicians and Merchants for the Year 1868}, 495.

\(^6\) J. Lewis Farley, \textit{The Resources of Turkey} (London: Longman, Green, Longman, and Roberts, 1862), 21 and 57. This first Ottoman Bank was not the same institution as the Imperial Ottoman Bank, or \textit{Banque Impériale Ottomane} chartered on Feb. 4, 1863, with French capital and management.

with the Sublime Porte, as the Ottoman government was called, in 1583 specifically so that the Levant Company could buy Turkish cotton goods.8 The Ottomans did not lose this important cotton trade until after the rise of the American monopoly. When weather and caterpillars badly damaged the American crop in 1845, the Ottomans sought to redress their imbalance of trade with Britain and the related decline in domestic prosperity by revitalizing their cotton growing industry.9 For help they turned not to Great Britain, but to the United States.

In 1846, Sultan Abdul Mejid’s Grand Vizier Reschid Pasha wrote to President James K. Polk asking that an experienced cotton planter from the American South be sent to Turkey to give instruction in American cotton growing methods. To undertake the mission, Polk chose Dr. James Bolton Davis, a wealthy, politically well-connected South Carolina physician who had retired from medical practice to pursue scientific agriculture. Davis took six African-American slaves from his plantation in Fairfield County, South Carolina, with him to Turkey.10 Described as “intelligent and experienced” cotton growers, the men were probably drivers, or slave foremen, rather than ordinary field hands.11 Davis spent three years in Turkey and while there

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9 Pamuk, The Ottoman Empire and European Capitalism, 109-127.


founded an Ottoman government agricultural school and a two thousand acre
demonstration farm especially dedicated to cotton growing at Scutari (Üsküdar) on
the Asia Minor shore of the Bosporus directly across the strait from Constantinople.
Classes of one hundred peasants at a time were put through a yearlong course of
classroom and practical field instruction in cotton growing. The students came from
all parts of the Ottoman Empire and represented all of its ethnic groups. U.S. Navy
officer and explorer William Francis Lynch visited in 1848 and implied that the
slaves that Davis brought with him would be freed and remain in Turkey. Lynch’s
remarks, a report that the Semi-Weekly Natchez Courier reprinted from the
Philadelphia Ledger in 1847, and a conversation between Davis and one of them, a
man named Abram, reported in History of the State Agricultural and Mechanical
Society of South Carolina make it seem likely that the African-Americans were the
agricultural school’s field instructors. In 1848 Sultan Abdul Mejid toured the farm
and spent the following night with Dr. Davis, his wife, and their children. This was


12 Missionary Herald (Sept. 1851): 287.


14 Semi-Weekly Natchez Courier (Natchez, MS), Nov. 12, 1847; State Agricultural and Mechanical Society of South Carolina, History of the State Agricultural and Mechanical Society of South Carolina, 223-229.
reportedly the first time that an Ottoman Sultan was ever an overnight guest in the household of a Westerner.  

The keen interest that Abdul Aziz later displayed in cotton probably dated from this time. The days when heirs to the Ottoman throne were kept imprisoned in the so-called “Golden Cage” had ended, but they were still kept out of the public eye and away from involvement in governmental affairs. Prior to becoming Sultan, Abdul Aziz spent much of his time on a large agricultural estate at Beicos, a village on the eastern shore of the Bosporus near Scutari, pursuing agriculture as an avocation. Contemporary sources that mention Abdul Aziz in connection with his agricultural interests present a very different picture of him than the one history usually presents, which portrays him as having received only “a simple Muslim education.” In fact, he studied the latest Western agricultural methods and established a model farm on his estate. Although no direct link can be established, Abdul Aziz was sixteen years of age when James Bolton Davis arrived and founded the agricultural school in close proximity to his Beicos estate, so it is reasonable to suppose that either Davis sparked the young Ottoman heir apparent’s interest in agriculture or Abdul Aziz’s pre-existing interest lay behind Sultan Abdul Mejid’s request to President Polk for an American cotton expert.

15 State Agricultural and Mechanical Society of South Carolina, *History of the State Agricultural and Mechanical Society of South Carolina*, 223-229.


Poor health forced Davis to return to the United States in 1849, but the agricultural school and its model farm continued to operate under the direction of Mr. J. Janesco, about whom nothing more than his name could be discovered. Sultan Abdul Mejid kept the school under his personal supervision and sometimes presided when formal final examinations were administered.\textsuperscript{19} Experiments with different kinds of cotton seed continued for fifteen years. Test plantings of seeds purchased in the United States were conducted over a wide geographic area, and achieved some success.\textsuperscript{20} Evidence for this comes from the Ottoman exhibit at the great world’s fair held at the Crystal Palace in Hyde Park, London, in 1851 which featured specimens of high quality cotton gown in the Empire’s southern provinces.\textsuperscript{21} A British government report written in 1862 briefly mentioned the Ottoman seed trials, and noted that an Ottoman pamphlet about growing “Orleans” cotton said that a “large portion” of those who tried the imported seed, “rid their places of every kind of seed but the pure Mexican or Gulf Hill Mexican seed.”\textsuperscript{22} This suggests the possibility that some of the cotton grown from “native” seed in the 1860s was in fact local varieties derived from American Petit Gulf or from the same Mexican foundation stock from which Petit Gulf was developed.


\textsuperscript{21} Empire Ottoman, \textit{Coup d’Œil Général sur l’Exposition Nationale à Constantinople} (General information about the National Exposition in Constantinople) (Constantinople: Extraits du Journal de Constantinople, 1863), 84.

From Great Britain’s perspective, the Ottoman Empire was ideally situated geographically, economically, and politically to become a cotton field. Because of the geostrategic position of the Sultan’s domains and the fact that they shared a common enemy, Russia, British-Ottoman relations, though at times strained, were historically friendly. British strategists saw preservation of the Ottoman Empire as essential to containing Russian expansionism into the Balkans and the Near East, and it was for that geostrategic reason that Great Britain fought the Crimean War with Russia in 1854-56. In 1861 the British-Ottoman strategic relationship had never been stronger. The impressive new High Renaissance style British Embassy in the Pera neighborhood of Constantinople housed the largest diplomatic staff of any British legation in the world, a total of thirty-seven persons. These reported to the ambassador, Sir Henry Bulwer. In addition there were fifty-one British consulates scattered in towns and cities throughout the sprawling Ottoman Empire. Great Britain’s Levantine consuls were generally a very experienced group, many of them with more than fifteen years of service at their posts. The consuls reported both to Consul-General Abraham C. Cumberbatch in Constantinople and directly to Sir Austen Henry Layard at the Foreign Office.23

The Cotton Supply Association’s 1859 experiments with American seed in the Ottoman lands were generally successful.24 Plans to establish model farms in the

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Smyrna hinterland were begun at that time.\textsuperscript{25} The beginnings of the necessary institutions for incorporating the Ottoman Empire into world commerce were already in place. The first Ottoman Bank, founded in 1856, was funded by British capital. Its first branch was located in Smyrna, the Ottoman Empire’s traditional cotton port.\textsuperscript{26} British merchants had entrée into the Ottoman cotton market because English candle makers imported a small quantity of Smyrna cotton, which they used to make candlewicks.\textsuperscript{27} A colony of English merchants had existed in Smyrna for several generations, and in May 1861 they formed a company for the purpose of buying and exporting cotton.\textsuperscript{28}

In terms of communications and travel Turkey was much closer to England than was the United States. It took about two weeks for communications to travel by fast steamer from England to New York. High priority messages could reach Constantinople instantaneously because from 1855 the Ottoman capital had telegraphic communications with England via a submarine cable beneath the English Channel to Ostend on the Belgian coast, where it connected to an overland line that ran through Germany, Austria, and the Balkans.\textsuperscript{29} Mail and passengers could travel from London to Constantinople via the Channel ferry-Calais-Paris-Marseille rail route and from Marseille to the Ottoman capital by regularly scheduled steamship in

\textsuperscript{25} Cotton Supply Reporter 1, no. 21 (July 1, 1859): 172.

\textsuperscript{26} John Karatzoglou, The Imperial Ottoman Bank in Salonika: The First 25 Years, 1864-1890 (Istanbul: Ottoman Bank Archives & Research Centre, 2003), 4.


\textsuperscript{28} Cotton Supply Reporter 1, no. 67 (June 1, 1861): 525.

\textsuperscript{29} Berridge, British Diplomacy in Turkey, 1583 to the Present, passim.
about ten days. A sailing ship could make the trip from the Dardanelles to Liverpool with bulk cargo in about six weeks. This was about the same length of time as it took a cotton boat to reach Liverpool from New Orleans.\(^\text{30}\)

Britain possessed capabilities to disseminate information in the Ottoman Empire as well. The Turkish-language weekly newspaper *Ceride-i Havadis* (Register of Events), on which the Ottoman ruling class depended for Western news, was British owned and managed.\(^\text{31}\) Editorial control of the influential Constantinople-based dual language French-English *Levant Herald* was in British hands. Two British educational institutions were located in Smyrna, Burnabat English College and the English Commercial School.\(^\text{32}\)

Substantial improvements had already been made to communications within the Ottoman Empire. These were begun at the initiative of the Ottoman government in the 1830s and financed by British and European investors. Steamboat navigation began on the lower Danube River and Black Sea in 1847, the vessels owned and operated by the Austrians. In 1851 steam ferries operated by the Ottoman state began carrying passengers and freight on the Bosporus. Five years later a London-headquartered British company headed by Sir Macdonald Stephenson began building a railroad from the port of Smyrna on the Ægean Sea to Aidin, 70 miles to the


\(^\text{32}\) Charles de Scherzer, *La Province de Smyrne, considérée au Point de vue Géographique, économique et intellectuel* (The province of Smyrna, considered from the geographic, economic, and intellectual points of view) (Vienne: Alfred Hölder, 1873), 66. Microfilm. Harvard College Library.
southeast in Anatolia. The Ottoman government guaranteed the company 6 percent annual return on £1,200,000 capital for 50 years. Difficulty raising the needed capital impeded progress, and the British engineer in charge, a Mr. Meredith, was initially able to employ only 45 laborers to lay track. All the necessary preparations had already been made before the American Civil War began, however, and in July 1859 a new contractor, T. R. Crampton, took over responsibility for building the railroad. Crampton advanced funds from his own resources and pushed ahead with construction. Over 70 miles of track had been laid by the end of 1861, and, just as importantly, a harbor station and wharf had been completed for the handling of railroad cargo to and from ships.33 Telegraph construction was British-backed as well; the line from Constantinople to Baghdad that began operating in 1861 was part of an intended overland line through Iran to India.34

The Smyrna-Aidin Railroad took a prominent role in promoting cotton growing as early as 1858, when its officials assisted in the Cotton Supply Association’s seed experiments. The railroad subsequently established a demonstration farm near Smyrna. One of the railroad company’s stated goals was to lay tracks 150 miles beyond Aidin up the fertile cotton-growing Meander River Valley. Hyde Clarke, who was to head the Association’s efforts in the Ottoman


Empire during the Civil War, was affiliated with the railroad company. In a
promotional article written for the railroad in 1860, Clarke recommended that the
Ottoman government hold an agricultural exhibition in Smyrna in 1861, with the
consuls representing Britain, France, Russia, Austria, and the United States as
commissioners. He further proposed that annual exhibitions be held in subsequent
years at towns at end-of-track on the railway. Clarke wrote that, “The exhibition will
be the means of calling the attention of the agricultural interests to that important
subject the Cotton question.”

The United States provided considerable material assistance to the British
cotton-growing effort. The United States enjoyed a relationship with the Ottoman
Empire that was in some ways as well developed as that of Great Britain, though the
American diplomatic and consular staff numbered fewer than twelve persons in
1862. Boston merchant ships began trading with Ottoman seaports in 1786. Official American relations with the Ottomans dated back sixty years, to November 9,
1800, when Captain William Bainbridge sailed the ship-sloop U.S.S. George
Washington up the Dardanelles and anchored in the Golden Horn, the famous harbor
of Constantinople. American naval tradition holds that until the George Washington
anchored beneath the windows of his palace Sultan Selim III did not know that the
United States existed, though this is almost certainly a fable. In any event, the
Ottoman ruler was impressed, and his Grand Vizier extended official recognition to

35 Clarke, The Imperial Ottoman Smyrna & Aidin Railway, its Position and Prospects, 28-31.

36 James Albert Weinberger, Department Directory and Register of Officers in the Service of
the United States (Washington: C. Bohn, 1862), 104; William Pembroke Fetridge, Harper’s Handbook

37 James A. Field, America and the Mediterranean World 1776-1882 (Princeton: Princeton
the United States by granting a *firman*, the Ottoman equivalent of a diplomatic passport, to Bainbridge.\(^{38}\) During the first decade of the nineteenth century a significant trade developed between the Ottoman Empire and the United States.\(^{39}\) The Sultan permitted the United States to establish a consulate in Smyrna in 1824, with David Offley, a merchant, as consul.\(^{40}\) American warships were frequent visitors to Ottoman ports in the 1820s. After the Ottoman fleet was sunk by the British, French, and Russians at Navarino Bay in 1827, the Ottomans sought closer relations with the United States. Commodore David Porter, a naval hero of the War of 1812, became the first United States Minister to the Ottoman Empire, arriving in Constantinople in April 1831.\(^{41}\)

A few weeks later, Henry Eckford, a New York shipbuilder, arrived and was hired to build warships for the Ottoman navy in the Constantinople naval arsenal by Sultan Mahmoud II, known as “The Reformer.”\(^{42}\) One of the men who came with Eckford, Warren Hidden, a twenty-year old New Yorker with Massachusetts roots, became an official in the Imperial Ottoman Mint. By all accounts a mechanical genius, Hidden made and installed machinery that made it possible for Ottoman coins to be standardized. He also oversaw the printing of the first Ottoman paper currency. Hidden wielded considerable behind the scenes influence with four successive


\(^{41}\) Field, *America and the Mediterranean World*, 133-152.

\(^{42}\) Hidden, *The Ottoman Dynasty*, 308-331.
Sultans and their officials for more than a half century. American missionaries, almost all of them from New England, also arrived in the 1830s and quickly gained influence through their educational activities. Boston and New York trading companies established agencies in the Ottoman Empire’s seaports. In 1861 there were American consulates in Constantinople, Smyrna, Beirut, Jerusalem, Candia (Heraklion) on the island of Crete, and Cyprus. Vice-consulates or consular agencies were located in the Dardanelles, Jaffa, Aleppo, Adana, and possibly elsewhere.

The United States’ most valuable human asset was probably John Porter Brown, the Secretary of Legation and dragoman-interpreter. In European embassies, the office of dragoman was normally filled by Greek, Armenian, or Levantine Christian subjects of the Sultan who through their employment acquired the extraterritorial immunity from Ottoman law extended to foreigners. John Porter Brown was a Turkish-speaking American, a native of Ohio and the nephew of Commodore David Porter. A dragoman functioned not merely as interpreter, but as the go-between who conducted routine business with Ottoman officials on a day-to-day basis. The dragoman conferred informally with lower ranking Ottoman officials about important matters, felt out their opinions and offered informal proposals before formal diplomatic discussions at the ministerial level took place. United States ministers to the Ottoman Empire came and went with each change of administration.

43 Ibid.

44 Weinberger, Department Directory and Register of Officers in the Service of the United States, 104; Fetridge, Harper’s Handbook for Travelers in Europe and The East, xxi.
in Washington, but John P. Brown was the constant American diplomatic presence in Constantinople from 1836 until his death in 1872.45

John P. Brown’s rapport with high Ottoman officials and his access to them was extraordinary. A few episodes in Brown’s long career illustrate his access, influence, and the trust that the Ottomans placed in him. In August 1847, Sultan Abdul Mejid heard about the Morse electric telegraph and asked Brown for a demonstration. Brown, Dr. John Lawrence Smith, a Nashville, Tennessee, geologist employed as the Sultan’s mining engineer, and Rev. Cyrus Hamlin, a missionary known for his technical ingenuity and mechanical skills, strung copper wires from the front entrance of the Sultan’s palace to the harem door. With Hamlin at one telegraph key, Smith at the other, and Brown standing by the Sultan’s side at the harem door, Abdul Mejid tested the telegraph by exchanging messages with one of his household officials.46 In 1850-51, Brown accompanied an Ottoman naval officer, Amin Bey, on an eight-month tour of the United States that included an inspection of naval facilities in New York, Boston, and Charleston, an official reception in Washington, a journey west to Cincinnati, Detroit, and Chicago, and a steamboat trip down the Mississippi River to New Orleans.47 After the Ottoman navy’s flagship Medjidieh was destroyed by an accidental gunpowder explosion in 1857, Brown convinced Abdul Mejid to seek a replacement in the United States. Though he did not succeed in buying an


47 Field, America and the Mediterranean World, 251-252.
American-built warship, Admiral Mehmet Pasha, commander of the Ottoman Navy, traveled to the United States and discussed the matter with President Buchanan. In 1859, Brown leveled charges of malfeasance at John Reeves, an American employed as Chief Constructor in the Ottoman naval arsenal. The Sultan promptly dismissed Reeves and deported him. Reeves subsequently brought counter-charges against Brown before the U.S. House of Representatives. Reeves alleged that Brown had conspired with the British to arrange his dismissal so that a British engineer could be named to his job at the Ottoman naval arsenal.

Brown was well acquainted with the Ottoman agricultural school and its cotton-growing activities, as shown by his reporting about it to *Hunts’ Merchants’ Magazine and Commercial Review* in 1852. Brown was current on political developments in the United States as well. In the spring of 1860, he came to Washington and successfully defended himself against the allegations made by John Reeves. Brown then spent the summer vacationing in Brattleboro, Vermont.

When the Civil War began, the United States was represented in Constantinople by James Williams, a Chattanooga, Tennessee, businessman, banker, and newspaper editor appointed by President Buchanan. When Tennessee seceded from the Union, Williams resigned, leaving United States representation in the hands

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of John P. Brown, acting as chargé d’affaires. 

President Lincoln first nominated James Watson Webb, a New York newspaper editor and member of the Seward faction of the Republican Party to the post. 

Though confirmed by the Senate, Webb declined the post. Lincoln then appointed Edward Joy Morris, a Whig-Republican Congressman from Pennsylvania with prior diplomatic experience in Italy. E. Joy Morris was an exceptional linguist, conversant in Italian, French, and Turkish.

Morris had made an extensive tour of the Near East and published a two-volume book about it in 1842. During that trip he became acquainted with John P. Brown. In conjunction with Brown, he developed extensive contacts and sources of information inside the Ottoman government. Morris kept in close contact with Warren Hidden and American missionaries, apparently using them as intelligence sources. It does not seem that Morris involved himself very much with the six United States consuls, however, but left them to deal directly with Secretary of State Seward.

Close personal relationships often existed between American and British consuls and between the consuls and local people. For example, James Calvert, who

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54 Morris to Seward, Nov. 11, 1862, in *Foreign Relations of the United States, United States Department of State, Message of the President of the United States, and accompanying documents, to the two houses of Congress, at the commencement of the first session of the thirty-eighth Congress* (Washington: GPO, 1863), 1175. Hereafter cited *FRUS 1863*; Alexander W. Hidden, *The Ottoman Dynasty*, 313 and 360.

55 E. Joy Morris, *Notes of a Tour through Turkey, Greece, Egypt, Arabia Petraea, to the Holy Land, including a visit to Athens, Sparta, Delphi, Cairo, Thebes, Mt. Sinai, Petra, & c.* (Philadelphia: Carey and Hart, 1842), passim.

56 Ibid, 44.

57 Morris to Warren Hidden, June 7, 1881, in Hidden, *The Ottoman Dynasty*, 312.
served as the United States vice-consul at Erenköy on the Asia Minor side of the Dardanelles from 1846 until 1862, and his younger brother Frank who served as U.S. vice-consul from 1862 until the 1880s, were the sons of an English merchant-trader who came to the region in the early nineteenth century. Their older brother, Frederick Calvert, was British consul until 1862. Another brother, Charles Calvert, was British consul at Salonika. A brother-in-law was editor of the *Levant Herald*. The Calvert brothers owned a 4,000-acre estate at Akça Köy, a village five miles up the Mendere River from Hisarlik, the site of ancient Troy, and they were already engaged in efforts to introduce Western agricultural implements and practices there before the Civil War began. The Calverts had contacts with the British textile industry through their business, which was buying and exporting vallonia, a substance extracted from a species of acorns that was used to make dye. Their acquaintances included Nassau William Senior, the British political economist who corresponded with John Murray Forbes about the cotton situation. Frank Calvert enjoyed extraordinarily intimate relations with the Turkish landowners with whom he did business. Some Turkish families that had known Frank Calvert since he was a small child treated him like an adopted son when he visited their homes.58

American abolitionists recognized the Ottoman Empire’s potential to undercut the South’s cotton monopoly and by so doing contribute to ending slavery well before

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the Civil War. William Lloyd Garrison reported James Bolton Davis’s activities in Turkey in *The Liberator* and praised the effort, saying:

> Well—the probability is, that cotton will, ere long, be cultivated in many parts of the world, that Europe will be less and less dependent upon our market for it—and then, as this demand diminishes, the value of the slave will decrease! In this event, the increase of slavery will prove a burden to the South, which it cannot bear.\(^{59}\)

E. Joy Morris did not arrive in Constantinople until October 1861. When news that Fort Sumter had been fired upon was telegraphed from London on April 26, John Porter Brown did not wait for Morris nor for instructions from Washington. He conferred immediately with officials of the Ottoman government, and was pleased to hear them express a fierce opposition to rebellion against government authority in general.\(^{60}\) Brown kept in close contact with Aali Pasha, the foreign minister, and Mehmed Kibrish Pasha, the Grand Vizier, meeting them several times between early June and mid-July 1861. They assured Brown that should Confederate emissaries appear in Constantinople, the Porte would not give them a hearing. Brown discovered that Abdul Aziz was taking energetic action to set the Ottoman Empire’s governmental and financial affairs in order. Brown’s appraisal of the new Sultan was favorable, and in his reports to Secretary of State Seward he did not reveal any misgivings about Abdul Aziz’s intentions like those expressed by *The Living Age*.\(^{61}\)

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\(^{59}\) *The Liberator* (Boston, MA), Dec. 10, 1847.

\(^{60}\) Brown to Seward, May 29, 1861, in *Foreign Relations of the United States, United States Department of State, Message of the President to the two houses of Congress, at the commencement of the second session of the thirty-seventh Congress* (Washington: GPO: 1861), 389. Hereafter cited *FRUS 1861*.

\(^{61}\) Brown to Seward, June 11, 1861 and July 17, 1861, in *FRUS 1861*, 390-391.
On August 28, 1861, Seward instructed E. Joy Morris to request an appointment with the Sultan and told him to seek ways to strengthen relations between the United States and the Ottoman Empire.\textsuperscript{62} Seward’s letter and one from Morris written two days earlier informing Seward that John P. Brown had already made moves in that direction crossed in the Atlantic mails.\textsuperscript{63} The meeting took place on October 22, 1861. The result was a new commercial treaty with the Ottoman Empire that gave very favorable tariff treatment to American manufactured goods.\textsuperscript{64} Morris met the Sultan again in June 1862, on the occasion of Abdul Aziz receiving the entire foreign diplomatic corps at a formal reception at Dolmabache Palace to commemorate the first anniversary of his coming to the throne. This European-style royal diplomatic reception was a first-of-its-kind event in the Ottoman Empire. Morris spoke with the Sultan, and reported that Abdul Aziz expressed sympathy with President Lincoln because of the rebellion.\textsuperscript{65}

Preliminary steps to increase cotton growing in the Ottoman Empire were taken before the Civil War began. As the secession crisis was developing in America, William Sandford, an agent of the Cotton Supply Association, was in Constantinople promoting cotton growing.\textsuperscript{66} As Abdul Mejid was very ill, it is likely that Sandford dealt with Abdul Aziz. Americans were also involved. In April 1861, Cyrus Hamlin,

\textsuperscript{62} Seward to Morris, Aug. 28, 1861, in \textit{FRUS 1861}, 392-393.

\textsuperscript{63} Morris to Seward, Aug. 25, 1861, in \textit{Foreign Relations of the United States, United States Department of State, Message of the President to the two houses of Congress, at the commencement of the third session of the thirty-seventh Congress} (Washington: GPO, 1862), 786. Hereafter cited \textit{FRUS 1862}.

\textsuperscript{64} Morris to Seward, Oct. 25, 1861, in \textit{FRUS 1862}, 786.

\textsuperscript{65} Morris to Seward, July 3, 1862, in \textit{FRUS 1862}, 789-790.

the missionary who had helped demonstrate the telegraph to Abdul Mejid, was in the United States engaged in a lecture tour to raise money for the founding of Robert College. In the course of those lectures, Hamlin promoted Turkish cotton to New England textile manufacturers as a replacement for that of the South.

Publicity was a key element of the campaign to promote cotton growing in the Ottoman Empire. In addition to the British owned Ceride-i Havadis, the Ottoman government had at its disposal the official Journal de Constantinople. Its French editor, M. Baragnon, was “a constant advocate of cotton.” An Ottoman delegation headed by Nazim Bey took about thirty samples of cotton grown in six Ottoman provinces to the international exposition held in Kensington Gardens in London in 1862. Nazim Bey then convinced the Sultan that the Ottoman Empire should hold its own National Exhibition. To house it, a temporary building with about two acres of floor space was erected in the Hippodrome in Constantinople. Several of the square’s famous historic monuments were enclosed within the exhibit hall and incorporated into the exhibition’s industrial theme. The Serpentine Column, a 25-feet high masterpiece of fifth century B.C. bronze working skill served as the foreground to a display of railroad locomotives. The Ottoman Embassy in London announced the National Exhibition to the world and invited exhibitors to participate on December 16, 1862. Sultan Abdul Aziz personally opened the Exhibition on February 20, 1863.

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67 Cyrus Hamlin, My Life and Times (Boston: Congregational Sunday-School and Publishing Society, 1893), 425.
68 Bangor Daily Whig & Courier (Bangor, ME), April 17, 1861.
69 Cotton Supply Reporter 1, no. 103 (Dec. 1, 1862): 1102.
70 Empire Ottoman, Coup d’Œil Général sur l’Exposition Nationale à Constantinople, 84; Times (London), March 18, 1863.
It ran for three months. The National Exhibition’s dual purpose was to showcase Ottoman industrial artistry and agricultural produce and to provide European and American manufacturers of agricultural implements, industrial machines, and railroad equipment a venue in which to display their wares. A working display of American-made cotton gins was one of the exhibition’s most popular attractions.

Sultan Abdul Aziz cast himself in the role of principal booster of Ottoman cotton at home and abroad. When local officials obstructed the effort or proved incompetent to carry it out, Abdul Aziz intervened decisively. In April 1863 he visited Smyrna and gave an address to the Imperial Cotton Commission. In the course of that visit to Smyrna, the Sultan summarily dismissed the province’s governor-general, Mehmet Reshid Pasha, for displaying “insufficient vigour in the promotion of cotton growing.” In the summer of 1867 Abdul Aziz became the first Ottoman Sultan to visit Western Europe, traveling to London to discuss infrastructure development and cotton with officials of the British government. On Monday afternoon, July 15, 1867, Abdul Aziz met with a high-ranking delegation from the Cotton Supply Association at Buckingham Palace.

American consuls took an early and active role in encouraging the cotton growing initiative, and transmitted a stream of intelligence about its progress to Secretary of State Seward. The most proactive of the American consuls was Julius

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71 Times (London), Dec. 16, 1862 and March 18, 1863. No trace of the exhibition hall remains except possibly for the ornamental wrought iron guardrail around the Serpentine Column.

72 Cotton Supply Reporter 1, no. 112 (May 1, 1863): 1241.

73 Cotton Supply Reporter 1, no. 112 (May 1, 1863): 1241-1257.

74 Cotton Supply Reporter 1, no. 162 (July 1, 1867): 2057; Cotton Supply Reporter 1, no. 163 (Aug. 1, 1867): 2075-2077.
Bing, at Smyrna. Little is known about Bing prior to the Battle of Bull Run on July 21, 1861, except that he was a German immigrant and a freelance journalist. On that day Bing accompanied Connecticut Senator Lafayette S. Foster and New York Congressman Alfred Ely on an excursion to Manassas to witness the battle. They became separated in the rout of the Union forces and Bing was taken prisoner by the Confederates. Bing convinced Confederate authorities in Richmond that he was a British subject, a claim that was supported by the British consul. Bing was released and returned to Washington on August 1, 1861, and received something of a hero’s welcome. He brought with him dispatches from the British consul in Richmond to Lord Lyons, the British minister in Washington. Newspaper stories hint that he may have also brought valuable intelligence about the strength and disposition of Confederate forces.\(^75\)

Julius Bing may or may not have been a British subject. He was a United States citizen. President Lincoln appointed him to be consul at Smyrna on September 30, 1861, and the law required that all United States consuls be American citizens.\(^76\) The Senate promptly confirmed Bing, and he departed for Smyrna on December 3, 1861. Prior to departure, Bing met with Secretary of State Seward and received instructions, evidently verbal.\(^77\) The State Department provided Bing with ample


\(^76\) The United States Consular System: A Manual for Consuls, and Also for Merchants, Shipowners and Masters in their consular transactions; comprising the Instructions of the Department of State in Regard to Consular Emoluments, Duties, Privileges, and Liabilities (Washington: Taylor and Maury, 1856), 14. Foreigners could be employed as vice-consuls and consular agents on a fee-for-service basis.

\(^77\) Daily Dispatch (Richmond, VA), Nov. 18, 1861; Boston Daily Advertiser (Boston, MA), Dec. 3, 1861; Moses Safford, Lawrence J. Bopp, and Stephen R. Bockmiller, Showing the Flag: The
funds. In addition to his annual salary of $2,000, he could submit expenses for reimbursement from a $2,500 contingency fund appropriated by Congress specifically for consulates in the Ottoman Empire. Interessingly, Bing made the journey to Turkey as a passenger in the Andrew Carey, a sailing ship owned by a Boston shipping company that made the trip direct from Boston to Smyrna, not by the faster steamer-rail-steamer route via Liverpool, Paris, and Marseille. Later, he frequently called on Boston merchant ship captains and trading companies for assistance.

Within days of his arrival in Smyrna, Bing suggested to Seward that Boston manufacturers buy Turkish cotton from the 1861 crop as a way of encouraging increased planting in the coming spring. On January 24, 1862, Bing informed Seward that, “The actual price of Turkish cotton delivered in Boston or New York would be from 15 to 17 cents per pound.” Bing ended his letter to Seward with a brief explanation of the marketing system for Turkish cotton and noted that he was sending two samples to Washington. Bing’s suggestion was promptly acted upon, and in mid-summer 1862 he informed Seward that:

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78 The Statutes at Large, Treaties, and Proclamations, of the United States of America. From December 5, 1839 to March 3, 1863, vol. 12, 335; The National Almanac and Annual Record for the year 1863 (Philadelphia: George W. Childs, 1863), 79; The United States Consular System: A Manual for Consuls, and Also for Merchants, Shipowners and Masters in their consular transactions; comprising the Instructions of the Department of State in Regard to Consular Emoluments, Duties, Privileges, and Liabilities, 50.

79 Boston Daily Advertiser (Boston, MA), Dec. 6, 1860 and Dec. 3, 1861.

80 Bing to Seward, Jan. 24, 1862, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862, 572.
[T]he first shipment of Turkish cotton ever made from Asia Minor to the United States had been made [in February 1862]. … This shipment having proved highly advantageous, an impulse has been given to the cultivation of cotton which will lead to an increased production and bring up the year’s crop to about 40,000 to 50,000 bales. … I would suggest that a committee of merchants be formed in the United States with a view of assisting to a moderate extent the cotton-growers in Asia Minor with capital and laborers for the production of American cotton. … With assistance such as I venture to suggest, Asia Minor might speedily be enabled to contribute powerfully towards a relief of the cotton famine.81

American trading firms bought cotton in small lots on the Smyrna market throughout 1862. Bing reported that at as of December 1, 1862, the value of American cotton purchases amounted to $200,000.82 If Bing’s price of 15 to 17 cents per pound delivered to Boston held, American firms could have bought close to 2 million pounds of Turkish cotton, the equivalent of about 5,000 American-size bales. This was about a tenth of the total crop, which Bing later estimated as being about 24 million pounds.83 The actual weight of cotton bought by Americans was probably less than 2 million pounds, however, because the price of cotton more than doubled between January 1 and December 31, 1862.84 Whatever the American purchase might have actually been, high prices had the desired effect. Farmers in the Smyrna area were encouraged to increase their cotton acreage. The quantity of cotton exported

81 Bing to Seward, July 19, 1862, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862, 573-574.

82 Bing to Seward, Dec. 1, 1862, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862, 579.

83 Bing to Seward, Dec. 1, 1862, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862, 580.

84 Donnell, History of Cotton, 518-519.
from Smyrna in 1862 was reportedly 40,000 bales greater than in 1861. The pressing need was American cotton seed. Bing told Seward:

American seed is preferred to all others, and we could not take more efficacious means for the promotion of the growth of cotton than by furnishing supplies of the same to the planters in Asia Minor, and I trust that measures to that effect will be taken by our government.

Bing reminded Seward that in 1858 the Cotton Supply Association had furnished New Orleans seed to farmers on the island of Rhodes, and that the experiment had been successful. Rhodes is very similar in soil and climate to southern Anatolia, and success of the cotton growing experiment there implied that American cotton would grow well in the Smyrna region. In the spring of 1862, the Cotton Supply Association distributed a quantity of Egyptian cotton seed free to farmers at Smyrna. Bing secured samples of the Egyptian and native Turkish seeds and sent them to the U. S. Patent Office in care of the captain of a merchant ship owned by the Boston trading firm I. Amory. The Association also reportedly distributed 47,040 pounds of American seeds, though Bing made no mention of these in his letter to Seward. Julius Bing repeatedly urged that a “Turkish Cotton Committee” composed

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85 Farley, The Resources of Turkey, 58.

86 Bing to Seward, December 1, 1862, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862, 580.

87 Bing to Seward, Jan. 1, 1862, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862, 572.

88 Bing to Seward, April 1, 1862, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862, 572.

89 Orhan Kurmuş, “The Cotton Famine and its effects on the Ottoman Empire” in Huri İslamoğlu- Inan, ed., The Ottoman Empire and the World Economy, 164.
of American merchants be formed to assist in developing cotton growing in the Ottoman Empire.\textsuperscript{90}

Safvet Pasha, the 46-year old Minister of Commerce and Public Works, was the Ottoman official directly responsible for overseeing Sultan Abdul Aziz’s cotton growing initiative. Safvet, who some sources identify as “Safvet Musa Pasha” and who signed his name simply as “Safvet” or “E. Safvet Effendi” began his career at an early age working in the Translation Office, an Ottoman government institution that translated Western technical literature into Turkish. He became First Dragoman of the Divan, a position roughly equivalent to First Secretary in the Executive Office of the Sultan during the reign of Abdul Mejid. Safvet was an enthusiastic reformer and modernizer and served in a series of successively higher offices throughout the \textit{Tanzimat} period.\textsuperscript{91}

Safvet chartered an Imperial Cotton Commission on August 28, 1862. Colonel Reshad Bey, an Ottoman army officer serving as imperial commissioner of the Smyrna and Aidin Railway, was named its president pro tem. Reshad Bey was a landowner, and had at some time in the past experimented with planting American cotton seeds. His presidency of the Imperial Cotton Commission appears to have been honorary. Mr. Hyde Clarke of the Cotton Supply Association was named the Commission’s vice-president, and he managed its operations. The Commission’s members were two officials in the Smyrna government, Neshet Effendi and Diran Effendi, four British merchants, and the French manager of the Ottoman Bank’s

\textsuperscript{90} Bing to Seward, April 1, 1862 and July 19, 1862, in \textit{Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862}, 572-573

\textsuperscript{91} Thompson Cooper, ed., \textit{Men of the Time: A Dictionary of Contemporaries} (London: George Routledge and Sons, 1879), 870; \textit{Cotton Supply Reporter} 1, no. 111 (April 1, 1863): 1227.
Smyrna branch, Frederick La Fontaine. The Commission met every Tuesday at the English Club in Smyrna. As the Ottoman partner to the Cotton Supply Association, the Imperial Cotton Commission concerned itself with every aspect of cotton production, including securing and distributing seeds, gins and other equipment, publicity, transportation, land tenure, tax reform, and finance. One of the Commission’s first acts was to print and distribute pamphlets in Turkish, Greek, and Armenian urging farmers to plant cotton and instructing them in its cultivation.  

It is unclear whether or not Julius Bing attended meetings of the Imperial Cotton Commission. Hyde Clarke certainly kept him informed of its activities. Bing in turn sent frequent updates to Seward. These included copies of communications with Clarke and the full text of Ottoman proclamations as well as Bing’s own observations. News of events in Smyrna and text of the Ottoman proclamations were subsequently published in the official Washington *Daily National Intelligencer*. Hyde Clarke solicited American support, telling Bing that “American manufacturers can best supply our requirements” for cotton gins and other agricultural implements.  

Meantime, the Ottoman government was moving with remarkable speed and energy to obtain the needed American cotton seeds. On September 27, 1862, Safvet

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92 Clarke to Bing, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862*, 574-578.

93 Bing to Seward, Sept. 22, 1862 and Sept. 30, 1862, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862*, 574.

94 *Cotton Supply Reporter* 1, no. 111 (April 1, 1863): 1227.

95 Clarke to Bing, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862*, 574-578.
wrote to Musurus Bey, the Ottoman Ambassador to Great Britain, informing him that Sultan Abdul Aziz “was desirous of encouraging the culture of cotton in his Empire, and of restoring to it the importance it had in former times.” In the letter, Safvet detailed Abdul Aziz’s thoroughgoing plan to bring that wish to fruition. The plan included an overhaul of the Ottoman Empire’s tax system that entailed putting an end to the tithe, or tax-in-kind, that farmers paid and replacing it with a fixed land tax. Under the old system Ottoman lands were owned by the State and were farmed on a system that resembled post-Civil War American sharecropping. Tax and land rent were combined into a tax-in-kind, called the tithe. Different fields within the same local district were often taxed at different rates. This meant that the tax collector had to look at the field, estimate the yield, and determine the amount of produce to be paid in tax before the farmer could harvest his crop lest the farmer claim that produce grown on a high-taxed field came from one that was taxed at a lower proportion of the crop. This could not be done with cotton because of its growing characteristics and long harvesting season. Safvet admitted that this reform could not be immediately put into effect in all provinces, because in some of them tax farmers paid the government a fixed sum for the right to collect taxes from the peasants, but “it will be put in practice, commencing with the present year, in the province of Adana, as well as in part of that of Aidin; and, until it can be extended to the other parts of the Empire, a strict watchfulness will be exercised to diminish as much as possible the

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96 Safvet to Musurus Bey, Sept. 27, 1862, in Foreign Office, Cotton Supply from the Ottoman Empire, 11.

97 Foreign Office, Cotton Supply from the Ottoman Empire, 36-37.
pernicious action of the tithe system.” Adana and Aidin, inland from Smyrna and soon to be connected to it by the new Smyrna-Aidin Railroad, were the two most important cotton provinces in Anatolia. The official letter was accompanied by an explanatory note in which Safvet informed Ambassador Musurus:

In order that the cotton produced may be conveyed with facility to the seaports, the roads in districts where cotton is grown shall, where necessary, be repaired, and put into a good state, according to the regulation already promulgated for that purpose. The implements and machinery imported from Europe, which are requisite for cultivating cotton, for cleaning it, and for separating the seed, etc., shall be exempt from all customs duties. The State shall, at its own cost, procure from America and other countries, to serve as specimens, a suitable quantity of implements and machines, as well as cotton seeds of the best and choicest qualities, and cultivators will be enabled to try experiments with them. Instructions and treatises will be issued as to the most profitable methods of cultivating cotton and of augmenting its production, and these will be distributed in districts where cotton is grown.

Musurus Bey was given an initial appropriation of £4,000 to purchase seeds and implements. Musurus began making inquiries about obtaining American cotton seeds six weeks before Safvet provided the funds to buy them. In response to a request for 12 tons of American cotton seed from the governor-general of Adrianople, Musurus wrote to the Cotton Supply Association in October to place the order. He instructed that the cotton seeds be sent to Pierre Mussabini, the Ottoman consul in Liverpool, who would arrange shipment to Constantinople or Gallipoli. Musurus

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98 Foreign Office, *Cotton Supply from the Ottoman Empire*, 12.

99 Foreign Office, *Cotton Supply from the Ottoman Empire*, 16.


closed the letter with detailed invoicing instructions, and added casually at the end, “I will remit you a check for the amount.”

The Manchester postman must have delivered numerous similar letters from Musurus Bey to the Cotton Supply Association’s offices during the fall and winter of 1862-63. According to Turkish historian Orhan Kurmuş, who cited Ceride-i Havadis and British Foreign Office correspondence between Sir Henry Bulwer and British consuls as the sources of his very exact figures, the Cotton Supply Association furnished 295 tons of American cotton seed to the Ottoman government for free distribution in Anatolia for planting in the spring of 1863. Out of that total, Smyrna received 311,715 pounds, along with another 684,485 pounds of Egyptian seed. Musurus Bey ordered another 800,000 pounds of American seed from the Association for Âkif Pasha, the governor of Salonika, for planting in Macedonia.

Kurmuş reports that in Anatolia 480,000 acres were planted in cotton in 1863, most of it in the region served by the port of Smyrna. Most was grown along the tracks of the Smyrna-Aidin Railway. About 29,000 acres were planted in western Anatolia, most of it on the shores of the Bosporus. Another 310,000 acres were planted in a 200-mile long arc round the Gulf of Iskenderun that extended from Adana northeast to Maraş about 60 miles inland, and from there southeast 100 miles to Aleppo in northwestern Syria. In 1864 the acreage increased to 1,145,000 acres in the Smyrna hinterland, 53,750 near the Bosporus and Dardanelles, and 745,000 in the Adana-Maraş-Aleppo arc. Kurmuş states that most of this acreage was planted using

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102 Cotton Supply Reporter 1, no. 102 (Nov. 15, 1862): 1075.

103 Orhan Kurmuş, “The Cotton Famine and its effects on the Ottoman Empire” in Huri İslamoğlu, ed., The Ottoman Empire and the World Economy, 164-166.
native Turkish seeds.\textsuperscript{104} This is supported by the fact that the 4,421,000 pounds of American and Egyptian seeds distributed for planting in 1864 would be sufficient to plant only about 75,000 acres at the seeding rate of 50 to 60 pounds per acre reported by the British consul in Smyrna.\textsuperscript{105}

A question arises as to whether or not these acreage figures are accurate. E. J. Donnell reported that the “Turkish dominions” exclusive of Egypt produced 824,240 pounds of cotton in 1862.\textsuperscript{106} This figure cannot be correct. It might, however, come close to the $200,000 worth of cotton that Julius Bing reported being bought in Smyrna by Americans. In reply to a Foreign Office circular questionnaire sent to all British consuls in the Ottoman Empire by Sir Austen Henry Layard in 1864, the British consul at Smyrna reported that in the port’s immediate vicinity there were 29,000 acres in 1863 and 53,750 acres in 1864. According to this report, 30,000 pounds of imported seed were distributed in 1863 and 29,400 pounds in 1864. Yield of clean cotton was 18 million pounds in 1863 and over 30 million pounds in 1864.\textsuperscript{107}

Acting Consul De Heidenstam’s reply to Layard for the Adana-Maraş-Aleppo arc matches Kurmuş’s acreage figure exactly: 310,000 acres in 1863 and 745,000 acres in 1864. Imported seed amounted to 57,000 pounds of Egyptian and 1,300 pounds of American in 1863. De Heidenstam reported that seeds were used at the rate

\textsuperscript{104} Ibid.

\textsuperscript{105} Consul Cumberbatch, Answers to Queries, in \textit{Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty}, 1865 (London: Her Majesty’s Stationery Office, 1865), 17.

\textsuperscript{106} Donnell, \textit{History of Cotton}, 513.

\textsuperscript{107} Consul Cumberbatch, Answers to Queries, in \textit{Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty}, 1865, 17-19.
of 40 to 45 pounds per acre. Native seed was used on the great portion of the acreage planted. De Heidenstam estimated the yield for both years at around 21½ million pounds per annum.⁰⁸ This would indicate a yield of about 69 pounds per acre in 1863. The yield per acre for 1864 would only be about 29 pounds, which at first seems far too low. However, 1864 was a year of locusts, and the voracious insects did severe damage to crops all over the Near East.⁰⁹ In the Mersine-Tarsus-Adana area a worm or caterpillar “never seen in this province before” did severe damage to the crop as well.¹¹⁰

Income from cotton soared. Expectations soared even higher. In July 1864, The Cotton Supply Reporter copied a story from the Smyrna Mail that predicted that the Ottoman Empire’s 1864 crop, exclusive of Egypt, would be at least 500,000 bales and said that, “should the present high prices continue, it will give the startling result that Turkey will receive nearly one quarter of the value of the American crop of cotton sent to England four years ago.”¹¹¹ This represented an expected annual income from cotton of more than £6 million. A month later The Cotton Supply Reporter said in an editorial, “The stagnation of Turkey has given place to a marvelous degree of activity, and cheering signs of improvement and progress are

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⁰⁸ Acting Consul De Heidenstam, Answers to Queries, in Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty, 1865, 19-20.

⁰⁹ J. de Picciotta to Seward, , 1864, in Commercial Relations of the United States, for the year ended September 30, 1864, 657; Cotton Supply Reporter 1, no. 127 (Aug. 1, 1865): 1694.

¹¹⁰ Extract from the commercial report for 1864 of the United States Consular Agent for Mersine, Tarsus, and Adana, in Commercial Relations of the United States, for the year ended September 30, 1865, 470.

¹¹¹ Cotton Supply Reporter 1, no. 126 (July 1, 1864): 1482.
Tax revenues, which were slightly less than the Ottoman government’s expenditures in the four previous years, exceeded expenditures by 11 percent in 1862-63 and remained ahead of expenditures through 1864-65 despite an increase in spending of about 6 percent each year.\footnote{Cotton Supply Reporter 1, no. 127 (Aug. 1, 1864): 1489.}

The Cotton Supply Reporter’s optimistic prediction about the quantity of cotton proved accurate. Charles de Scherzer, the Austrian consul at Smyrna reported that in 1866 the Smyrna-Adana-Aleppo arc produced approximately 536,470 “quintaux” of cotton. If one assumes that de Scherzer was using the standard metric measure of 100 kilograms per quintal, this amounts to 118,270,176 pounds of cotton, or the equivalent of about 295,000 American-size (400 lbs.) bales. Nine-tenths of this quantity came from Smyrna and Adana.\footnote{Scherzer, La Province de Smyrne, 105.} This corresponds to an estimate of 500,000 bales for the entire Ottoman Empire exclusive of Egypt made by U.S. Consul-General J. H. Goodenow.\footnote{J. H. Goodenow, Annual Report on Foreign Commerce, Nov. 30, 1866, in Commercial Relations of the United States, for the year ended September 30, 1866, 410.}

In expectation that the cotton boom and the revenue that it generated would continue, the Ottoman government borrowed an additional £25.6 million at 6 percent interest from British and French banks during the years 1862-1866. Most of the money was used to redeem bonds and various kinds of paper currency and scrip held by domestic creditors. If imports of such things as telegraph wire, rails, and

\footnote{Martin, The Statesman’s Year-Book: A Statistical, Mercantile, and Historical Account of the States and Sovereigns of the Civilised World, a Manual for Politicians and Merchants for the Year 1868, 493-495.}
machinery is any gauge, much of the remainder was spent on internal improvements.  

The cotton boom brought profound changes to an area where the technology and agricultural methods had changed little from what they were at the dawn of recorded history. In early spring the soil was tilled with simple wooden “hoe” ploughs drawn by oxen. These cut a shallow furrow in the soil but did not turn it over as moldboard ploughs do. Brush was dragged over the field to pulverize clods and to cover the seed after sowing. All cultivation was done with hand hoes. Seeding practices and rates appear to have varied greatly by locality. Some British consuls reported that farmers used as little as 40 pounds per acre, while others said that farmers spread the seed broadcast at 140 pounds per acre. These cultivation methods, though primitive, were generally similar to those employed on slave-worked cotton plantations in the American South. Growing cotton thus did not require Near Eastern farmers to make any great alteration in their tillage practices.  

A native cotton gin technology already existed. The nature of these machines is difficult to determine from the descriptions and reports of them. It is likely that several different types were in use in different regions. Some appear to have been more advanced and effective than others. In Thessaly, farmers used locally made copies of a small hand-cranked American gin provided by the Agricultural School in


117 Consul Callander, Answers to Queries, in *Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty*, 1865, 12-13.
The British consul in Baghdad described the native cotton-cleaning machine used there as “simply a bow” that allowed one worker to clean 30 pounds of cotton per day. The consul in Smyrna informed Austen Henry Layard that, “In most districts the women are employed for ginning with the old description of wooden machines.” To Layard, with his many years of personal experience as an archaeologist in the Near East, this was probably a sufficient explanation. Unfortunately, it does not tell the modern reader very much about the gin technology in use. Whatever their design, the native instruments were not adequate to process the greatly increased quantity of cotton grown after 1862.

American farm implement manufacturers and Boston merchants partnered to supply the needed cotton gins. An American merchant in Smyrna received a shipment of American-made cotton gins in the winter of 1862-63. American cotton gins and ploughs were placed on exhibit at train stations along the Smyrna-Aidin railroad. These drew much interest from local farmers. Those who saw the American ploughs favored them over English ones because the inexpensive American implements were “light, strong, well made, and easily repaired by our country

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119 Consul-General Kemball, Answers to Queries, in Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty, 1865, 3.

120 Consul Cumberbatch, Answers to Queries, in Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty, 1865, 17.


Smiths."\(^{123}\) Hyde Clarke urged that American manufacturers send iron ploughs in large numbers. Clarke suggested that someone train a Turk in the use of an American plough hitched to oxen and send him into the interior to demonstrate the implement to local peasants.\(^{124}\) John Zohrab, a Smyrna resident, suggested that the Cotton Supply Association recruit Southern Unionists and "some of the coloured men from the United States, who are accustomed to cotton" to come to Turkey.\(^{125}\) In the spring of 1863 English merchants established a large depôt at Smyrna where English and American cotton gins, both hand-cranked and steam powered models, and other farm implements were for sale at discount prices. By harvest time of 1864, four gin facilities powered by steam engines were in operation in Smyrna.\(^{126}\) More than seven hundred cotton gins were imported and put into operation in the Smyrna area before the end of the 1860s.\(^{127}\) It cannot be determined how many of them were American made, but it should be noted that during the year ended September 30, 1865, 230 American-made cotton gins valued at $21,510, or an average $93.52 each, cleared through Ottoman customs at Constantinople.\(^{128}\) Another 240 American gins valued at

\(^{123}\) Hyde Clarke to Julius Bing, Feb. 13, 1863, in Commercial Relations of the United States, for the year ended September 30, 1863, 500.

\(^{124}\) Hyde Clarke to Julius Bing, Feb. 13, 1863, in Commercial Relations of the United States, for the year ended September 30, 1863, 499-500.

\(^{125}\) Cotton Supply Reporter 1, no. 115 (August 1, 1863): 1285.

\(^{126}\) Cotton Supply Reporter 1, no. 114 (July 1, 1863): 1273; Extract from the Commercial Report of the Belgian Consul General, Smyrna, November 30, 1864, in Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty, 1865, 18-19.

\(^{127}\) Scherzer, La Province de Smyrne, 104.

\(^{128}\) Consul General C. W. Goddard to Seward, Sept. 30, 1865, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1865, 462.
$27,972.75, or an average $116.55 each, were imported during the year ended September 30, 1867.\textsuperscript{129}

The low cost of the American cotton gins leads one to surmise that American manufacturers were targeting their sales to small producers. It was widely reported that peasants and local leaders accepted small hand-cranked cotton gins that they could use on the farm, but they resisted the construction of large, steam-powered commercial ginning facilities.\textsuperscript{130} None of the consuls, British or American, who mentioned the widespread opposition to steam-operated cotton ginning facilities gave a reason for it beyond the power of tradition and the supposed stultifying effects of Islam upon the “lower Mussulman” elements in the population. A more reasoned explanation might be that while a hand-cranked gin could be integrated into the household-based peasant economy and greatly increase its productivity with little affect on the existing social structure, large commercial facilities employing wage labor required drastic social changes. It appears that the further one was from Constantinople, the stronger the tendency to reject steam-operated ginning facilities became. At locations along the Dardanelles and Bosporus, close to the capital, several steam-powered gins and hydraulic cotton presses were in operation or under construction by the end of 1864, and the consular reports do not mention opposition

\textsuperscript{129} Consul General J. H. Goodenow to Seward, Dec. 20, 1867, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1867, 601.

\textsuperscript{130} Consul Cumberbatch, Answers to Queries, in Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty, 1865, 17.
Opposition also seems to have lessened rapidly in areas where the Ottoman central government’s control was strongest and communication with the West was the most highly developed. Charles de Scherzer wrote that by the end of the 1860s there were thirty-four steam-powered ginning facilities in operation at towns along the Smyrna-Aidin Railroad.

The most rapid and revolutionary change was in transportation. Since ancient times, primitive solid-wheeled oxcarts and pack animals, mainly camels, had been the principal mode of transporting freight on land in Asia Minor. Cost and lack of pack animals meant that bulky agricultural products could not be exported from inland areas. During the cotton boom, European investors poured capital into overseas railroad development projects. By the end of the Civil War the Smyrna-Aidin Railroad had 379 miles of track and operated 8 English locomotives, 178 freight cars, 16 cars for livestock, and 43 passenger coaches. In 1866 it hauled 66,029 metric tons of freight, the equivalent of 290,000 camel-loads. In addition to freight, the railroad carried an incredible 209,080 passengers. These statistics are startling when one considers that Smyrna province had only 155,000 people. Nor was the Smyrna-Aidin line the only Anatolian railroad. In 1863 Sultan Abdul Aziz granted another British company a concession to build a railroad from Smyrna to Kasaba (Turgutlu), a

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131 Consul Callander, Answers to Queries, in *Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty*, 1865, 12.

132 Scherzer, *La Province de Smyrne*, 104.


134 Scherzer, *La Province de Smyrne*, 74-75.
town about 30 miles to the east. This railroad, which was completed in 1866, followed a roundabout route about 60 miles in length through the rich cotton growing areas in the Gediz River Valley. According to historian Peter Mentzel, both Smyrna railroads “turned out to be reliably, though only moderately, profitable” in the long run.\textsuperscript{135} In 1866, they seemed fabulously profitable and misled Sultan Abdul Aziz and European investors alike to think that income from freight on cotton would be sufficient to pay for a comprehensive Ottoman railroad system.

Several facts emerge about the parameters of the cotton boom in the Ottoman Empire’s Anatolian heartland. First, it was from start to finish a state-sponsored project undertaken by the Ottoman government with foreign encouragement and assistance. It is also apparent that local farmers did not abandon their traditional crops in favor of cotton monoculture, as British cotton interests would have liked. They increased the ratio of cotton to other crops in the mix that they were growing while the price was high and reduced it when the price fell. Though no accurate statistics are available, Charles de Scherzer provides a glimpse into this with his annual recaps of the tonnage and kinds of freight hauled by the Smyrna-Aidin Railroad. Of the 66,029 metric tonnes hauled in 1866, one-third was cereal grains. Cotton and cotton seeds were 10,055 tonnes, or a little over one-sixth of the total. In subsequent years the cotton tonnage declined as the price of cotton fell but cotton continued to be a substantial part of the crop mix. The proportional tonnage of grain and agricultural products other than cotton remained fairly constant.\textsuperscript{136} As the demand for cotton was

\textsuperscript{135} Mentzel, \textit{Transportation Technology and Imperialism in the Ottoman Empire}, 27.

\textsuperscript{136} Scherzer, \textit{La Province de Smyrne}, 74-76.
falling, that for opium was rising.\textsuperscript{137} Opium surpassed cotton as Smyrna’s most valuable export in 1870, when a mere 800,000 pounds of opium brought in $2,800,000 vs. $2,750,000 for 17,500,000 pounds of cotton.\textsuperscript{138}

King Cotton’s reign as Sultan Pamuk was brief and the wealth that he promised illusory.\textsuperscript{139} With the end of the American Civil War, Anatolian cotton production collapsed as rapidly as it had risen. Anatolia produced about 200,000 bales of cotton in 1869, most of it on lands adjacent to the Smyrna-Aidin and Smyrna-Kasaba Railroads.\textsuperscript{140} In 1873 the total declined to 50,000 bales weighing 330 pounds each. The price paid that year was slightly over 13 cents per pound.\textsuperscript{141} The next year, cotton acreage was reduced by half. Only 700 bales of cotton were exported in 1874. The total return from it amounted to $11,000. If the bales weighed 330 pounds each, the price that Anatolian farmers received for their cotton that year was a mere 4 ¾ cents per pound.\textsuperscript{142} Farmers continued to grow small amounts of cotton for home consumption, but exports did not again reach 100,000 bales until 1908.\textsuperscript{143}

\begin{footnotesize}
\begin{enumerate}
\item\textsuperscript{137} E. J. Smithers to Hamilton Fish, Feb. 10, 1872, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1872, 833.
\item\textsuperscript{138} Statement showing the description, quantity, and approximate value of the principal products of the Smyrna district during the year 1870, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1871, 1113.
\item\textsuperscript{139} Pamuk is the Turkish word for cotton.
\item\textsuperscript{140} D. Stamatiades to Hamilton Fish, Nov. 25, 1874, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1874, 1104.
\item\textsuperscript{141} J. H. Goodenow to Hamilton Fish, Dec. 10, 1873, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1873, 1054.
\item\textsuperscript{142} D. Stamatiades to Hamilton Fish, Nov. 25, 1874, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1874, 1109.
\item\textsuperscript{143} John A. Todd, The World’s Cotton Crops, 85.
\end{enumerate}
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Chapter 6  
The Ottoman Peripheries

Looking at the Euphrates River Valley in northern Syria in 1858, traveler and guidebook author John Murray exclaimed, “What a noble cotton-field would this valley make!”\(^1\) The Cotton Supply Association agreed. In the words of Isaac Watts, the Association entertained hopes that, “the whole northern half of Mesopotamia, and the great plains which stretch eastwards from the Tigris to the base of the Kurdish mountains, might be turned into one vast cotton field, extensive enough to place Manchester once and for ever in complete independence.”\(^2\) Experiments with American cotton seed in Syria had “proved that this country is as well adapted for the growth of cotton as the United States.”\(^3\) Further, cotton was not a new, unfamiliar crop. Farmers in Syria and Mesopotamia had been growing it since ancient times. Sir Austen Henry Layard, who was responsible for Ottoman affairs in the Foreign Office during the American Civil War, undertook two archaeological expeditions in Mesopotamia in the mid-1840s and wrote glowingly of the area around Mosul, where he said, “Winding streams irrigate fields of cotton, tobacco, and rice, and turn numerous corn mills.”\(^4\)

All that appeared to be needed to transform Mesopotamia into England’s cotton field was American seed, improved cultivation methods, organization, and


\(^3\) *Cotton Supply Reporter* 1, no. 2 (Sept. 1, 1858): 12-13.

transportation to get the cotton to market.\textsuperscript{5} Cotton promoters looked to the transformation of Syria and Mesopotamia into a cotton field with religious zeal. In January 1861, William Sandford wrote:

Cotton cultivation, which flourished in the East till superseded by Western enterprise, is capable of being resuscitated. The white wool of Damascus, which contributed to the wealth of Tyre in the time of Ezekiel, still grows in the fertile plains of Syria, and is susceptible of extension and adaptation to the wants of European manufacturers. A good road from Damascus to Beyrout [sic] is progressing rapidly under the direction of French Engineers; and were men of an energetic stamp, such as the old cotton planters of the Southern States of America, to seek cotton in Syria, this road might facilitate export of a considerable quantity before this year is terminated. Men of the right sort are wanted, with command of capital, and with sufficient energy and intelligence to superintend the labour of the native population, and also direct the application of those processes, and of those implements and machines, by adoption of which in America Eastern industry has been beaten in the race of competition, and in many respects annihilated. The social and industrial conditions of Eastern life have been revolutionized by the effects of Western mechanical progress, and have not recovered from a shock which has inflicted much social evil, as well as brought some germs of good.\textsuperscript{6}

Missionaries took a keen interest in the region because of its association with the Bible. For some of them, Mesopotamia was literally the Promised Land, and cotton was an integral part of that promise. Rev. Benjamin Willis Newton, a British missionary who worked at Mosul in the twenty years prior to the American Civil War, suggested that Bible prophecy preordained that the lands of ancient Babylon would eventually come under British rule and be colonized. When that came to pass, a “New England civilization” would be established there, and the reclaimed desert

\textsuperscript{5} Cotton Supply Reporter 1, no. 2 (Sept. 1, 1858): 12-13.

\textsuperscript{6} W. Sanford, “On Cotton Growing in Turkey and Syria,” in Foreign Office, Cotton Supply from the Ottoman Empire, 48.
would be “covered with cotton, and tend to the employment of the many-million
spindles of our land.”

Cotton was not the only crop that Europeans looked forward to growing in
Syria and what was to later become Iraq. In the mid-nineteenth century it was a
commonly held belief that Western Europe’s population had outgrown the continent’s
food producing capacity. Transforming Mesopotamia into a granary was suggested as
a better and more secure alternative to reliance on American or Russian wheat. Proponents of this view pointed out that even without agricultural improvements and
hampered by the primitive state of transportation the region produced enough surplus
grain to export 50,000 tons to Europe each year. Substantial quantities of sheep’s
wool, tobacco, dates, and other agricultural commodities were also exported to
Europe.

Moreover, the Euphrates River Valley was seen as the natural highway from
Western Europe to India. Britain’s presence in the area dated back to the late
sixteenth century, when the Levant Company established a “factory” or trading post
at Aleppo in northwestern Syria, the exchange point for goods moving between the
Mediterranean littoral and the upper Euphrates Valley. The East India Company
established a permanent trading post at Basra in 1763 and not long afterward began

\[7\] Benjamin Willis Newton, *Babylon; Its Revival and Final Desolation: Being the second

\[8\] Edward de Warren, *European Interests in Railways in the Valley of the Euphrates* (London:


\[10\] Report of Mr. Consul Skene on the Trade of Aleppo for the year 1861, in *Commercial
Reports received at the Foreign Office from Her Majesty’s Consuls between January 1st and June 30th,
1862* (London: Her Majesty’s Stationery Office, 1862), 345.
operating a Mediterranean-Aleppo-Baghdad-Basra mail route to India.\textsuperscript{11} Beginning early in the nineteenth century British consuls, missionaries, archaeologists, and East India Company surveying expeditions explored and mapped the sparsely populated region. In the course of their explorations, British travelers discovered an extensive network of ancient irrigation canals that had been abandoned for thousands of years. It was widely believed that thousands of acres of fertile alluvial soil could be restored to cultivation if only someone were to “reopen the mouths and clean out the channels” of the ancient canals. Some of the main canals were 200 feet in width, which was wide enough for barges and steamboats. It was estimated that reopening the canals would cost only £200,000 to £300,000.\textsuperscript{12} Insofar as engineering was concerned, that optimism was not necessarily misplaced. Sometime around 1850, while the rivers were in flood, an East India Company steamboat actually entered an ancient canal from the Euphrates River and steamed through it to emerge into the Tigris near Baghdad.\textsuperscript{13}

A railroad from the Mediterranean to the Persian Gulf was first proposed around 1835. In 1851, Dr. James Bowen Thompson, a British army surgeon, proposed that a railroad be built from Vienna to Constantinople, across Anatolia to Aleppo, and down the Euphrates River Valley to the Persian Gulf. Thompson envisioned that the railroad would eventually be extended across southern Persia.


(Iran) to northwestern India. Thompson’s scheme was largely visionary, but the idea gained traction among Britain’s imperial-minded railway developers. In 1856 the directors of the Scinde Railway, a line then under construction from Karachi in present-day Pakistan to a point near Hyderabad on the Indus River where it would connect with a planned line from Calcutta to Delhi, met in London and suggested that a railroad be built “to unite the Euphrates at some accessible point with the Mediterranean.” Following the Scinde Railway directors’ suggestion, General Francis Rawdon Chesney, who had led an East India Company exploring expedition to the Euphrates Valley in 1835-1836, conducted a feasibility study for a railroad from various points on the Mediterranean coast to the Persian Gulf. Chesney saw cotton growing as key to the economic success of the Euphrates Valley Railway. The railroad, Chesney said, would open up a vast area of abandoned but fertile land “admirably adapted for the growth of cotton” to cultivation. Chesney reported that the British consul at Mosul, Hormuzd Rassam, a native-born Nestorian Christian educated in England, “cultivates cotton rather extensively, and is now introducing the Sea Island plant.”

14 Francis Rawdon Chesney, Narrative of the Euphrates Expedition, carried on by Order of the British Government during the years 1835, 1836, and 1837 (London: Longmans, Green, and Co., 1868), ix.


A joint stock company proposal was floated in London to finance construction of the railroad in that same year. Its backers apparently never raised the needed capital, but the idea of a Euphrates Valley Railroad remained alive throughout the Civil War and beyond. In 1864 the legal process was begun to charter a limited liability corporation with £800,000 capital raised by selling shares at £20 each. The projected route began at the port of Alexandretta (Iskenderun) on the Mediterranean and ran to Aleppo and then to “Ja’bar Castle on the Euphrates, below which point there is water communication by the Euphrates and Tigris to the Persian Gulf.” It was seen as a risk free investment, since the company’s directors were confident that the Ottoman government would grant a 99-year concession that guaranteed investors a minimum annual dividend of 6 percent on the capital.

Americans who adhered to the “Young America” philosophy, an ideology best described as a global commercial and cultural version of Manifest Destiny with some millennial religious overtones, entertained their own version of Great Britain’s imperial vision. In 1860, explorer William Francis Lynch told an audience of leading American businessmen that included William H. Aspinwall, builder of the Panama Railroad, that if a railroad such as James Bowen Thompson had proposed were to be built, the Persian Gulf would become the “centre of eastern trade.” Lynch envisioned

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17 Railroad Record, Mining Register, and Joint Stock Companies Reporter 14, no. 18 (May 2, 1857): 281.

18 Bradshaw’s Railway Manual, Shareholders’ Guide, and Official Directory, 1864, vol. 16 (London: W. J. Adams, 1864), 334. “Ja’bar Castle” or Qal’at Ja’bar stood on a hilltop with a commanding view of the Euphrates River Valley in northern Syria. Flooding of Syria’s Lake Assad left it isolated on an island connected by a man-made causeway to the eastern shore of the lake. Qal’at Ja’bar is the burial place of Süleyman Shah, the grandfather of Sultan Osman I, founder of the Ottoman Empire. Though completely surrounded by Syria, the ancient fortress is sovereign Turkish territory and has a small Turkish military garrison that stands guard at the tomb.

19 Ibid.
that trade flowing not to England, but to New York. Lynch thought that the nomadic
Arabs could be transformed into agriculturalists if only the deserts of the Euphrates
Valley were irrigated.\textsuperscript{20}

Around the same time Lynch delivered this lecture, an unnamed American
engineer suggested a Euphrates Valley development project far more extensive and
ambitious than anything the British had proposed. The American suggested that a
navigable irrigation canal be dug from the upper Euphrates River in northeastern
Syria by a circuitous route dictated by the topography to the desert south of Aleppo.
A branch of this canal would go west to the Mediterranean Sea by way of the Orontes
River to Samandağı, Turkey, a port city just north of the present day Turkish-Syrian
border. Another navigation canal was to be dug between the Euphrates and the Tigris
at an unspecified location further downstream, probably in the vicinity of Baghdad.
Water from the rivers was to be diverted to irrigate the once-fertile desert land
between them. The navigable canals and canalized Orontes River would enable cotton
grown in Mesopotamia to be transported to the Mediterranean in steamboats. The
scheme included construction of one or more large lakes on the upper Euphrates
River to furnish a sufficient head of water to supply the canals.\textsuperscript{21} Fantastic as it may
seem, the canal and irrigation scheme was topographically and hydrologically
feasible and could have been built with the technology available at the time. A French
engineer, M. Emile Ende, proposed an almost identical project in the 1880s.\textsuperscript{22} Modern


\textsuperscript{21} \textit{Cotton Supply Reporter} 1, no. 67 (June 1, 1861): 526.

\textsuperscript{22} James Stephen Jeans, \textit{Waterways and Water Transport in Different Countries} (London: E. & F.N. Spon, 1890), 273.
dams and irrigation canals in Turkey’s Southeast Anatolia Water Project and Syria’s Ghab Project are in the same locations and follow the same courses suggested by the American in 1861.  

Less than three weeks before the First Battle of Bull Run, ancient Mesopotamia experienced a quantum leap in communications. It was a dramatic moment. On the morning of June 27, 1861, Governor-General Namick Pasha, the British consul, and prominent local dignitaries gathered at the new telegraph office in Baghdad, expecting to receive Sultan Abdul Mejid’s ceremonial first message officially opening the just completed Constantinople-Baghdad telegraph line. Instead of the expected formal greeting, the first message that flashed over the wire informed them that Abdul Mejid was dead and Abdul Aziz had assumed power. The stunned Ottoman officials composed a 120-word reply in which they expressed loyalty and support for the new Sultan, and an operator sent it to Constantinople, more than 1,300 miles away. Its receipt was acknowledged within seconds. Unknown to anyone in Baghdad, a telegraph operator in the Ottoman capital forwarded the message on to London.  

Telegraphic communications with England caused economic ripple effects of the American Civil War to be felt in Syria and Mesopotamia almost immediately. At the end of 1861, James H. Skene, the British consul in Aleppo, reported that imports of English manufactured textiles decreased from 1860 levels due to “The rise in  


prices occasioned by the American war, and the comparatively small rise in value here.” European mercantile firms, alarmed by the precarious state of the Ottoman economy and fearful that the recent outbreaks of sectarian violence in Lebanon and Damascus would spread throughout the region, ceased supplying goods to the Aleppo market on credit. Withdrawal of the English trading houses enabled local Christian and Jewish merchant families who had earlier sent members to England and France and established export-import firms to take over their role. Expatriate Syrian merchants sent more than £1 million worth of European goods to their kindred business partners in Aleppo in the twelve months following the outbreak of the war in America. More Lebanese and Syrian merchants arrived in Manchester as the war progressed. Among them was ʿAbd Allāh Tarād, a Lebanese who in 1862 established a trading firm that was known in Manchester as “Abdoullah Trade” and remained in business for decades. Saul Bigio, an Arabic-speaking Jew from Aleppo, established Bigio Brothers in 1862. The Bigio Brothers trading company remained in business in Manchester until 1893, when the firm went bankrupt. The trading networks of which these firms were part served not only as importers and distributors of goods, but also as buyers and exporters of cotton.

For all its promise, the Euphrates Valley did not become Lancashire’s cotton field. American cotton did well in northern Syria, but it required irrigation. This was a

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25 Report of Mr. Consul Skene on the Trade of Aleppo for the year 1861, in Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between January 1st and June 30th, 1862, 343.

26 Ibid, 343 and 346.

major drawback, because people preferred to use their irrigated land for growing vegetables.\textsuperscript{28} Local farmers’ preference for growing food crops changed as the price of cotton soared, so that by the spring of 1864 diversion of land from food to cotton combined with the ravages of locusts caused a substantial increase in food prices. Cotton nevertheless wrought remarkable rejuvenation in the region’s stagnant economy. At the end of November 1862, American Vice-consul J. de Picciotta reported that Aleppo’s merchants had never before “seen such animation and activity in the market.”\textsuperscript{29} Camel caravans carried 18 million pounds of Syrian cotton to Beirut for export in 1863.\textsuperscript{30} Another 2 million pounds of short staple native cotton valued at US$1,700,000 passed through the small port of Alexandretta on its way to France.\textsuperscript{31} The prospects for cotton were doubtful, however, and trading in it was risky. Telegraphic reports from Britain that an end to the American war might be imminent caused periodic panics in the market.\textsuperscript{32} Everyone seemed to recognize that Syria’s cotton-funded prosperity would last only so long as the American war continued.\textsuperscript{33}

Cotton acreage in the immediate vicinity of Aleppo peaked at 25,000 acres in 1864, up 10,000 acres from the previous year. Merchants and exporters had difficulty

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\item \textsuperscript{28} Cotton Supply Reporter 1, no. 98 (Sept. 15, 1862): 1019.
\item \textsuperscript{29} J. de Picciotta to Seward, Nov. 27, 1862, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863, 512.
\item \textsuperscript{30} J. A. Johnson to Seward, Dec. 30, 1863 and Sept. 30, 1864, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864, 640-641.
\item \textsuperscript{31} Commercial Report of Alexandretta for the Year 1863, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864, 640-641.
\item \textsuperscript{32} J. A. Johnson to Seward, Sept. 30, 1864, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864, 653.
\item \textsuperscript{33} J. A. Johnson to Seward, Dec. 28, 1864, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1865, 464.
\end{itemize}
financing cotton purchases in 1864 because the Imperial Ottoman Bank in Beirut stopped making operating loans when rumors that the war in America was about to end caused a fear that prices would collapse.\textsuperscript{34} Acreage planted dropped to 20,000 acres in 1865, and to 18,500 in 1866.\textsuperscript{35} That year, U.S. Consul J. Augustus Johnson made no mention of cotton in his report of exports from Beirut.\textsuperscript{36} In 1868 the crop dropped to 5,000 acres.\textsuperscript{37} Consul Skene blamed the decline in part on the market, but laid the heaviest blame on “onerous taxation, vexatiously [sic] collected” that deprived the peasants of capital needed to finance expansion of cotton growing or any other agricultural improvement.\textsuperscript{38} Cotton continued to decline until in 1871 Skene wrote, “its cultivation has given place…to sesame. During the American war the latter was replaced by the former on account of the demand for cotton at Liverpool. Now, however, the previous relative proportions of those two summer crops have been restored.”\textsuperscript{39}

Tobacco was a formidable competitor to cotton. Syria’s Latakia tobacco, sometimes called \textit{djebel} or “tobacco of the mountain,” a unique type of tobacco cured

\textsuperscript{34} J. A. Johnston to Seward, Sept. 30, 1864, in \textit{Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864}, 642.

\textsuperscript{35} \textit{Cotton Supply Reporter} 1, no. 152 (Sept. 1, 1866): 1897-1900.

\textsuperscript{36} J. A. Johnson to Seward, Oct. 13, 1866, in \textit{Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1866}, 422.

\textsuperscript{37} \textit{Cotton Supply Reporter} 1, no. 179 (Dec. 1, 1868): 2335.

\textsuperscript{38} Report of Consul Skene, Dec. 31, 1868, in \textit{Commercial Reports received at the Foreign Office from Her Majesty’s Consuls during the year 1868, August to December – Presented to both Houses of Parliament by Command of Her Majesty, February, 1869}, 422-423.

with a combination of sun drying and smoke from oak wood, was already world famous. Latakia was one of the key ingredients in so-called “Egyptian” or “Turkish” blend cigarettes, which were fast gaining popularity in France as Frenchmen switched to cigarette smoking in emulation of Napoleon III, who was a cigarette aficionado.\(^{40}\) The Ottoman government recognized that with competing types of American tobacco kept off the market by the blockade, Turkish tobaccos had an excellent opportunity to capture the European market. Tobacco was promoted alongside cotton at the National Exposition in 1863, with special emphasis on the French market.\(^{41}\) Export duties on tobacco were removed to make it more attractive to foreign buyers.\(^{42}\) Heavy internal taxes on tobacco remained, and were an important source of revenue for the Ottoman government. For example, of 7,680,000 piasters tax revenue collected at Sidon in 1863, slightly more than half came from the tobacco tax.\(^{43}\) Of the £73,436 worth of goods exported through the port, tobacco accounted for £50,000. Cotton did not even appear in Sidon’s exports.\(^{44}\) As the price of cotton declined after the Civil War ended, Syrian farmers’ preference for tobacco increased. In 1869, the port of Tripoli exported tobacco valued at 1,310,000 French francs, but only 20,000 francs worth of


\(^{41}\) Empire Ottoman, *Coup d’Œil Général sur l’Exposition Nationale à Constantinople*, 82.

\(^{42}\) Consul J. A. Johnson to Seward, Dec. 30, 1863, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864*, 630.

\(^{43}\) Commercial Report of Sidon for the year 1863, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864*, 647.

\(^{44}\) Return of the exports at the port of Sidon in the year 1863, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864*, 650.
Cotton sold for 15 piasters per oke (2 ¾ lbs.) while tobacco sold for 20-25 piasters per oke. Tobacco also enjoyed an environmental advantage over cotton. Locusts, the scourge of cotton plants in the Near East, will not usually eat tobacco leaves until after they have exhausted all other food sources.

Turkish historian Şevket Pamuk noted that the high price of imported cotton goods during the Cotton Famine slowed the decline of home spinning and weaving in many parts of the Ottoman Empire. In Syria, a unique and overlooked aberration occurred. The rise in price of English manufactured textiles coupled with increased income from cotton growing prompted an abortive attempt at industrialization. In 1860 the native weaving industry was in fast decline, driven out of business by the flood of cheap English cloth pouring into the country. Sharp price increases for imported cloth brought about a revival of domestic weaving in 1861 and thereafter. The revival of local weaving caused an increase in demand for yarn. In an attempt to meet the demand, “a Moslem gentleman, who has represented the Ottoman government for many years as consul at Manchester” imported steam-powered English machinery and put a spinning mill into operation in Beirut. United States Consul J. Augustus Johnson deemed the factory successful at the time of his writing.

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45 Merchandise exported from Tripoli during the year 1869, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1870, 412.

46 Vice-consul Antonio Yanni to Hamilton Fish, August 10, 1870, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1870, 411.

47 Pamuk, The Ottoman Empire and European Capitalism, 43-44.

48 Report of Consul Skene, June 5, 1862, in Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1st, 1862, and June 30th, 1863, 444.
in October 1864. Machinery was on order for spinning mills in Damascus.⁴⁹ In March 1866, American Vice-Consul John Griffith in Damascus reported that “some native merchants have successfully established cotton factories, but the cotton crop of Damascus is not sufficient to furnish them enough stock.”⁵⁰ Another new mill with English machinery purchased at a cost of £40,000 opened at Antioch in 1871.⁵¹ Ottoman tax policy and the restrictions of the Free Trade Treaty doomed these factories in the next decade by taxing their goods at the rate of 31 percent while imported English goods could be charged only 8 percent.⁵²

Mosul seems to have been too remote for it to become a cotton exporter. Ottoman authorities there gave farmers 3,000 pounds of American upland cotton seed in the spring of 1865 but locusts devoured the plants as soon as they sprouted.⁵³ As at Aleppo, cotton required irrigation. Farmers planted 3,500 acres of their 18,000 acres of available land in cotton, but preferred to use their irrigated fields for wheat and other food crops. Cotton was grown as a sideline and it was used locally, not exported. Local craftsmen produced roughly made but workable cotton gins to

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⁴⁹ J. A. Johnson to Seward, Oct. 1, 1864, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864, 642.

⁵⁰ John Griffith to Seward, March 1, 1866, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1866, 429.

⁵¹ Cotton Supply Reporter 1, no. 221 (June 1, 1872): 3012.

⁵² D. Stamatiades to Secretary of State, Nov. 25, 1874, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1874, 1106-1107.

⁵³ Cotton Supply Reporter 1, no. 221 (June 1, 1872): 3012.
process the increased crop. Women spun and wove it into cloth to replace the British-made cloth that they could no longer afford.\textsuperscript{54}

Baghdad province followed a pattern similar to that in Mosul. No imported seed were received in time for planting the 1863 crop. Locusts destroyed the crop that was planted using native seed. A small quantity of American seed and 1,500 pounds of Egyptian seed were received in 1864, and daily telegraphic news of high prices being paid in England encouraged planting, with the result that total acreage was doubled. In 1865 the Ottoman government distributed 150,000 pounds of Egyptian seed, and acreage was again increased. Governor-General Namick Pasha imported a few cotton gins for demonstration purposes. As happened in Mosul, craftsmen in Baghdad used the imported gins as models to make small, simple and inexpensive hand-cranked gins that could clean 60 pounds of cotton per day. Steamboats owned by the British-owned Tigris and Euphrates Steam Navigation Company operated between Basra and Baghdad at ten-day intervals. Yet no cotton was exported from Baghdad. This was due in large part to the sharp increase in price for factory-made English cotton goods and the resultant revival of indigenous cotton textile manufacturing by traditional handicraft methods. Even in the absence of industrial spinning factories, not enough cotton was grown locally to meet the demand. As a

\textsuperscript{54} Vice-Consul Rassam, Answers to Queries, in \textit{Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty, 1865, 6-7}; \textit{Cotton Supply Reporter} 1, no. 153 (Oct. 1, 1866): 1918.
result, Baghdad used all of its increased production and imported cotton from Persia
during the cotton crisis.55

Basra presented another anomaly. Though the British presence there was well
established and the Persian Gulf seaport was well served by British shipping, the
cotton boom had almost no affect. Only 200 acres of cotton was grown in the
province in 1863. Some of it was grown from American seed sent to the governor of
Baghdad by the Cotton Supply Association.56 Acreage increased to 250 in 1864, with
28,000 pounds of cotton sold. Without offering any explanation for his conclusion,
the British vice-consul in Basra, W. P. Johnston, informed Layard that further
increase was unlikely. Cotton was planted only in small, enclosed plots tilled with
hand tools. Imported seed were used, but Johnston neglected to say whether the seed
were Egyptian, American, or from some other source. Two cotton gins were
operating in Basra. Johnston did not say who supplied the gins nor did he provide any
information about their operation. The local people, it seems, were simply not
interested in growing cotton. Johnston provided no explanation for this situation aside
from the “native dislike to innovation.”57

The real reason was probably to be found in the relative values of cotton,
dates, and wheat in the area. In the nineteenth century, dates from Basra were a high
value luxury food condiment sold in the American market. Every August a fleet of

55 Consul-General Kemball, Answers to Queries, in Circular to Her Majesty’s Consuls in the
Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies,
Presented to both Houses of Parliament by Command of Her Majesty, 1865, 3-5.

56 Cotton Supply Reporter 1, no. 111 (April 1, 1863): 1218.

57 Vice-Consul Johnston, Answers to Queries, in Circular to Her Majesty’s Consuls in the
Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies,
Presented to both Houses of Parliament by Command of Her Majesty, 1865, 7-8.
clipper ships anchored in the Shatt al-Arab waterway to load dates and then set out in a race around Africa to reach New York before Christmas.\(^58\) In addition to the export to the United States, British ships carried 9,000 tons of dates to India each year.\(^59\) In a routine annual report sent to the Foreign Office in 1866, Johnston reported that in the 1864-65 shipping season Basra exported cotton valued at 4,600 piastres. In contrast, the province exported 33,000 tons of dates valued at 8,679,240 piastres. Half the district’s 80,000 laborers, the vast majority of whom worked on large estates in a system that resembled sharecropping, were engaged in growing dates. The other half of Basra’s labor force was growing grain. Surplus wheat was bought by the Ottoman government for Egypt. In addition, the Egyptian grain order increased each year, as did the price paid for it.\(^60\)

Cotton was much more labor intensive than dates or grain. According to statistics compiled by the Egyptian Ministry of Agriculture in 1964, when cultivation methods and labor utilization were little changed from what they had been a century earlier, growing one feddan (1.038 acre) of cotton required 129 person-days of labor. Cultivating one feddan of a fruit crop like dates required 68 person-days. Growing one feddan of wheat required 31 person-days of labor.\(^61\) With a lucrative cash crop already established, no source of food other than what was grown locally and a


\(^{59}\) Warren, *European Interests in Railways in the Valley of the Euphrates*, 16.

\(^{60}\) Report of Mr. Vice-Consul Johnston on the Trade of Bussorah in Turkish Arabia, for the years 1864-66, in *Commercial Reports received at the Foreign Office from Her Majesty's Consuls in 1866*, 254-257.

market for the surplus, and with no surplus labor, there was no incentive for Basra’s landowners and tenant farmers to grow cotton. Johnston hinted at this when he told Layard, “Probably 2,000 or 3,000 men might be induced to cultivate cotton by a slight addition to their average wages or gain.”

The Cotton Supply Association’s efforts in southern Iraq may have simply been a case of too little and too late. In May 1866, Johnston reported the arrival and distribution of 10,000 pounds of American cotton seed from the Association and a larger quantity of Egyptian and Persian seed furnished by the Ottoman government. At that time Johnston informed the Association that small fields of cotton were “scattered for 100 miles from the mouth of the Shat El Arab [sic] upwards.” This cotton came to market just as prices began their dramatic post-Civil War decline, a circumstance certain to discourage farmers from expanding acreage in subsequent years.

No one single factor caused the cotton boom to fizzle in the Euphrates Valley. Lack of modern inland transportation was certainly a major factor. Camel caravans traveled from Baghdad to Aleppo in about a month, but the number of pack animals limited the amount of freight that could be carried. The caravan trails were dangerous. In the summer of 1862 a caravan bringing 400,000 piasters in cash from Alexandretta to Aleppo was robbed. Ottoman officials in these distant provinces

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62 Vice-Consul Johnston, Answers to Queries, in Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty, 1865, 7.

63 Cotton Supply Reporter 1, no. 152 (Sept. 1, 1866): 1903.

64 Mentzel, Transportation Technology and Imperialism in the Ottoman Empire, 16-19.

65 Times (London), Aug. 15, 1862.
were largely beyond the Sultan’s control, and their independence contributed to the outcome. Even if the Sultan dismissed an official, as he did the governor of Aleppo in 1862, the decision was difficult to enforce.\textsuperscript{66} When local officials did obey instructions, they often did so to the letter and no more. This was displayed at Damascus in 1863, when officials distributed Egyptian cotton seed and ordered farmers to plant them without offering any further instruction or incentive. Farmers refused to plant the unfamiliar seeds and continued planting their traditional crops.\textsuperscript{67} In Baghdad province, Namick Pasha encouraged cotton growing but was “averse to any change of the administrative system, or to the admission of foreign capital.”\textsuperscript{68}

Foreign capital was needed to develop facilities for handling cotton, especially transportation and seaports. Alexandretta as a good anchorage, but the city was little more than an inhabited ruin located next to a malarial marsh. Norie’s navigation guides advised ship captains to avoid it during the fever season if they cared for the health of their crews. At Tripoli there was, “no harbor, but merely a roadstead” where the “anchorage is by no means safe.”\textsuperscript{69} At Latakia, the port was merely two ancient stone jetties, the basins of which were so filled with sand deposited by the sea that only small vessels could dock. Beirut’s harbor was “little better than an open

\begin{itemize}
\item\textsuperscript{66} Ibid.
\item\textsuperscript{67} Commercial Report of Damascus for the Year 1863, in \textit{Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864}, 652.
\item\textsuperscript{68} Consul-General Kemball, Answers to Queries, in \textit{Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty, 1865}, 4.
\item\textsuperscript{69} John William Norie, \textit{New Piloting Directions for the Mediterranean Sea, the Adriatic, or Gulf of Venice, the Black Sea, Grecian Archipelago, and the Seas of Marmara and Azof} (London: J. W. Norie & Co., 1831), 324.
\end{itemize}
There were no dock facilities of any kind at Basra. Cargoes had to be ferried out to ships anchored in the Shatt al-Arab in small boats.

Nowhere did British or American consuls or agents of the Cotton Supply Association provide energetic leadership comparable to that supplied by Hyde Clarke and Julius Bing in Smyrna. In Aleppo, Britain’s Consul James H. Skene and his American counterpart J. de Picciotta observed and reported in considerable detail, but their reports show no evidence that either of them did anything to encourage cotton growing. The reason for American inactivity probably grew out of the arrangement of Ottoman administrative districts, the locations of American consulates, and personnel. The United States consulate responsible for Syria and the Euphrates Valley was in Beirut, which was in a different Ottoman province and under a different governor-general than Aleppo, Mosul, Baghdad, and Basra. Consul J. Augustus Johnson was a Buchanan appointee with modest Vermont and Rhode Island ancestral roots who came of age on a farm in Ohio. He was not a Republican activist nor was he a member of the New England elite. Johnson’s memoirs indicate that he devoted most of his time and energy during the Civil War years to protecting American Protestant missionaries in Syria and assisting them in their evangelical efforts. He mentioned the Civil War only in rare passing references. J. de Picciotta, although he represented the United States as vice-consul at Aleppo, was not an American citizen. He probably

70 Ibid, 325.

71 Vice-Consul Johnston, Answers to Queries, in Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty, 1865, p. 8.

did not have any great personal interest in the Civil War. Picciotta did not draw a salary, but was paid on a fee-for-service basis. He did not have access to U.S. government funds. In 1872, Consul-General John Baldwin Hay urged Secretary of State Hamilton Fish to replace Picciotta with a salaried American citizen, saying that he and another foreign consular agent were “by no means so efficient as American officers would be.”

Lackluster performance by British consuls is difficult to explain. The report that Vice-Consul Johnston submitted to Sir Austen Henry Layard from Basra is perfunctory, with no evidence that Johnston had any personal enthusiasm for promoting cotton cultivation. Consul Rogers in Damascus told Layard that, “European settlers ought to be encouraged to come out and erect model farms for the cultivation of cotton; the natives would benefit by example.” There is no evidence that Rogers did anything to provide that example, however. The reason may have been lack of money. In 1868 Skene and several other British consuls complained that their salaries had not been increased in twenty years, while the rise in prices caused by the American war had caused their expenses to increase considerably. Nowhere in their published reports is there any indication that Skene, Rogers, Rassam, or Johnston were provided with special funds to promote cotton. But neither is there any indication that they ever applied to the Cotton Supply Association for assistance.

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73 J. Baldwin Hay to Hamilton Fish, Sept. 30, 1872, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1872, 846.

74 Consul Rogers, Answers to Queries, in Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty, 1865, 24-25.

Lack of law and order in the region probably limited their freedom of action. At one point, the Italian consul in Aleppo was attacked on the street by a rock-throwing mob and only narrowly escaped.\footnote{Times (London), Aug. 15, 1862.}

On the island of Cyprus, R. H. Lang, a merchant temporarily serving as Great Britain’s acting vice-consul, displayed considerably more energy. The Cotton Supply Association’s 1859-60 trials of American seed, overseen by Lang and a resident Scottish merchant, William Riddell, were outstandingly successful.\footnote{Cotton Supply Reporter 1, no. 77 (Nov. 1, 1861): 685.} The trials resulted in 1,320,000 pounds of cotton, shipped in 6,000 bales of 220 pounds each. More important than the quantity, however, was the phenomenal acceptance of and preference for American seed by Cypriot farmers.\footnote{J. Judson Barclay to Seward, March 31, 1862, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862, 586.} Lang could not obtain the quantity of seeds needed for planting in the spring of 1862. In November 1861 he addressed a letter to the Cotton Supply Association in which he outlined a carefully thought out, indeed ingenious for its understanding of human nature, step-by-step plan to assure a sufficient supply of seed for planting in 1863. Lang planned to distribute the available seed to agents in the central market villages, who would sell them for a token 1 d. per oke (2¾ pounds), with a proviso that the buyer must save and return double the quantity of seed purchased after his 1862 crop was harvested. Upon receipt of the seed, Lang promised to refund the original purchase price. Lang also guaranteed those who purchased his seed that he would buy their American cotton at a premium of 5 percent over the price paid for the best quality native cotton.
grown in their district. Lang had the forethought to order a number of “small gins specially adapted for cleaning American cotton” well in advance, and in December 1861 was expecting their imminent arrival aboard the sailing ship *Cyprian Queen*.\(^{79}\) The *Cyprian Queen* sailed to Cyprus from England, but the ship arrived in Liverpool from North America on August 31, 1861, so it is conceivable that the cotton gins were American-made.\(^{80}\)

In March 1862 Lang planted about two acres of cotton on a plot of leased land near Larnaca. His triple intent was to advertise the ploughs that he and William Riddell hoped to sell to the natives, demonstrate improved cotton cultivation methods, and compare the results achieved with American and Egyptian seeds. Locusts proved a serious problem but the American cotton fared better than Egyptian because it matured sooner, a characteristic that minimized the insects’ damage. Lang continued the seed multiplication scheme, but complained to the Cotton Supply Association that “progress in this way is slow.”\(^{81}\)

Progress was faster than Lang perceived it to be. In his reply to Layard’s questionnaire, Lang reported that 16,460 acres were planted in 1863 and estimated the 1864 planting at 22,000 acres. By value, cotton became Cyprus’s single largest export in 1863, providing £75,896 of the island’s total £276,700 in export earnings, more than 27 percent.\(^{82}\) According to U.S. Consul J. Judson Barclay this came from

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\(^{79}\) *Cotton Supply Reporter* 1, no. 81 (Jan. 1, 1862): 749.

\(^{80}\) *Boston Daily Advertiser* (Boston, MA), Sept. 10, 1861.

\(^{81}\) *Cotton Supply Reporter* 1, no. 105 (Jan. 1, 1863): 1134.

\(^{82}\) J. Judson Barclay to Seward, June 10, 1864, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864*, 646.
1,820,000 pounds of cotton, which indicates a price of 10 d. per pound. Barclay thought that the island was capable of producing twenty times that amount of “this most important plant.”\textsuperscript{83}

Ginning facilities to process the crop kept pace with the increase. By the time the 1864 crop was harvested a British firm was operating a steam-powered ginnery that had the latest English-made Platt & Richardson 40-inch Macarthy gins. These machines were among the largest and most modern cotton gins manufactured. Two other ginneries each had four saw gins run by steam engines. At least a half-dozen saw gins operated by mules were in use in interior areas of the island. Three modern hydraulic bale presses were in operation, and two more were on order from England. At that juncture insufficient labor was the problem preventing further expansion of Cyprian cotton production. As a result, the ordinary structure of the labor market was upset. Ordinarily women earned only half as much as men. But in the cotton-induced labor shortage women, who comprised most of the labor for hoeing and picking, were earning the same wage as men, or 13 d. to 18 d. per day.\textsuperscript{84} The Ottoman Imperial Cotton Commission sought to alleviate the labor shortage by importing foreign laborers. Early in 1863 the Sultan granted a 50,000-acre concession in Cyprus to a member of the Anglo-Irish landlord class whose intent was to establish a plantation and bring in Irish laborers to cultivate cotton.\textsuperscript{85}

\textsuperscript{83} J. Judson Barclay to Seward, Sept. 30, 1863, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863, 518.

\textsuperscript{84} Acting Vice-Consul Lang. Answers to Queries, in Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty, 1865, 22-24.

\textsuperscript{85} Julius Bing to Seward, Feb. 14, 1863, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863, 498-499.
Whether any Irishmen came to Cyprus is unknown, but cotton acreage and exports continued to increase. American-type cotton superceded native varieties by the summer of 1864. In 1865, Cypriot farmers planted 23,500 acres of cotton, almost all of it from American seed. Three factors contributed to the initial success of cotton in Cyprus. First, of course, was the very high price paid for cotton. In December 1862, Cypriot growers were being paid 10½ d. for their cotton. One year later the price was up to 20 d. per pound. Simultaneous to the high prices for cotton, there was a glut of another of the island’s staple export crops, madder root, which lowered prices to the point that growing madder was not profitable. Tobacco cultivation, which was well established in Cyprus, was discouraged by high taxes recently imposed upon it. Cotton, however, was charged a duty of only 1½ percent.

As the American Civil War was ending, Cyprus seemed destined to become a major cotton field. Infrastructure necessary to support expanded cotton production was either in place, under construction, or in the planning stage. The British laid a submarine telegraph cable to the island in 1863. The Imperial Ottoman Bank opened a Cypriot branch specifically to provide financial services to the cotton trade. An American engineer in the employ of a British company was building a wagon road from Larnaca to Nicosia to facilitate hauling cotton from the interior to the seaport. British investors were seeking a concession from the Ottoman government to build a

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86 J. Judson Barclay to Seward, June 10, 1864, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864, 643-644.


88 Report of Mr. Vice-Consul White on the Trade of Cyprus for the Year 1863, in Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1st, 1863 and June 30th, 1864 (London: Her Majesty’s Stationery Office, 1864), 436-438.
narrow gauge railroad.\textsuperscript{89} Looking at the situation in Cyprus on August 1, 1866, \textit{The Cotton Supply Reporter} deemed it “very satisfactory.”\textsuperscript{90}

All was not as satisfactory as it seemed, however. The average price of American-type Cyprian cotton in Liverpool fell from 17 \textit{d}. per pound in 1863 to 15 \textit{d}. in 1864 to 13 \textit{d}. in 1865.\textsuperscript{91} Ottoman provincial officials, who had been cooperative up to that point, began to obstruct and delay permits for Europeans to operate additional steam powered cotton gins. The problem became so severe in Cyprus that in the spring of 1867 Hyde Clarke felt compelled to ask the Ottoman Minister of Commerce to intervene. The Commerce Minister sent a circular letter to provincial officials instructing that in the future “not the slightest delay will be caused” in granting approval for cotton gins and other cotton related investments by Europeans.\textsuperscript{92} Provincial officials paid it not the slightest heed. In addition to bureaucratic obstruction, officials in Cyprus began levying exorbitant taxes on cotton at a time when the price was falling sharply.\textsuperscript{93} The quality of Cypriot cotton may also have declined because of hybridization with native cotton, a possibility indicated by Lang’s continual requests for fresh American seed.\textsuperscript{94}

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\textsuperscript{89} J. Judson Barclay to Seward, Jan. 11, 1864, in \textit{Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864}, 643.

\textsuperscript{90} \textit{Cotton Supply Reporter} 1, no. 151 (Aug. 1, 1866): 1886.

\textsuperscript{91} Ibid. Prices quoted in different sources for Cypriot cotton for given years disagree, probably because some are averages for the year and others highs, lows, or actual price received for a specific lot of cotton.

\textsuperscript{92} \textit{Cotton Supply Reporter} 1, no. 158 (March 1, 1867): 1998.

\textsuperscript{93} \textit{Cotton Supply Reporter} 1, no. 179 (Dec. 1, 1868): 2336.

\textsuperscript{94} Acting Vice-Consul Lang, Answers to Queries, in \textit{Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty}, 1865, 23.
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On August 26, 1866, newly appointed U.S. Consul Luigi Palma di Cesnola reported a very different picture to Washington than the one published in *The Cotton Supply Reporter* twenty-five days earlier. Cesnola wrote, “Since it has fallen in value [the Cypriots’] inherent indolence returns, and they prefer to do nothing rather than gain but little.” Cesnola’s own report refutes his judgment of the Cypriots’ supposed indolence. The island took in 35 million piasters income annually from a wide variety of agricultural produce in 1866. The price of madder root rebounded so that it again became profitable. In addition, Cyprus’s salt mines exported $400,000 worth of salt. Cypriots’ indolence, it seems, was simply self-interested unwillingness to labor to produce cotton for the export market unless it profited them to do so. When the price of cotton fell, their combination of self-sufficiency in food, diversified mix of cash crops, and income from non-agricultural pursuits enabled them to abandon it.

The Ottoman Empire’s European provinces appeared to offer good prospects for cotton as well. Though Macedonia lies at the same latitude as New York, it was a premier Old World cotton producer. The British and Americans alike long knew of its potential for revival. Two types of Macedonian cotton, called Uschur and Zelent after the locales where they were grown, came closer to matching the characteristics sought by British spinners than any other Near Eastern cotton. Early in the

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95 L. P. di Cesnola to Seward, Aug. 26, 1866, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1866*, 417. Luigi Palma di Cesnola was born near Turin, Italy, in 1832 and fought in the Crimean War before emigrating to the United States and becoming a naturalized American citizen. He served in the Union army in the Civil War and was awarded the Congressional Medal of Honor.

96 Ibid, 415-416.

development of cotton in the United States, Macedonian cotton was deemed good enough to be a possible northern complement to the southern Petit Gulf. In 1822, two barrels of Macedonian cotton seed were brought to New York and planted experimentally on Long Island. In the early 1800s, an estimated 70,000 bales of cotton was grown for export in the area around Serres (Sérrai, Greece), a major market town in the center of the Strimon River valley about 25 miles inland from the Ægean Sea. The amount of cotton grown in the Serres district decreased during the rise of the American cotton monopoly, but its cultivation was never completely abandoned. Cotton valued at £200,000 annually was still being exported from Macedonia in the mid-1850s, most of it to Germany.

Facilities for exporting cotton were relatively good. Macedonia’s provincial capital and seaport, Salonika (Thessaloniki, Greece), was one of the Ottoman Empire’s most populous cities, with about 70,000 people. Salonika’s harbor was one of the best natural anchorages in the eastern Mediterranean. The port was well equipped with quays, warehouses, and other facilities. French and Austrian steamers served the port on regular schedules. Cavalla (Kavála, Greece), 80 miles to the east of Salonika and accessible to Serres was a seaport and market town of about 12,000 people. It was already a well-established commercial center, with six English firms engaged in the tobacco trade. Three French and three Austrian trading companies also had offices in Cavalla. Its rocky headlands sheltered a bay with water 50 feet deep, more than deep enough for the largest steamers. Substantial port facilities already

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existed, including a wharf and a warehouse owned by the Salonika-based English firm of Abbott Brothers that had 33,000 square feet of floor space. In addition to tobacco, the English trading companies exported a small amount of cotton. The old Roman road to Constantinople passed through Salonika, Serres, and Cavalla and was usable by wagons. The road was flagstone paved and must have been in fairly good condition, since John Murray reported in 1840 that a horse drawn carriage could cover the 80 miles between Salonika and Cavalla in 25 hours of travel time.  

The necessary human assets seemed to be in place. Musurus Bey, the Ottoman ambassador in London, was a Greek Orthodox Christian of Macedonian origin. Musurus owned a large estate at Sklatina, a small town near Trikala, in Thessaly, about 80 miles southwest of Salonika. From London, Musurus guided a considerable amount of aid in the form of cotton seeds and cotton gins to his homeland. During the winter of 1862-63 Musurus sent New Orleans seed for his own plantation care of Mr. Henry Suter, the British vice-consul in Volo (Vólos, Greece). Musurus also sent “twelve sets of the patented double-action Macarthy cotton gin, with six sets of driving wheels.” The cotton gins were installed in rural villages on and near Musurus Bey’s estate, where peasant farmers could use them in return for a percentage of the cotton. The following year Musurus sent out a steam engine,

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101 Cotton Supply Reporter 1, no. 112 (May 1, 1863): 1241.

102 Ibid.
eight Macarthy roller gins, and an English engineer to install and operate them.\footnote{Cotton Supply Reporter 1, no. 132 (Jan. 2, 1865): 1575-1576.} In addition to supplying seeds and materiel, Musurus kept the attention of the Cotton Supply Association focused on Macedonia by giving frequent speeches and lobbying in England.\footnote{Watts, The Cotton Supply Association: Its Origin and Progress, 60.}

Salonika’s most prominent resident was John “Jackie or Djeky” Abbott, described as “Greek by religion, British by nationality.”\footnote{Mazower, Salonica; City of Ghosts: Christians, Muslims and Jews, 1430-1950, 147.} John Abbott was the scion of a family of long-established English “Turkey merchants” from Smyrna that had relocated to Salonika around 1800. He was thoroughly integrated into Salonika’s Ottoman-Greek society as well as a member of the interrelated British merchant community. Historian Mark Mazower described Abbott as “the real architect” of Salonika’s rise into an important seaport and entrepôt for British goods during the thirty years prior to the American Civil War. John Abbott was an unscrupulous manipulator who had amassed great wealth and used it to gain immense power and influence through bribery and money lending. The Ottoman governor and practically all of the province’s officials were deeply indebted to him, as were many other people. In 1860, John Abbott owned “more than twenty-five landed estates and numerous villages whose peasants laboured to repay the extortionate interest rates he charged.”\footnote{Ibid.} Abbott was related by marriage to James Calvert, the United States vice-consul at the Dardanelles whose brother Charles Calvert was British consul at the
Salonika. Another relative, identified in consular documents only as “R. Abbott,”
also served in a consular capacity at Salonika.

Every town of any size in the Ottoman Empire’s European domains had a
British consul or vice-consul in residence. Charles Calvert and R. Abbott seem to
have been the most active in promoting cotton, most likely because they were
domiciled in the port of Salonika and forwarded cotton seeds, gins, and other
equipment to consuls in inland locations. Although his reports are not as numerous or
as detailed, it appears that Abbott undertook activities similar to those of R. H. Lang
in Cyprus. Vice-Consul Henry Suter in Volo, the small port that served Thessaly,
was particularly active, as was Consul J. E. Blunt in Adrianople (Edirne, Turkey).
British agents were energetically promoting cotton growing and distributing free
American cotton seeds at several locations around the northern littoral of the Ægean
Sea. Of these agents, Vice-Consul D. A. H. Lazzaro at Serres appears to have been
the most active, or at least the one who kept the Cotton Supply Association best
informed about his activities.

The British cotton seed distribution network based in Salonika reached into
the remotest parts of the Balkan hinterlands. In 1861 J. E. Blunt sent small 3 pound

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107 Allen, Finding the Walls of Troy: Frank Calvert and Heinrich Schliemann at Hisarlik, 32-34.
108 Cotton Supply Reporter 1, no. 87 (April 1, 1862): 845.
109 Ibid.
110 Cotton Supply Reporter 1, no. 91 (June 2, 1862): 909.
111 Cotton Supply Reporter 1, no. 87 (April 1, 1862): 1228.
sample parcels of American cotton seeds to farmers in Bulgaria.\textsuperscript{112} Blunt later sent American cotton seeds to the Ottoman provincial governor in Belgrade.\textsuperscript{113} In the winter of 1863 British consular officials assisted in sending 11,000 pounds of New Orleans cotton seeds by packhorse caravan from Salonika to the estates of two Ottoman officials near Janina, in Albania.\textsuperscript{114}

Efforts to introduce American cotton into Macedonia began in 1858, when the Cotton Supply Association sent Charles Calvert a consignment of seeds to distribute. In May 1860, Calvert reported that three local cultivators, two Turks and one Greek, grew cotton from American seed the previous summer. One of the Turks, Salih Bey, planted 100 pounds of American seed. So successful were the results that all three growers asked Calvert to order small hand-cranked gins for them from the Association. This Charles Calvert did, specifying that the machines were to cost no more than £4 plus the ocean freight.\textsuperscript{115} A few bales of cotton grown in these experiments were shipped to England from Salonika during the winter of 1861-62.\textsuperscript{116} High prices received for the first cotton sent to England encouraged Macedonian farmers to increase their acreage in the spring of 1862.\textsuperscript{117}

At that early date, Macedonian farmers had expectations that cotton would be profitable, as evidenced in a rise in land prices. On April 15, 1862, The \textit{Cotton Supply}
Reporter copied a letter written to the European Times by an unnamed Englishman in Serres:

A farmer of my acquaintance was some time since desirous of selling his farm for 80,000 piasters, and at that time he could find no buyer; now, from the introduction of this improved culture, he has been able—from cotton alone—to raise this year sufficient to yield him a net profit of 70,000 piastres, and next year he expects to treble this sum. I need not say how much the value of his property has thus become enhanced. But this is not a solitary instance. I can mention other cases of greater or less proportions. ¹¹⁸

Farmers in Macedonia rapidly accepted and came to prefer imported American and Egyptian seed over indigenous varieties. ¹¹⁹ The 1863 cotton crop yielded 35,000 bales, 15,000 bales American and the remainder Egyptian. American was deemed the better product. D. A. H. Lazzaro estimated that the Serres area could easily grow 150,000 to 200,000 bales. Gins, iron ploughs, and other farming tools were needed, however. So was know-how. Enthusiastic booster of cotton growing though he was, Lazzaro admitted in a letter to the Cotton Supply Association that he did not understand cotton cultivation and asked the Association to send him instructional literature. ¹²⁰

Agricultural instruction was desperately needed. American seeds were in short supply, and farmers’ planting practices did not make the most efficient use of the limited quantity that was available. At spring planting time in 1863, R. Abbott wrote, “The seed is thrown in the ground in the same manner that wheat is sown, so that it

¹¹⁸ Cotton Supply Reporter 1, no. 88 (April 15, 1862): 862.
¹¹⁹ Cotton Supply Reporter 1, no. 111 (April 1, 1863): 1218.
¹²⁰ Cotton Supply Reporter 1, no. 111 (April 1, 1863): 1228.
requires about 60 lbs. weight of cotton seed for each acre of land.” Abbott told the Cotton Supply Association that he had “with my own hands” planted a small field of cotton with 3 or 4 seeds to the hill with the hills spaced 2½ feet apart. This method required only 20 pounds of seed per acre. It could have been only coincidental, but Abbott’s planting method matched the printed instructions furnished with sample packets of seed from the U.S. Patent Office. Abbott remarked that the local peasants were having trouble making straight furrows with the new English ploughs that the Association had furnished, but were learning how to use them.121 Consul S. Stuart in Janina reported that in Albania the American seeds sent from Salonika were “sown broadcast, like wheat or barley” and that this sort of planting required about 90 pounds of seed per acre. Stuart stated the details as simply a matter of fact, and gave no indication that he was aware that this was not the most economical way to plant cotton.122

In the spring of 1863, Ottoman officials placed an order with the Cotton Supply Association for American and Egyptian cotton seeds earmarked specifically for the European provinces.123 Cotton acreage nearly tripled in Macedonia between 1863 and 1865, from 50,000 acres to 140,000.124 European buyers purchased 250,000 bales of 1863 crop cotton at Salonika.125 If the acreage-to-yield ratio held, the 1865

121 Cotton Supply Reporter 1, no. 111 (April 1, 1863): 1230; Daily Cleveland Herald (Cleveland, OH), May 10, 1862.
122 Cotton Supply Reporter 1, no. 126 (July 1, 1864): 1480-148.
123 Cotton Supply Reporter 1, no. 111 (April 1, 1863): 1219.
125 Cotton Supply Reporter 1, no. 126 (July 1, 1864): 1482.
crop should have produced 700,000 bales. A Macedonian cotton bale was smaller than an American bale, about 220 to 248 pounds.\textsuperscript{126} This was still a very substantial quantity of cotton, something on the order of 165 million pounds or about 410,000 American-size bales. For comparison the states of South Carolina and Georgia each produced 556,000 bales in 1860.\textsuperscript{127}

Expectations that Macedonia would soon be producing cotton in even larger quantities encouraged British interest in building railroads. The scenic Vardar River Valley provides a level, nearly straight corridor from Salonika 150 miles north past Skopje and Priština to the market town of Mitrovitza (Kosovska Mitrovica, Kosovo) in the hilly borderland between Serbia, Albania, and Montenegro. Only a small rise of elevation separates it from the valley of the Morava River, which flows north 150 miles to empty into the Danube River a few miles downstream from Belgrade. All of the corridor, and especially the Vardar River Valley, which resembles the Shenandoah Valley in soil and topography, was deemed prime cotton growing country. British engineers surveyed a railroad route from Salonika up the Vardar Valley to Priština in 1864. It was confidently expected that cotton would make a railroad profitable.\textsuperscript{128}

Cotton’s position was economically precarious, however. As in Syria, cotton’s major competitor was tobacco. Further, Macedonia’s tobacco was a unique air-cured type called Yenidze, the demand for which was rising as cigarette manufacturing

\textsuperscript{126} Cotton Supply Reporter 1, no. 132 (Jan. 2, 1865): 1575.

\textsuperscript{127} Donnell, History of Cotton, 492-493.

\textsuperscript{128} Mazower, Salonica; City of Ghosts: Christians, Muslims and Jews, 1430-1950, 212.
increased. Yenidze was grown nowhere else, and because it was used as a flavoring in the cigarette blend it had no direct competitor. Tobacco production was increasing before the American Civil War began, rising from slightly over 10 million pounds in 1847 to 22 million in 1857. In 1866, one eighth of the cultivated land in Macedonia was devoted to tobacco. Twenty thousand families were dependent on it for their livelihood. Seventy percent of Macedonia’s tobacco was exported. In his report for 1866, U.S. Consul-General J. H Goodenow in Constantinople predicted that if the price of cotton fell 20 percent from what it was then bringing farmers would abandon cotton for other cash crops. Prices at Liverpool dropped 28 percent in the next twelve months. Cotton prices continued to decline over the next decade, while during the same timeframe prices paid for Macedonian tobacco increased substantially. In 1863, the very finest quality Yenidze tobacco sold for 16 d. per pound, while common quality sold for from 4½ to 7½ d. per pound. Fifteen years later the highest quality Yenidze tobacco sold for as much as 80 piasters per oke, or the equivalent of about 58 d. per pound. Common quality Yenidze tobacco sold for up to 20 piasters per oke, or about 14 d. per pound. Cotton, in comparison, was selling

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131 J. H. Goodenow to Seward, Nov. 30, 1866, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1866*, 410.


for between 5 and 6½ d. per pound in Liverpool in 1878. Tobacco yielded 400 to 900 pounds per acre, the same or more weight per acre than cotton.

Macedonia’s land tenure system was more suited to a premium value crop like tobacco than it was to a low priced, high volume crop like cotton. The vast majority of peasants owned the land that they tilled in absolute freeholds. Peasant holdings were small, usually five to ten acres. Family members provided the field labor. In these circumstances, food production took precedence over cash crops. Peasant smallholders naturally chose the cash crop that gave them the greatest monetary return for the least amount of land taken away from food production. This subsistence strategy held true on the few larger estates that were farmed on a sharecropping system, because the tenant peasants still had to grow their own food.

When growing cotton did not profit them, Balkan peasants could not be persuaded to plant it except under compulsion. When compulsion was tried, it inflamed nationalism and inspired rebellion among the Sultan’s subject peoples. Serbia was the prime example. Ottoman officials in Belgrade gave the American cotton seeds that J. E. Blunt sent there in 1863 to the chief of police in each district. For the next three years, Ottoman police forced the Serbian peasants to plant cotton and supervised its cultivation. Cotton thus came to be identified with the oppressive Ottoman authorities. The British consul-general in Belgrade wrote of the episode in


1866, “it will be very difficult to again induce the peasants to attempt cotton cultivation.”

Cotton also suffered a curious environmental disadvantage in Macedonia that may have favored tobacco. As the first cotton from the 1866 crop was being picked, a species of woodland rodent suddenly became so numerous as to be a crop-destroying plague in the Vardar River Valley and in neighboring Thessaly. Richard Wilkinson, the British consul in Salonika, informed the Cotton Supply Association:

The sudden appearance of immense swarms of rats in several districts of this province, and of Thessaly, is a phenomenon which has not yet been satisfactorily explained. The havoc committed by these vermin on the grain crops of the last-named province has reduced the rural population to great poverty.

The rats seemed to have a particular fondness for cotton seeds, and shredded the unripe bolls to get at them. Rodents will not eat tobacco.

Relations between British cotton interests and Ottoman provincial officials deteriorated over time. At Serres, where the Liverpool-based Asia Minor Cotton Company built a large steam powered ginnery during the Civil War, the operators used low-quality lignite coal dug from local hillsides to fuel the boilers. Local authorities initially levied a tax or royalty on the coal equivalent to 5 British shillings per ton. In the midst of the 1868 cotton season, the authorities raised the tax to 20 shillings per ton, a price that Nathaniel Buckley, chairman of the Cotton Company, complained was, “nearly the price of Newcastle coal delivered in Smyrna.” A dispute

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138 *Cotton Supply Reporter* 1, no. 148 (May 1, 1866): 1839.

139 *Cotton Supply Reporter* 1, no. 154 (Nov. 1, 1866): 1933.

140 Ibid.
erupted between the Asia Minor Cotton Company and local officials, with the result that the provincial governor prohibited the delivery of coal to the factory. The ginnery was forced to suspend operations. At another Macedonian ginnery, a tax collector arbitrarily levied double the official excise tax on cotton. When the manager (who was evidently an Ottoman subject, otherwise he would have been protected by the Capitulations) refused to pay, the tax collector had him thrown in jail. It took the Cotton Company twelve months’ effort and £400 in bribes to get him released. In a pattern that was familiar throughout the Ottoman Empire, Buckley’s complaint triggered a protest from the British Foreign Office to the Ottoman ambassador that led in turn to an ineffectual memorandum to the local officials from the Porte in Constantinople.\footnote{Cotton Supply Reporter 1, no. 177 (Oct. 1, 1868): 2303.}

Macedonian cotton cultivation may have conflicted with the personal interests of John Abbott as well. Consul General Abraham Cumberbatch reported to Parliament in 1865 that one of the major impediments to cotton growing in the Ottoman Empire was lack of an “Agricultural Loan Bank” to finance the peasant planters. Cumberbatch wrote, “cultivators of cotton are greatly embarrassed by the exorbitant demands for interests of money advanced to them to cultivate their land, which finally becomes a mortgage so that they may be considered in worse position than the Government serfs were formerly in Russia.”\footnote{Great Britain. House of Commons, Accounts and Papers, thirty eight volumes (29) Commercial Reports (1866-67) Session 5 Feb. – 21 Aug. 1867 (London: Her Majesty’s Stationery Office, 1866), 159.} Establishment of a lending bank in Salonika would not have been to Abbott’s self-interest, since he was the...
province’s largest money lender and usurer. Circumstantial evidence suggests that Abbott was in position to manipulate the availability of credit after the Imperial Ottoman Bank opened a branch in Salonika in May 1864. The Bank’s office was located in Abbott’s house. Almost nothing is known about the Bank’s operations in Salonika until 1870 because the records for its first five years no longer exist.\textsuperscript{143}

None of the signs that the cotton-fueled prosperity that the Ottoman Empire had experienced during the previous five years was about to end were heeded when Sultan Abdul Aziz arrived in Great Britain on his historic state visit in the summer of 1867. At that moment, cotton was selling for only about one-third the amount that it had sold for at the same time of the year in 1864. More ominously, the prices being paid in 1867 were almost 29 percent lower than in 1866.\textsuperscript{144} Britain’s imports of cotton from Smyrna had declined from 79,803 bales in 1865 to 32,770 in 1866. The year 1867 would see only 16,995 bales of Smyrna cotton arrive at Liverpool.\textsuperscript{145} At the very moment Abdul Aziz set foot on English soil, the cotton crop in Anatolia and Syria was withering under a drought and the Liverpool market was in turmoil.\textsuperscript{146}

Abdul Aziz was feted and lionized everywhere he went, including at Buckingham Palace where Queen Victoria made him a Knight of the Garter. Nor was the outpouring of adulation reserved for the Sultan. At a breakfast for the officers of

\textsuperscript{143} Karatzoglou, \textit{The Imperial Ottoman Bank in Salonica}, 9-33. Abbott sold the house to the Bank in 1873. The Imperial Ottoman Bank remained in the building until April 29, 1903, when Bulgarian terrorists blew it up with a massive charge of dynamite placed in a tunnel underneath it. That explosion might account for the missing records.

\textsuperscript{144} Donnell, \textit{History of Cotton}, 528-557.


\textsuperscript{146} \textit{Cotton Supply Reporter} 1, no. 164 (Sept. 2, 1867): 2099.
the Imperial Ottoman Bank, Sir Austin Henry Layard, referring to his role in promoting cotton growing, hailed Mehmed Fuad Pasha, the recently retired Grand Vizier, as “the regenerator of Turkey.”\textsuperscript{147} The Ottoman Empire’s finances appeared to be in good order. Abdul Aziz sought to continue modernizing the Ottoman Empire’s infrastructure, especially railroads. With bankers willing to extend credit, and seemingly confident that cotton would generate revenue to repay the loans, Abdul Aziz granted a series of railroad concessions and guaranteed the foreign concessionaires a set annual percentage return on their investment. While the first tracks were being laid, the price of cotton was plunging to record lows. England imported only 53,715 bales of Turkish cotton in the two years 1868-69 and none in 1870.\textsuperscript{148} Expected freight and tax revenues from cotton never materialized. In 1875, the Ottoman Empire defaulted on its foreign debts.

\textsuperscript{147} Cotton Supply Reporter 1, no. 163 (Aug. 1, 1867): 2077.

Chapter 7
Palestine

Jaffa on the coast of Palestine provides the best-documented example of the rise and fall of cotton in a discreet provincial locale in the Ottoman Empire. It also provides a vivid portrait of one of the Cotton Supply Association’s agents and illustrates how the introduction of cotton sometimes depended upon the energy and efforts of one individual.

Guidebooks for travelers going to the Holy Land published just prior to the American Civil War typically describe Jaffa thus:

Joppa is a very ancient town—an existence is claimed for it prior to the Deluge, and tradition assigns this spot as the place where Noah built his ark. Rabbinical writers derive its name from Japhet, while the classical geographers refer it to Jope, daughter of Æolus, and affirm that it was on this shore that Andromeda was rescued by Perseus from the sea monster. … Joppa was the only port possessed by the Israelites till Herod formed the harbour at Cæsarea; and hence it was that the timber from Lebanon destined for both the first and second temples was landed here… In the time of the crusades, Joppa was besieged and taken by Baldwin I., and was recovered by the Moslems under Saladin in A.D. 1186. From the first crusade down to our own day, Joppa has been the landing-place of pilgrims going to Jerusalem. … Josephus describes the natural unfitness of Joppa for a haven, in terms very familiar to those which modern travellers employ. The fact is, the port is so dangerous from exposure to the open sea, that the surf often rolls in with the utmost violence.¹

Seen from the deck of an arriving ship like the French Messageries Maritimes steamer Osiris that regularly called there, Jaffa was a pretty Near Eastern town of about 1,200 flat-roofed limestone buildings enclosed by an old wall perched atop a...
steeply sloping hill that overlooked the ancient harbor. King Solomon’s harbor was a funnel-shaped bay barely nine hundred yards long and four hundred years wide at its broadest northern end. It was enclosed within a jagged chain of dangerous offshore rocks that broke the waves of the Mediterranean. The bay was too small and shallow for modern ships to enter. Jaffa was home to about 6,000 permanent residents, plus a small Ottoman garrison, a few Turkish officials, and their families. The Arab residents were composed of Muslims and Eastern Orthodox Christians in about equal proportions. There was a small number of long-established Arabic-speaking Armenian Christian families. There were also 26 Jewish families, fewer than 200 people, immigrants that had arrived from South Africa in the 1820s and gone into business as shopkeepers and tradesmen. A small number of assorted foreigners formed their own enclave. Getting ashore was an adventure. Steamers had to anchor on the seaward side of the rocky breakwater around the old harbor, exposed to the full force of wind and waves. Passengers and cargo were ferried between ship and shore in boats. The one boat dock was a rickety wooden jetty 11 feet long and 9 feet wide at the Ottoman Custom House, which was itself little more than a shed. Once travelers were ashore, Jaffa lost its beauty, and proved to be a tightly packed huddle of dilapidated buildings and dirty, narrow streets that were overcrowded with men in native Arab attire, veiled women, barefoot children, donkeys, and camels. The road that led out Jaffa’s arched, tower-guarded eastern gate and across the Plain of Sharon through Ramle to Bab al-Wad at the foot of the Judean hills and on to Jerusalem 40 miles away was a donkey path too rough and narrow for carts or wagons. No wheeled conveyances were to be seen anywhere in Palestine. Camels transported freight, up to
eight hundred pounds in a load. Bandits were a real danger, and guidebooks of the era advised European pilgrim-tourists who made the trip to Jerusalem to arm themselves with revolvers. The approximately 55,000 fellahin, or peasant farmers, who inhabited Jaffa’s hinterland lived by subsistence farming, using implements and agricultural methods little changed from those of biblical times. At one side of Jaffa’s bazaar, it a square about half the size of a football field, was located the British Consulate, also the private home of Her Britannic Majesty’s Consul, Dr. Assaad Yakub Kayat.2

In a consular service that included many colorful and exotic characters, Assaad Kayat stood out as perhaps the most exotic and colorful of them all. A handsome man with a curled moustache who dressed in Turkish-Balkan fashion in wide trousers, short coat, waist sash, and red tarboosh, Kayat said of himself, “Some take me for a prince, or at least a chief; others for a Chinese ambassador, a merchant, or an interpreter. Some think I am a Jew; others, a Turk, a missionary, a philosopher, or a lecturer; Christians of every denomination appointing to me a station or an office according to their own preconceived notions.”3

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Assaad Kayat was in fact born into an Eastern Orthodox Levantine Arab family in Beirut in 1811, the son of a merchant. Kayat’s father apprenticed him at an early age to Salem Bassila, a tobacco merchant, from whom he learned the tobacco trade. His father’s younger brother taught him to read and write his native Arabic, and also imparted the wisdom that, “Clever boys teach themselves.” The Kayat family, like most Levantine merchants, were multi-lingual. Assaad’s father spoke Arabic as his first tongue, and also Greek, Turkish, and Albanian. His father’s older brother spoke Italian and English, and had been employed as interpreter by Admiral Sir Stanley Smith, commander of British naval forces in the eastern Mediterranean during Napoleon’s invasion, and from him Assaad learned spoken English. Though his family was Eastern Orthodox, when Assaad was around twelve years old they arranged for him to attend a Roman Catholic school run by Capuchin friars, where he studied Italian, the traditional language of trade in the Mediterranean region. All the while, young Assaad earned spending money by hanging around the Beirut waterfront and offering his services as interpreter to merchant ship captains and other foreigners. There he chanced to meet two American missionaries, Rev. Isaac Bird and Rev. William Goodell, almost immediately upon their arrival in Beirut. His family subsequently befriended them, and another American missionary, Rev. Pliny Fisk, taught Assaad to read and write English. Through them, Kayat became acquainted with the first British Consul-General to Syria, John William Farren and his wife. Kayat became Consul-General Farren’s horse-boy and interpreter and traveled with him to Damascus to set up the British consulate. In his autobiography, Assaad Kayat
proudly claimed that he and John W. Farren were the first Christians to ride through the gates of Damascus on horseback in more than a thousand years.4

After returning from Damascus, Kayat was hired by two Swiss merchants, Brelaz and Gauthey, as interpreter and storekeeper, a job whose duties were those of stock clerk and office boy. In the course of his short career with Brelaz and Gauthey, Kayat learned to speak and write French. After an international flotilla of British, French, and Russian warships destroyed the Ottoman-Egyptian fleet at its anchorage in Navarino Bay, Greece, on October 20, 1827, an event that caused Europeans to flee the Levant, Kayat found employment with a Muslim trader, Hadji Abdallah. Abdallah sent him on several trading expeditions in the Syria-Iraq region, one going as far as Baghdad. In the course of these travels Kayat became acquainted with many prominent Muslim merchants, and also with Arab Christian and Jewish merchants who imported English cloth.5

Sometime later, Charles Farren arrived in Beirut as the new British Consul-General for Greater Syria, and Kayat was appointed second dragoman, a position that extended the extraterritorial protections and privileges accorded Europeans by the Capitulations to him. Consul-General Farren’s duties included promoting English goods in local markets, with cotton cloth and yarn the predominant articles. Kayat

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4 Kayat, *A Voice from Lebanon*, 2-40. Kayat’s claim was the exaggeration of an excited teenage boy, but not a great one. The Mongol general Kitbuqa, who was a Nestorian Christian, King Hethoum of Armenia, and the Crusader Prince of Antioch, Bohemond VI, rode into Damascus as conquerors on March 1, 1260. The Mamluk general Baybars, a Turk, defeated the Mongols at ‘Ayn Jalut in September 1260, and retook Damascus. From that date Christians were forbidden to ride on horseback into the city.

accompanied Farren on his excursions into the Damascus bazaars, and in the process learned something about British commerce.⁶

Kayat’s employment with Charles Farren led to him being hired as interpreter for a British diplomatic mission that was escorting a Persian prince-ambassador, Najaf-Kuli Mirza, and his entourage to England. Kayat sailed from Beirut in the early spring of 1836 with the diplomatic mission in the Royal Mail steamer Africane. Storm damage and a near-disastrous engine breakdown forced the Africane to limp into Malta under sail. After enduring forty days in quarantine there the diplomatic mission completed its journey to Falmouth, England, in a Royal Navy warship, the paddlewheel steam gunboat H.M.S. Spitfire. Arriving in April, Kayat spent six months in England, and while there served as interpreter for Najaf-Kuli Mirza when he was introduced to several prominent British personages, including Lord Palmerston, the elderly Arthur Wellesley, Duke of Wellington, old King William IV, and his diminutive seventeen-year old niece that was soon to be crowned Queen Victoria. When the diplomatic visit was completed, the British Foreign Office treated Najaf-Kuli Mirza to a tour of Europe on the journey home. Traveling by stagecoach, the party went from Calais to Brussels, Liège, Aix-la-Chapelle, Cologne, Frankfurt, and Linz to Vienna. After sightseeing in Vienna, the party pressed on to Pest, into Transylvania, and over the mountain road to Bucharest, the capital of Wallachia, a former Ottoman province that was then a principality under Russian protection. News that an epidemic was raging in Constantinople forced the diplomatic mission to tarry two months in Bucharest before resuming its journey to the Ottoman capital on the

Austrian steamer *Ferdinando*. After some time in Constantinople, the mission sailed to Smyrna and then to Beirut, whereupon Kayat resigned his employment with the British consular service.\(^7\)

Historian Kamal S. Salibi has suggested that Kayat’s relationship with the British Foreign Office did not end when he resigned as dragoman and interpreter, and that the subsequent trip that he made to Iraq in 1837 was an intelligence mission undertaken at the behest of Charles Farren. Kayat’s purported reason for making this grueling trip across the Syrian Desert with a camel caravan whose leader, a Bedouin chief named Jaad, had a contract to operate a camel express carrying the British India mail to Baghdad, was to purchase turquoise and pearls. When Kayat wrote the account of the trip in his autobiography ten years later, he revealed that, “I had a great object in view—I wished to ascertain the possibility of this route becoming the highway to India and central Asia, and I can see no reason why it should not. There is no natural impediment to a railway being made from Damascus to Baghdad.”\(^8\) While in Iraq, Kayat met Colonel Taylor, the British consul in Baghdad, and renewed his acquaintance with Najaf-Kuli Mirza. Mirza introduced him to a delegation of mullahs who were on a pilgrimage to the Shrine of Ali at Karbala. During this trip Kayat turned down a tempting proposition: Jaad offered Kayat his beautiful young daughter


\(^8\) Kayat, *A Voice from Lebanon*, 164.
in marriage and a gift of ten camels if he would convert to Islam and become his business partner.\(^9\)

Soon after returning to Beirut, Kayat met a party of British missionaries who were returning home to England. Learning that they were planning to sponsor a number of Syrian youths to study in England, Kayat departed in company with them on this second trip to England, traveling by way of Marseilles, Paris, and Calais to London, where he arrived in April 1839. Kayat spent the next six months in England at his own expense, soliciting Church Missionary Society sponsorship so that he could attend medical school. Kayat also renewed his friendship with Charles Farren, who had by then been recalled home. Soon after meeting with Farren, Kayat returned to Beirut and almost immediately set out on a trip to the volatile Ottoman-Persian borderland, this time ostensibly to buy tombac; the mild-flavored Persian tobacco smoked in water pipes. His activities seem to have gone far beyond those normal for a tobacco trader, and yielded the kind of information about the region that the Foreign Office would have been interested in.\(^10\)

The second trip to Mesopotamia was Assaad Kayat’s last adventure as a footloose bachelor. No sooner had Kayat returned to Beirut in 1840 than fighting broke out between Druzes and Maronites. The European Great Powers intervened; and British, French, Austrian, and Ottoman Turkish warships appeared at Beirut. Beirut’s Christians and Jews, along with some of the city’s Muslim residents, fled to

\(^9\) Ibid, 163-175.

the hills. There, while they were refugees sheltered at the Eastern Orthodox convent of Dayr al-Harf, Kayat married Martha Giammal, the young daughter of H. Khooja Habib Giammal, a wealthy Beirut merchant that he had known since boyhood.\textsuperscript{11}

The missionary sponsorship to study medicine in England materialized in 1842, and Kayat, along with his wife and infant son, Habib, sailed for England, where he began training at St. George’s Hospital, Cambridge. While in England, Kayat found time to write and publish two books in addition to his autobiography, \emph{The Eastern Traveller’s Interpreter; or, Arabic Without a Teacher} and a translation of the travel journal written in Persian by Prince Najaf-Kuli Mirza during the diplomatic mission. Kayat also became father of a second son, William. Kayat was admitted to the Royal College of Surgeons of England in July 1846, meaning that he was licensed to practice medicine. He also became a naturalized British subject. During his four years sojourn in England, Kayat visited Liverpool and wrote of it, “This great place…ranks next to London as a commercial town; nothing is thought of but business, the funds, and public securities… Cotton is the favorite word.”\textsuperscript{12}

Dr. Assaad Kayat became British consul in Jaffa in 1848, and he soon gained a reputation as a source of intimate knowledge of the region, as well as becoming well known for his generous hospitality. Missionary publications and guidebooks for pilgrim-tourists often cited and praised him, as did many travelers including American naval officer and explorer William F. Lynch. Herman Melville toured the

\textsuperscript{11} Kayat, \textit{A Voice from Lebanon}, 100-102.

Holy Land in 1857, and he was one of the few Westerners that Kayat did not impress. Melville’s impression was apparently influenced by an American missionary who portrayed Kayat as being a cunning merchant well versed in the craftiness of Levantine commerce who had knacks for languages, for getting along with people, and for self-promotion. Those were useful qualities, however, and in 1858 Kayat used them to help calm matters after Edwin De Leon, the fiery United States Consul-General in Alexandria, came to Jaffa and threatened the Ottoman provincial governor with bombardment by an American warship unless he took vigorous action to apprehend and punish five bandits who murdered an American missionary, injured another, and raped their wives. After sectarian violence again broke out in Lebanon and spread to Damascus in 1860, Kayat headed the Anglo-American Relief Committee’s effort to distribute food to destitute refugees who had fled to Jaffa, bringing him further notoriety. It also made him acquainted with J. Augustus Johnson, the U.S. Consul in Beirut, who was the Committee’s secretary.¹³

Precisely when and how Kayat became interested in growing American cotton in Palestine is unclear. In 1847, Kayat wrote that, “The Syrian cotton and silk might, by commercial enterprise, be improved to suit the Manchester market; and British goods might be taken in return, both for the country itself and for Mesopotamia, Arabia, and Persia.”¹⁴ According to economic historian Charles Issawi, who cited as his source

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correspondence between Kayat and the Foreign Office, Kayat planted some American
cotton seeds obtained from an undisclosed source in 1850. American-type cotton was
successfully grown in this experiment, but it was not profitable because of high
shipping costs. Kayat was among the recipients of the American seeds that the Cotton

It is possible, even probable, that Kayat and William H. Seward were
acquaintances. Seward visited Palestine as a tourist in September 1859. The U.S.
Navy frigate Macedonian was detailed to transport then-Senator Seward, and it is
inconceivable that Kayat would not have met a visitor as obviously important as
Seward. While in Jaffa Seward stayed in the home of the United States consular
agent, Charles Saunders.\footnote{Frederick W. Seward, Seward at Washington, as Senator and Secretary of State. A Memoir of his life, with selections from his letters, 1846-1861 (New York: Derby and Miller, 1891), 417-418.}

There is no documentary evidence to substantiate the assumption, but it is
reasonable to suppose that Assaad Kayat may have been encouraged to promote
cotton cultivation by Charles Saunders. Saunders was a Rhode Islander who came to
Palestine in 1854 as a Seventh-Day Baptist agricultural missionary. In a letter written
home to his family from Jaffa in 1859, William H. Seward described Saunders as a
man who was, “of my own political school.”\footnote{Ibid, 418.} Records for the U.S. Consular Agency
in Jaffa in the U.S. National Archives begin in 1866, so almost nothing is known of
Charles Saunders’s activities during the Civil War years. Herman Melville reported
that Saunders was in very bad health in 1857, so it is possible that the U.S. Consular
Agency in Jaffa was inactive during that time. American travelers to the Holy Land often mentioned Kayat in accounts of their travels and their references suggest the possibility that he functioned as unofficial substitute United States vice-consul in Jaffa.18 Such informal arrangements were not uncommon. This is shown by the fact that in 1858 Noel Temple Moore, the British consul-general in Beirut, served as “Acting American Consul” there in the American consul’s absence.19

Kayat also had high-level encouragement from Britain. No less a personage than the Prince of Wales, the future King Edward VII, visited Jaffa in April 1862, and dined with Kayat. What they discussed over dinner went unrecorded, but Prince Edward encouraged cotton growing while in Egypt during the same tour.20

On January 27, 1863, Kayat addressed a long despatch intended for the Cotton Supply Association to the Foreign Office, and reported that he had recently toured the Jaffa district and spoken to many of the village sheikhs and landowners about the profits to be realized from cotton growing. To sway them, he cited the example of a farmer in the village of Mugar, who had planted a small field in cotton the previous year and had harvested a quantity that sold for £100, several times more money than the land could have earned growing wheat or sesame seeds. Kayat reported that the

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18 Mary Eliza Rogers, Domestic Life in Palestine (Cincinnati: Poe & Hitchcock, 1865), 21.


20 Times (London), March 28, 1862, April 4, 1862, April 10, 1862, and April 21, 1862.
headmen of the villages of Yibna Katra, Salamieh, Sakieh, Ibn, Abiak, Yalmdieh, and Cufo Aanah had decided to use two-thirds of the land that they normally planted in sesame for cotton in the coming year. Kayat was himself a landowner, and he planned to plant his fields in Sea Island and Egyptian cotton. The great need was for American seed, and Kayat asked the Cotton Supply Association to send him a quantity to distribute. Shrewdly judging that money would be the most effective way to motivate farmers to increase their cotton acreage, Kayat recommended that the Manchester Cotton Company, “import a few bales of cotton grown here from native seed, for anyhow it is as good as that of Surat.”

The Cotton Supply Association was forthcoming with the cotton seed that Kayat requested, apparently sending both American and Egyptian seeds. A total of 5,290 acres were planted, but it is unknown how much was American seed, how much Egyptian, and how much native. Kayat named twelve Jaffa area villages where farmers planted cotton in 1863: Kafarhana, Bet Nabala, Hulé Naalin, Bashit, Mosmiet, Falvoje, Maghar, Kuhibe, Sarfand, Zarmka, Salamé, and Baabrak.

American cotton flourished in the rich soil of the Plain of Sharon, and in November sold for 10 d. to 16 d. per pound, an incredibly high price. Kayat said that after selling their cotton the farmers, “look happy, and their wives are dressed on their heads with silver coins and some with valuable gold coins.”

If the tillers of the soil were getting rich, the merchants were probably getting richer. In response to a circular that asked twenty-five very specific questions sent to

21 Cotton Supply Reporter 1, no. 112 (May 1, 1863): 1241-1242.

all British consuls in the Ottoman Empire from the Foreign Office on June 27, 1864 by Austin Henry Layard, famous as the archaeologist who discovered the ruins of ancient Assyria, Kayat reported that the merchants advanced operating money to the growers in return for a fixed quantity of cotton. A common practice in the Jaffa area was for merchants to finance the entire costs of production in return for 50 to 75 percent of the crop. In some parts of Palestine merchants lent money to the cultivators at annual fixed interest rates ranging from 33 to 50 percent. Land, livestock, and implements were pledged as collateral.

Seeing the great prosperity that income from cotton brought to their neighbors encouraged others to plant it in the spring of 1864. Cotton seeds doubled in price from the year before, to 8 piasters for a 25 pound bag of native seed, but the supply was plentiful, and seed sellers were doing a brisk business. In addition the Ottoman government distributed 13,750 pounds of American seed free. In mid-March 1864, as preparations for planting were underway, Kayat, whose despatches exhibit considerable literary flair, described the scene at Jaffa’s marketplace in vivid detail:

The market and the warehouse of the merchants who sell the cotton seeds are situated very near my house. Thus, within the last three weeks the number of camels and donkeys which crowd the large space opposite my consulate were so numerous, loading cotton seeds for the country, that they scarcely left room for foot passengers till noon.

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23 Consul Kayat, Answers to Queries, in Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty, 1865, 9.

24 Orhan Kurmuş, “The Cotton Famine and its effects on the Ottoman Empire” in Huri İslamoğlu-Inan, ed., The Ottoman Empire and the World Economy, 166.


During the week when bloody events were transpiring at Fort Pillow in west Tennessee and Confederate infantrymen were ineffectually peppering Admiral David Dixon Porter’s ironclad gunboats with small arms fire as they steamed up Red River into the heart of northwestern Louisiana’s cotton country, Assaad Kayat was riding round the villages near Jaffa, where 31,700 acres, or almost 50 square miles, were planted in cotton. It was a gloriously pleasant week to be riding horseback among the patchwork of citrus orchards, olive groves, and long, narrow fields on the Plain of Sharon. The wheat was green, the gentle breeze blowing in from the Mediterranean was fragrant with the sweet scent of orange blossoms, and spring rain showers had sprouted the cotton seeds. Kayat “found with delight, in all directions, the young cotton plants shooting forth and healthy. The peasants assured me that they could not look better.”

American cotton was growing elsewhere in Palestine as well. In the autumn of 1861, the Cotton Supply Association sent James Finn, the legendary British consul at Jerusalem, a small parcel containing New Orleans cotton seeds, described by Finn as “a few handfuls.” This sample was sown in a garden at Jericho during the winter, and in the spring Finn wrote to the Foreign Office to tell them that the plants’ “gigantic and prolific produce is astonishing the natives of this country.”28 A sample from this or another planting of American seed was sent to England sometime before July 1862 and its quality was judged to be “fully equal to American growth.”29 By that time the

27 *Cotton Supply Reporter* 1, no. 125 (June 1, 1864): 1449-1450.

28 *Cotton Supply Reporter* 1, no. 92 (June 16, 1862): 923-924.

Cotton Supply Association had sent Finn a barrel of New Orleans seed, and Finn wrote that he planned to make a larger experiment at cotton growing “on the plain of the Jordan.” A sample of cotton from the Pashalik of Jerusalem was exhibited at the Ottoman National Exhibition in Constantinople in the spring of 1863 and was described in the semi-official French language *Journal de Constantinople* as, “bien que la fibre soit courte, elle a un lustre et solidité peu commune.” The sample had an uncommonly bright lustre, but the fiber was short, indicating that it was a native variety or a native-American hybrid rather than American. Writing from Jerusalem on August 26, 1863, Noel Temple Moore, who became consul upon James Finn’s retirement, reported that cotton acreage in the Jerusalem area had been increased fourfold from the previous year, with plantings of native and Egyptian seed. He expected a harvest of 4,250,000 pounds, up from 1 million in 1862. It was even reported that some nomadic Bedouins had settled down near Gaza and started growing cotton.

In the late spring of 1864 Mary Eliza Rogers, the daughter of an American missionary family, observed cotton growing along the road from Nazareth to Haifa. She described it thus:

> The large fields of cotton had a very pretty effect, for they were in their full beauty. The bushes are about two feet high, the stems are reddish, the leaves are of the color of maple in spring-time, the blossom looks as if it were made of butterflies’ wings, white and spotted.  

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30 *Cotton Supply Reporter* 1, no. 92 (June 16, 1862): 923-924.

31 Empire Ottoman, *Coup d’Œil Général ser L’Exposition Nationale à Constantinople*, 85.


33 Rogers, *Domestic Life in Palestine*, 159.
It appears that the summer of 1864 was nearly perfect for growing cotton in Palestine. Writing to Austin Henry Layard on August 12, Kayat reported that he had ridden throughout the district as far north as Mount Carmel and that “the state of the crops is all that could be desired.”\textsuperscript{34} Everyone was looking forward to a handsome profit. Writing to the Foreign Office on behalf of his ailing father on August 26, 1864, Consul Kayat’s son Habib reported that he expected the Jaffa district’s 1864-crop cotton harvest to be 8,590,000 pounds. Local cotton merchants were paying growers 29 piasters per oke, or the Ottoman equivalent of about 19 ½ \textdollar{} per pound in British money. At that time native type cotton was selling for 23 ¾ \textdollar{} in Liverpool, a price that afforded the Jaffa merchants enough margin to cover ocean freight and make a profit.\textsuperscript{35}

The quantity of cotton that was exported from Jaffa and the income derived from it is impossible to determine. In statistical data for Jaffa’s exports for the period 1857-1882 compiled by German historian Alexander Schölch, cotton is listed for 1859, 1860, 1862, and 1863, but there is no data for 1861 or 1864. According to Schölch, the quantity exported in 1863 amounted to 190,678 okes, or 527,364 pounds, with a value of 3,813,560 Turkish pounds. There are problems with this figure, however. Although the quantity of cotton is reasonable for the 5,290 acres that Kayat said were planted, the amount of money is far too much for the stated quantity of cotton. The unit of money commonly referred to by Westerners as the “Turkish

\textsuperscript{34} Consul Kayat, Answers to Queries, in \textit{Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty}, 1865, 12.

“pound” was the 500-piaster gold coin, also sometimes called a lira, which contained 6.6147 grams of gold. At the official exchange rate, this coin was worth approximately 0.90 British pound sterling. This would make the cotton worth £3,432,204 sterling. One British pound sterling was 240 pence, meaning that the cotton was worth 823,728,960 British pence. This sum divided by the average price paid for cotton on the Liverpool market for 1863-64, 22.97 d., works out to 35,861,077 pounds of cotton. This is far too high a yield even for the 31,700 acres that Kayat reported planted in 1864, and it also conflicts with his estimated 8,590,000 pounds yield for the 1864 crop, a figure that amounts to a reasonable 270 pounds per acre. If the value of cotton exported in 1863 was 3,813,560 piasters instead of “Turkish pounds” then the amount would be equal to £6,864 or 1,647,458 pence, which calculates to 71,722 pounds of cotton, far below the stated quantity exported, and only a fraction of the approximately 1,300,000 pounds that the 5,290 acres that Kayat reported planted in 1863 might be expected to yield.36

Kayat encountered difficulties in his effort to encourage growers to plant American cotton. The fellahin were reluctant to accept the American seed offered to them free by the Ottoman government, fearing that it was a ruse by local officials to increase the tithe, the one-fifth part tax-in-kind that they paid on the crop. As men, women, and children were swarming into the fields with sacks and baskets to pick the first ripe cotton bolls from the waist-high plants in August, Habib Kayat informed the Cotton Supply Association that the farmers had little inclination or incentive to

improve the quality of their produce because, “the present high prices pay them so well that they do not care about troubling themselves with experiments.”37 Rumors that the war in America might end before the crop went to market dashed hopes that the high prices anticipated at planting time would be realized. Writing as the first camel-loads of cotton were arriving at the Jaffa market in early November, Assaad Kayat reported that the price had fallen by half, from 29 piasters per oke to 14 piasters, or a little over 9 ¼ d. per pound. Seeing the abundance of their own crops and the decline in prices, farmers began to worry that more cotton was being grown than there would be a market for.38

Cargo handling facilities were grossly inadequate to accommodate the greatly increased volume of cotton and other goods moving out of and into Jaffa. Everything still had to pass over the one tiny jetty at the Ottoman Custom House. After being inspected by customs officials and export duties collected, each bale of cotton was manhandled onto a harbor lighter, a whaleboat about 30 feet in length crewed by six oarsmen and a steersman at the tiller. The boatmen threaded their heavy-laden craft through narrow gaps between the rocks to a waiting ship, most often a French Messageries Maritimes steamer bound for Marseille, whose crew used block-and-tackle hung from a yardarm to hoist the bales aboard. Ships sometimes loaded more than a thousand bales, as was the case with the British sailing ship Volunteer, which took aboard 1,400 bales in April 1864. A harbor boat could carry at most two or three bales of cotton per trip. Loading was a slow process in the best of conditions. Even


moderate-sized waves halted loading operations. Stormy weather forced the ships to weigh anchor and head out to sea lest they be driven onto the rocks and bashed to pieces. These conditions not only caused frustrating delays to Jaffa’s cotton merchants; it wrought havoc with steamship schedules. Nevertheless, the cotton shortage was so severe in France that the Messageries Maritimes assigned its newest, fastest steamers to the Jaffa-to-Marseille cotton run.\(^{39}\)

Despite the difficulties there was still much faith that cotton promised future prosperity. It was already bringing about noticeable change in the pace of life in Jaffa. In reply to Layard’s questionnaire, Kayat reported that the fellahin were making more money than they ever had in the past, and they were no longer indebted to the merchants who advanced them operating money. Those who planted American seed did doubly well. The American seed yielded 520 to 620 pounds per acre compared to a maximum of 300 pounds from indigenous seed. A number of hand-cranked English and American cotton gins had been imported and were in use. Local cotton merchants had just put two English steam engines into operation to power gins. One of the steam engines also ran a hydraulic bale press that made 400 pound bales. Five hand operated screw-type bale presses were also in use. Camel drivers were earning 8 shillings per load, one load per day, bringing the cotton to Jaffa. Wheat and olive oil exports also increased, mostly to Egypt, where food production was being ignored in favor of cotton and where the thousands of workers toiling to dig the Suez Canal had

\(^{39}\) Commercial Reports Received at the Foreign Office from Her Majesty’s Consuls between July 1, 1863, and June 30, 1864, 439-445; Times (London), May 6, 1864.
to be fed. Merchants were confident. Kayat reported that, “those who have money are buying all they can get at these prices, in the belief that ere long cotton will advance in value.”

Even greater changes seemed to be in the near offing. Ottoman customs officials obtained permission from Constantinople to construct a proper wharf for the landing of passengers and cargo from boats. A contract was let to a French company to build a lighthouse. Poles were being set and telegraph wire strung southward from Beirut, and the line was to be extended down the coast to Gaza and across the Sinai to Alexandria in Egypt. When completed, the telegraph line would put Jaffa in instantaneous communications with Constantinople and Western Europe. The Ottoman Porte granted a concession to a British company to build a railroad from Jaffa to Jerusalem in December 1864. Local merchants were impatient for construction to begin.

Forty miles away in Jerusalem, things did not look nearly so bright to Noel Temple Moore. Moore called Jerusalem, “the least commercial or industrial city I know.” Growing exportable cotton in the Jordan Valley had not materialized as James Finn had expected. No American or other foreign seeds had been distributed by the Ottoman government. Moore complained that local officials were doing nothing.

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40 Consul Kayat, Answers to Queries, in Circular to Her Majesty’s Consuls in the Ottoman Dominions regarding Cotton Cultivation; together with A Summary of their Replies, Presented to both Houses of Parliament by Command of Her Majesty, 1865, 9; Commercial Reports Received at the Foreign Office from Her Majesty’s Consuls between July 1, 1863, and June 30, 1864, 439-445.


42 Commercial Reports Received at the Foreign Office from Her Majesty’s Consuls between July 1, 1863, and June 30, 1864, 439-445; Times (London), Dec. 30, 1864.

43 Commercial Reports Received at the Foreign Office from Her Majesty’s Consuls between July 1, 1863, and June 30, 1864, 447.
to encourage cotton growing. Farmers were still following their traditional subsistence strategy, growing olives, wheat, barley, and maize. They were growing more cotton from native seed than they were before the American war began, but it was being used locally to make homespun, because English yarn and cloth was too expensive for local people to buy. Moore blamed the Ottoman government’s unwillingness to grant the concession to build and operate the proposed railroad to a foreign company as the primary reason for the dreary state of commerce. He complained that the government was not even willing to build good wagon roads. Moore also faulted the local Ottoman authorities for their failure to control predatory Bedouin tribes whose raids made farming in the Jordan Valley too dangerous. Yet, Moore thought that if only the government in Constantinople would assert its authority on local officials, the “vast fertile plains” then lying waste could be farmed in cotton and other crops.  

Assaad Kayat realized that the price of cotton was likely to decline when the American war ended, and that if it was to remain viable as an export cash crop in Palestine two things had to be done. First, Jaffa’s infrastructure had to be improved, and Kayat recommended dredging the old natural basin and building a landing stage so that oceangoing ships could load directly from shore. Kayat thought that it could be done relatively cheaply. Improving the harbor was something that the Ottoman government would have to do, either directly or through the granting of a concession to a foreign company. Second, the fellahin had to be convinced to improve the quality of their cotton. This need Kayat sought to address himself. Sometime during the 1864

\[44\] Ibid.
harvesting season, Kayat bought additional land, mules and English moldboard ploughs, had wells dug to furnish irrigation water, and had buildings erected for tenants who would work the land. Kayat’s intent was to set up a model farm, “for the produce of American cotton.”\textsuperscript{45} After investing heavily in land, equipment, and improvements, Kayat could not afford to buy a cotton gin, and asked the Cotton Supply Association to supply him with a good, simple English-made one, along with a screw press for making bales. He also asked for a supply of Sea Island, New Orleans, and Peruvian seed to use in demonstration test plots. The Cotton Supply Association sent the seeds, though it is unclear whether or not it supplied the cotton gin and bale press.\textsuperscript{46}

Telegraph wires reached Jaffa in the autumn of 1864, and brought same day market reports from the cotton exchanges in Liverpool, Marseille, and Trieste. This meant that prices offered by Jaffa merchants responded to the European market the next day. It is easy to imagine a crafty Jaffa merchant reading the latest price reports posted in the telegraph office window and then hurrying out to the \textit{sebil}, or traveler’s rest-stop, it a domed structure resembling a miniature mosque, on the Jerusalem road about a mile east of town to meet a caravan of fellahin bringing their cotton to market in hopes of convincing them to sell at yesterday’s lower price. In Jaffa’s coffee shops, at its mosques and churches, and wherever men gathered to talk, the conversation, as conversation among farmers invariably does, no doubt ran to what price they thought

\textsuperscript{45} \textit{Cotton Supply Reporter} 1, no. 133 (Feb. 1, 1865): 1596.

\textsuperscript{46} \textit{Cotton Supply Reporter} 1, no. 133 (Feb. 1, 1865): 1588 and 1596; \textit{Commercial Reports Received at the Foreign Office from Her Majesty’s Consuls between July 1, 1863, and June 30, 1864}, 439-445.
next year’s crop would bring, the merits of one plant variety versus another, and the new English plough, American cotton gin, or other piece of novel new equipment that a neighbor had just acquired. Out in the villages, there would have been talk among the village women who went to draw water from the well too, perhaps about the coming marriage of a daughter and how great a bride price the groom’s family had been able to afford because of their income from cotton. At planting time that spring, roundabout the time General Lee’s exhausted army was trudging toward Appomattox, there was grumbling, too. The price of cotton had fallen drastically, to 13 piasters per oke, so why did the price of English cloth not also come down? Some fellahin thought that the local merchants were conniving to get their cotton cheap, while the merchants suspected conniving speculators in Liverpool and Marseille of doing the same to them.47

Those who were better informed knew that the approaching end of the war in America was behind the fall in cotton prices. The Levant Herald, the bi-lingual English-French newspaper published in Constantinople and circulated widely among the European expatriate community, reported, “It is natural that the Levant should be affected—even seriously affected, by the commotion in the cotton market, of which the prospect of the termination of the American struggle is one of the causes.”48

Lower prices notwithstanding, confidence in cotton remained high. Acreage was again expanded. An American, identified only as “an American gentleman, who is from Carolina” toured the region in the spring and early summer of 1865, and

47 Commercial Relations of the United States for the Year ended September 30, 1864, 641; Cotton Supply Reporter 1, no. 136 (May 1, 1865): 1647.

48 Cotton Supply Reporter 1, no. 134 (March 1, 1865): 1611.
informed the Constantinople correspondent of the *Daily News* that he had seen “the best New Orleans” cotton growing near Nablus and along the road to Nazareth. The traveler also said that now that slavery had been abolished in the United States, “the negroes will never again take to field-work in sufficient numbers to bring down the price of the staple, so as to enable it to compete in any quantity with that grown in the Levant.”

As it had been the previous spring, the weather was nearly ideal for cotton. The young cotton seedlings looked magnificent. Then, during the second week in June 1865, a fearsome natural catastrophe that has periodically brought famine to the Near East since the beginning of agriculture descended upon Palestine: locusts. Assaad Kayat’s anguished despatch to *The Times* describing it reads equally like an account of a biblical plague and the description of an invasion of alien creatures from science fiction. A living cloud appeared out of the Syrian desert, crossed the Jordan River, swarmed over the rocky Judean hills, and then descended onto the Plain of Sharon. As they moved the locusts devoured every green growing thing in their path. The tiny insects seemed to display a malevolent intelligence. They did not eat the young oranges in Kayat’s garden, but after stripping the trees of their leaves, the locusts bit through the stems and let the fruits fall to the ground as if intentionally leaving nothing edible behind them. Despite efforts to seal them out, locusts found their way into houses and devoured the houseplants. They even attacked green

49 *Cotton Supply Reporter* 1, no. 143 (Dec. 1, 1865): 1760.
vegetables on people’s plates at mealtime. Kayat wrote to the Cotton Supply Reporter:

[Locusts] in innumerable millions have reached Jaffa, and have already eaten nearly all the cotton, sesame seed, and vegetables, and have done much damage to the young trees. They have eaten about fifteen acres of my own land planted with American cotton seed, which ten days ago was most promising. … Everybody is doing his best to destroy the locusts; the inhabitants go out en masse, and bring daily each a bagful of these insects, five okes or 14 lb. weight of them, which are thrown into the sea. It is a great calamity; in all churches, synagogues, and mosques, prayers are being offered to God to remove the curse.

If this despatch be published, I beg all scientific men who may take an interest in the cause to devise a means for the extermination of locusts. If any chemical waters can be produced to be pumped over the locusts when they are young to kill them, or traps, or anything for their destruction, such person or persons who may produce such a remedy will have the prayers and gratitude of the inhabitants of Palestine.

It was the last despatch from H.B.M. Consul Dr. Assaad Kayat that The Cotton Supply Reporter published. Before the August 1, 1865 edition containing it reached Jaffa in the mail, Kayat died in a cholera epidemic. He was fifty-four years of age. With Assaad Kayat’s death, the Palestinian fellahin lost an eloquent propagandist for their cotton at a time when one was most needed. Kayat’s son Habib replaced him as British consul at Jaffa, but his despatches never riveted the attention of the Cotton Supply Association as his father’s had.

Cotton was planted in 1866, but apparently not on the scale that it had been in 1865. The two steam-powered gins remained in operation, but not much seems to have been done to alleviate the cargo handling problems. Ottoman officials were not

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50 Times (London), July 19, 1865.
51 Cotton Supply Reporter 1, no. 139 (Aug. 1, 1865): 1694.
52 Times (London), Aug. 28, 1865.
being cooperative, and just at the time when the fellahin were finally convinced to plant them, the free distribution of American seed stopped. Locusts again attacked the crop, but not nearly so destructively as they had the previous year. The market was volatile, with wild up-and-down swings almost daily, as wildly conflicting news of the American crop reached Liverpool and Marseille. Writing in July, Habib Kayat told the Cotton Supply Association that 7 d. per pound was necessary for cotton to be remunerative to growers in Palestine. If cotton fell below that price, he warned, the Palestinian fellahin would stop growing it.\(^{53}\)

Elsewhere in Palestine, the distribution of American seeds apparently continued, and in some locales even took place for the first time. Consul Moore, who had previously complained that the local officials in Jerusalem were not distributing free seeds as the government in Constantinople had instructed, reported that 50,000 okes (137,500 lbs.) had been sown near Nablus in the spring of 1866, most on land held by small proprietors. Cotton was not popular with farmers in the Judean hills, however. Cotton required irrigation and water had to be drawn from wells that gave only a limited supply. Merchants were advancing operating money against the crop, but only at the low rate of 15 to 18 piasters per oke, or between 5 ½ and 6 ½ d. per pound.\(^{54}\)

Nothing about Palestinian cotton appeared in the pages of *The Cotton Supply Reporter* in all of 1867. When the American missionary Rev. Nathaniel Clark Burt landed at Jaffa from the Austrian Lloyds steamship *Archduchesse Carlotta* enroute to

\(^{53}\) *Cotton Supply Reporter* 1, no. 151 (Aug. 1, 1866): 1887.

\(^{54}\) *Cotton Supply Reporter* 1, no. 151 (Aug. 1, 1866): 1902.
Jerusalem on March 15, 1867, he penned a vivid description of Jaffa’s orange groves, sesame, and other crops but did not mention cotton.\textsuperscript{55} In March 1868, David Chadwick, a member of the Cotton Supply Association, returned from a tour of the Holy Land and wrote to John Cheetham, telling him that Dr. P. R. Vartan, a surgeon working with the Edinburgh Medical Missionary Association in Nazareth was encouraging a colony of Germans there to grow cotton. Chadwick informed Cheetham that Dr. Vartan was “willing to act as honorary agent of the Cotton Supply Association.”\textsuperscript{56} Chadwick talked with Habib Kayat, and reported that Kayat told him, “cotton cultivation in the valley of Sharon could be carried to a very large extent, if the growers had some assurance of the cotton being taken from them at some fixed minimum price.”\textsuperscript{57}

No such contractual agreement was forthcoming. At that point, the English cotton industry was in serious distress. Mills were working half time. At a special called meeting of the Cotton Supply Association held in Manchester Town Hall on Tuesday, December 22, 1868, with Mr. W. Pearson, who was a cloth manufacturer, not a spinner, in the chair, complaints were heard that, yes, the supply of cotton was short, but the price being paid for the supply that was available was too high. As a result, cloth cost more than overseas buyers could afford to pay for it. Such sentiments did not bode well for the future of cotton growing in Palestine, nor did the price for the year on the Liverpool Exchange. Cotton averaged 9.92 \textit{d.} for the year,


\textsuperscript{56} \textit{Cotton Supply Reporter} 1, no. 171 (April 1, 1868): 2208.

\textsuperscript{57} Ibid.
well above what Habib Kayat said was the break-even price, but it had at times fallen below 6 d. With that kind of uncertainty, the fellahin were likely to abandon cotton in favor of grain and sesame.\textsuperscript{58}

The price of cotton rose in 1869, averaging 11.42 d. and were fairly stable. Cotton never sold below 8¾ d. nor higher than 14 d. during the year. Most daily prices were between 11 and 14.\textsuperscript{59} The Marseille market followed Liverpool, but with ample supplies available from Egypt that could be quickly and easily loaded at Alexandria’s superb new docks, the Messageries Maritimes steamers stopped tarrying to load cotton at Jaffa. No Jaffa cotton went to Marseille that year. Nothing more was ever said about Palestinian cotton in the pages of \textit{The Cotton Supply Reporter}.\textsuperscript{60}

Palestinian farmers on the Plain of Sharon continued to grow small amounts of cotton and export it to France and Austria for some time, though in declining quantities. Those near Nablus produced primarily for local consumption.\textsuperscript{61} But cotton’s heyday was over, never to return. The newly arrived American consul in Jerusalem, R. Beardsley, in his annual report for Palestine sent on November 22, 1870.


\textsuperscript{59} Donnell, \textit{History of Cotton}, 574-575.

\textsuperscript{60} \textit{Cotton Supply Reporter} 1, no. 193 (Feb. 1, 1870): 2564; Donnell, \textit{History of Cotton}, 574-575.

\textsuperscript{61} Statement showing the commerce at Jerusalem and Jaffa for the year ending Sept. 30, 1873, in \textit{Commercial Relations of the United States, for the Year ending September 30, 1873}, 1110; Statement showing the commerce at Jaffa for the year ending Sept. 30, 1874, in \textit{Commercial Relations of the United States, for the Year ending September 30, 1874}, 1122.
1871, stated that, “The amount of cotton raised in Palestine is insignificant at present. But little attention is paid to its cultivation.”

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62 R. Beardsley to Hamilton Fish, Nov. 22, 1871, in Commercial Relations of the United States, for the Year ending September 30, 1871, 1117-1118.
Chapter 8
Egypt

Of all the many places around the globe where the Cotton Supply Association encouraged the growing of cotton during the American Civil War, only in Egypt did it achieve the success that it sought: the establishment of a cotton monoculture agricultural economy that became a reliable supplier of cheap, high quality cotton. This was possible because Egypt presented a paradigm that was very different from that which existed in the rest of the Ottoman Empire, and indeed from anywhere else in the world.

Nineteenth-century Egypt was politically, economically, and diplomatically anomalous. Legally Egypt was a province of the Ottoman Empire. In practice the entire country was the personal fief of Muhammad Ali, an Albanian tobacco merchant who had come to Egypt as second in command of an Ottoman militia unit sent to fight Napoleon in 1801. After seizing power in 1805, Muhammad Ali ruled as an Oriental despot. All land in Egypt became state property. Muhammad Ali treated the Egyptian state as if it were a private company of which he was President, Chairman of the Board, and majority stockholder. In 1831 Muhammad Ali rebelled against the Sultan, defeated the Ottoman armies, and marched on Constantinople. When it appeared that the Ottoman state was endangered, Tsar Nicholas I of Russia sent a naval force and several thousand troops to defend Constantinople and forced him to retreat. After another rebellion in 1840, the Sultan was compelled to make Muhammad Ali viceroy for life. The governorship of Egypt became the hereditary possession of Muhammad Ali’s male descendants, although the Sultan remained suzerain and retained the right to choose which descendant became viceroy.
Muhammad Ali ruled Egypt until his death in 1849, upon which he was succeeded by his grandson Abbas I. After Abbas was murdered by his household slaves in 1854, his thirty-two year old uncle, Muhammad Sa’id, a younger son of Muhammad Ali and half-brother of Abbas’s father, became viceroy. Sa’id ruled Egypt until his death on January 18, 1863. He was succeeded by his nephew Ismail, who ruled until 1879, when Sultan Abdul Hamid II dismissed him at the behest of the British.

Muhammad Ali and his successors pursued a policy that Modern Middle East historians call “Defensive Developmentalism.” Rulers sought to strengthen their government administrative apparatus and economic base in ways that would enable them to support the modern military capability necessary to assert control over their subjects and defend against foreign domination. In the case of Egypt, that meant being strong enough to maintain a large degree of independence from the Ottoman government and dominate Sudan and the Red Sea coastlands, while simultaneously blocking European encroachment on Egyptian sovereignty. From 1820 Muhammad Ali and his successors promoted cotton growing in Egypt as a way to pay for defensive development.¹

Initially Muhammad Ali attempted to manufacture cotton textiles using imported English and French machinery turned by oxen. At one time there were forty-four such factories, employing 20,000 laborers. There were also factories that produced other types of goods. These primitive factories could not compete with English goods once the Free Trade Treaty of 1838 between Britain and the Ottoman

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Empire prohibited trade protectionism, however. Egypt then shifted to the production and export of agricultural raw materials of which cotton was the most important.2

This shift away from industry and toward agriculture that occurred after 1839 was regarded as almost providential by the Cotton Supply Association. In his secretary’s report to the Association in 1871 Isaac Watts dated the economic failure of Egyptian manufacturing from 1839, but made no mention of the Free Trade Treaty in connection with it. Watts instead attributed the miscarriage of Egyptian industrialization to the workings of natural law, commenting, “The valley of the Nile was evidently destined by nature for agricultural and not for manufacturing industry, and experience has proved it.”3

Though unintentional, Muhammad Ali’s failed attempt at forced industrialization earlier in the nineteenth century did make one important contribution to the effort to increase cotton production during the Civil War. It accustomed Egyptian peasants to working in large factory-type establishments. Reports from Egypt during the Civil War make no mention of the resistance to industrial scale cotton ginneries as was repeatedly reported in other parts of the Ottoman Empire. As a result Egyptian cotton was processed in large industrial facilities from the start.

Egypt’s potential as a rival to American cotton was recognized in the United States almost forty years before the Civil War began. In April 1824, Niles’ Weekly Register reported that a French engineer, Louis Alexis Jumel, had begun commercial cultivation of a species of shrubby perennial cotton of Ethiopian origin there in 1819.

2 Thayer to Seward, March 5, 1863, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863, 528-529.

Egyptian Jumel cotton (called Mahò or Mako in England) was a long staple type with fiber characteristics similar to Sea Island. It was the only type of Asian or African cotton considered superior to American Petit Gulf. Cloth woven from Jumel yarn was noticeably smoother and softer than cloth made from American upland cotton. French textile manufacturers, who specialized in finer quality, more expensive cloth than did the British, particularly favored Egyptian Jumel cotton for making bed sheets and undergarments. Most Egyptian cotton was grown on large plantations in the Nile Delta. The system of land tenure, social structure, and economy was organized on manorial lines. The *fellaheen*, as the Egyptian peasants were called, were required to do _corvée_ forced labor on the plantations. As a result, in Egypt there was essentially no labor cost in cotton growing. A monopoly that was the personal enterprise of Muhammad Ali bought the cotton at set prices that were far below the free market rate and resold it to British and French manufacturers.⁴

In order to comply with the Free Trade Treaty of 1838, Muhammad Ali grudgingly shifted Egypt to a freer marketing system during the last ten years of his rule. Land remained state property, but tracts of several thousand acres each were leased in perpetuity to landlords, many of whom were Muhammad Ali’s relatives and government officials. Some land leases were granted to favored foreigners. A heavy land tax was levied to replace the lost income from the state marketing monopoly. The landlord was responsible for collecting the tax for the government, but paying it was the burden of the *fellaheen*. At the most basic level, the system remained essentially feudal-manorial, with the vassal landlords in almost total control of the

⁴“Cotton,” _Niles' Weekly Register_ 2, no. 5 (April 3, 1824): 70.
fellaheen. A class of middlemen, most of them Greek or Jewish subjects of the Ottoman Sultan, came into existence. The Egyptian middlemen functioned in much the same way as cotton factors in the American South in that they advanced operating money to the planters and marketed the crop.⁵

Simultaneous with the introduction of Jumel cotton, Muhammad Ali began improving Egypt’s system of irrigation by changing from a basin system, in which the Nile flood was contained within levees to soak the fields just before planting time, to a system of canals from which water could be drawn in small amounts throughout the growing season. Muhammad Ali pursued the project with ruthless determination. Digging the canals and subsequently keeping them cleared of muck deposited by each year’s Nile flood necessitated the employment of corvée labor on an immense scale. Every year tens of thousands of fellaheen were forced by whip-wielding overseers to labor in knee-deep water to scoop out the silt with no tools but their bare hands. Full season irrigation required controlling the flow of the Nile River. In 1833 Muhammad Ali employed a French engineer, Bellefonds de Linant, to design and build a “barrage” or weir across the Nile River at the head of the Delta to regulate the river’s flow during the dry months. This first Nile Barrage was begun in 1842 and completed in 1861. Though the structure failed in 1867 because of subsidence and erosion beneath its foundations, it operated as intended during the cotton boom caused by the American Civil War.⁶

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The U.S. government undertook active efforts to gather intelligence about Egyptian’s cotton growing potential at least twenty-five years before the Civil War. In response to a resolution passed by the House of Representatives in January 1836, Secretary of the Treasury Levi Woodbury used published sources to compile a survey of the worldwide cotton economy. Data for Egypt was meager. For information, Woodbury relied on a single page in the *Dictionary of Spanish Commerce and Finance* and an article in the September 1835 issue of *New Monthly Magazine.* Woodbury was not satisfied with the result. Two years later, Woodbury summoned George R. Gliddon, the son of John Gliddon, a merchant who served as U.S. consul at Alexandria, to Washington. He gave Gliddon a copy of the report submitted to Congress and instructed him to “fill up certain blanks therein” pertaining to Egypt. Gliddon had lived twenty-three years in Egypt and possessed a thorough first-hand knowledge of the country. Gliddon was appointed U.S. consul at Cairo, where he compiled a 64-page report entitled *A Memoir on the Cotton of Egypt.* He submitted it to Woodbury with a cover letter dated Cairo, March 31, 1841. *A Memoir on the Cotton of Egypt* was shortly thereafter privately published in London by James Madden & Company, the same trading company that would later play a role in distributing American cotton seeds overseas. Gliddon gave a year-by-year accounting of political and socio-economic developments in Egypt as well as highly detailed

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descriptions of nearly every conceivable aspect of the country’s cotton production. The one detail that Gliddon did not address was transportation.\(^8\)

Gliddon probably omitted mention of transportation because it was not a great obstacle. All of Egypt’s cropland lay in the Nile River Valley. About four million acres lay in the Nile Delta. Thus all of it was readily accessible to riverine transport. The Mahmoudiya Canal, completed in 1820, enabled cargo to be transported in barges from the Nile River to Alexandria’s Western Harbor. Alexandria was the best port in the eastern Mediterranean.\(^9\) Its port facilities were probably as good as those of any cotton port in the American South except New Orleans. Steamers of the British Peninsular & Oriental line made the voyage from Southampton in fifteen days. Austrian Lloyds line steamers provided twice-monthly service to and from Trieste. The voyage took five days with a four-hour stopover at Corfu. French Messageries Maritimes ships provided bi-weekly service to Marseille. Mail service between Alexandria and northwestern Europe via Trieste or Marseille took eight days. Steamboats owned by the Egyptian government paddled the 450 miles from Cairo up the Nile to Aswan and back on regular timetables.\(^10\)

Planning and preparation for building Egyptian railroads was already well along when George Gliddon submitted his report to the Secretary of the Treasury.

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Construction began in 1845 under the supervision of a British civil engineer, John Alexander Galloway. Little construction equipment was available, not even wheelbarrows. The first locomotive did not get underway on a track in Egypt until June 6, 1853, but after that date progress was rapid. The tracks reached Cairo in 1856. The railroad tracks did not follow the direct route across the desert from Alexandria to Cairo, but curved through the cotton growing Nile Delta, crossed over the Nile River on a bridge just above the head of the Delta, and then ran parallel to the eastern bank of the Nile River to Cairo. In 1857 a railroad was completed from Cairo to Suez, the small Red Sea port that was to become the southern terminus of the Suez Canal. Feeder line railroad tracks were laid to the cotton market towns of Samanud and Zagazig in the Nile Delta shortly before the American Civil War began.

George Gliddon identified only one major technical impediment to producing large amounts of Egyptian cotton. The Whitney saw-type gin damaged the long fibers of Jumel cotton so badly that it could not be used to clean Egyptian cotton. Egyptian cotton’s seeds could only be removed by the old, tediously slow hand method. When Gliddon was writing his report in 1840, this seemed to assure that Egypt would never be able to produce much more cotton than it was then growing. Even as Gliddon was


penning his report in Cairo, however, Fones McCarthy, a cotton planter in Alabama, was inventing a roller-type gin that could separate the seeds from long staple cotton without shredding the fibers. Within five years of their invention, American-made roller gins were operating in Egypt, some of them in quite large ginning factories. One landlord, Khurshid Pasha, had twenty-four American roller gins powered by two steam engines in operation on his 30,000-acre estate in the Delta in 1845.\textsuperscript{14} Roller gins enabled Egypt to triple its cotton production between 1842 and 1852, to almost 63 million pounds, the equivalent of about 157,500 American-size bales. Production stabilized at slightly less than 50 million pounds (125,000 American-size bales) for the remainder of the decade.\textsuperscript{15} The Cotton Supply Association tracked an increase in Egyptian cotton exports from 24 million pounds in 1849 to 47 million pounds in 1855, a quantity that remained constant for the next five years. Revenue from cotton exports increased from £515,020 in 1849 to £1,113,419 in 1859. Total income from cotton in the eleven years 1849-1859 amounted to £10,769,004.\textsuperscript{16}

For comparison, in 1852 Egypt was producing more than one-third as much cotton as the state of Georgia did in that year. Alexandria’s exports of cotton to Europe in the marketing year ended September 30, 1859 were slightly more than half the amount exported from Savannah. Egypt’s cotton exports in that year exceeded


\textsuperscript{15} Owen, \textit{Cotton and the Egyptian Economy}, 73.

those of either Florida or the rapidly developing Texas plantations by nearly three times.\textsuperscript{17}

Information about the developments taking place in Egypt was readily available in the United States. Publications such as \textit{The American Railroad Journal} and the popular agriculturalists’ magazine \textit{The Country Gentleman} reported frequently about the progress of Egypt’s railroads and their strategic relationship to the country’s cotton growing potential. The \textit{New York Daily Times} and its successor the \textit{New York Times} printed over fifty articles that touched upon Egyptian cotton between 1851 and 1861. The newspaper also published occasional articles about Egypt that mentioned the progress of Egyptian railroads.

Though overshadowed by the French and British, American influence in Egypt was considerable. Under terms of the autonomy agreement with the Ottoman Sultan, the viceroy was prohibited from conducting diplomatic relations with foreign nations. Foreign powers maintained a façade of respect for Ottoman sovereignty, but all of the consuls-general representing the European powers and the United States had the title of diplomatic agent in addition to consul-general. For all practical purposes, a consul-general functioned as his government’s minister to Egypt. As Secretary of State and later as President, James Buchanan considered Egypt to be a \textit{de facto} independent nation.\textsuperscript{18} Perhaps reflective of this thinking, Egypt was listed under a


separate heading from the Ottoman Dominions in Commercial Relations of the United States in the mid-1850s.\textsuperscript{19}

Edwin De Leon, the American diplomatic agent and consul-general from 1853 until the Civil War, may have been even more inclined to treat the Egyptian viceroy as an independent monarch than was Buchanan. As a private citizen twenty years later, De Leon openly advocated that Egypt become an independent kingdom. Edwin De Leon possessed considerable personal clout in Egypt. Following Abbas I’s murder the military governor of Cairo made moves to install Abbas’s young son as viceroy in a coup d’état. This would have meant the Ottoman Sultan could choose a regent who would be the real ruler. De Leon and Sir Frederick W. A. Bruce, the British consul-general, bluffed the garrison commander into backing down and secured the position for Sa’id. Edwin De Leon had a close personal friendship with Sa’id and later had nothing but effusive words of praise for him.\textsuperscript{20}

New England businessmen with ties to the Boston Associates had numerous business connections with Egypt. Stephen C. Massett, a much-traveled American comic entertainer, writer, and correspondent for the New York Evening Telegram who passed through Egypt on his way home from India in January 1858, wrote:

The Viceroy is very desirous of creating a larger trade with the United States, and I am informed that his sympathies are most decidedly with America.

As I have before said he has had steam vessels-of-war built here; and he runs American cars on his railways.

\textsuperscript{19} Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1856, viii.

\textsuperscript{20} Edwin De Leon, The Khedive’s Egypt; or, The Old House of Bondage under New Masters (London: S. Low, Marston, Searle & Rivington, 1877), 88; Wright, United States Policy toward Egypt, 1830-1914, 43.
It might be said that he could procure what he wants in the way of manufactures from England and France. But he does not like England. He has the sagacity to perceive that English influence has political as well as commercial objects in view. … He is less jealous of the French, but as America can have no possible interest beyond that which is purely commercial, he patronizes anything American.21

Sa’id’s preference for American locomotives and American trainmen may have been further reinforced by a personal tragedy that struck a few months after Stephen Massett passed through Egypt. In the summer of 1858, Sa’id’s two brothers, Ahmet and Halim, were passengers on a train driven by an English engineer who failed to stop at the open drawbridge over the Nile River. The entire train plunged into the muddy floodwater and sank. Halim, the teenage younger brother, kicked out a window on the submerged railway carriage and swam to safety. Ahmet, who was Sa’id’s designated successor in the brother-to-brother line of succession established by Muhammad Ali, was trapped inside the wrecked train and drowned.22

Muhammad Sa’id purchased two locomotives of the classic “American-type” design with 4-4-0 wheel configuration from the Mason Machine Works at Taunton, Massachusetts, in 1856.23 When Massett was in Egypt in 1858, the Egyptian railroad was reportedly considering buying locomotives manufactured by the Rogers

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22 De Leon, The Khedive’s Egypt, 156.

Locomotive and Machine Works in Paterson, New Jersey. 24 One of the two partners with Thomas Rogers in the locomotive company was Morris Ketchum, a banker who was also a director and treasurer of the Illinois Central Railroad. 25 From either Rogers or another company, Sa’id purchased “large supplies of American locomotives” before the Civil War began. 26 Prior to January 1861, the Egyptian railways took delivery of forty passenger cars built by T. W. Wason & Company of Springfield, Massachusetts. These were contracted for through Messrs. Moore, Cassis & Company in Alexandria, a firm in which the American vice-consul was a partner. T. W. Wason & Company also built a luxurious, 67-foot long railway coach for Sa’id’s personal use. It was one of the largest, most lavishly finished railroad cars of its time, equipped with an observation platform, two sleeping compartments, a parlor, and a kitchen. Press reports do not disclose whether or not American mechanics accompanied the railroad cars to Egypt. It is logical to assume that they did, however, because the railway cars were disassembled for shipment at the Wason factory in Springfield and reassembled in Alexandria. 27 American railroaders were certainly present in Egypt. American involvement in building and operating the branch-line railroad that ran along the coast from Alexandria to Rosetta in the Nile Delta was so great that Egyptians and Europeans alike called it “The American Railway.” 28


26 De Leon, The Khedive’s Egypt, 99-100.


Americans connected with the Boston Associates were also involved in the Suez Canal Company. When Ferdinand de Lesseps first applied for permission to excavate the canal in 1854 the British and French representatives in Alexandria and Constantinople opposed the project. His only initial diplomatic support came from the American and Dutch consul-generals in Alexandria. A portion of the Suez Canal Company’s stock was reserved for American investors should they choose to purchase it. Paul Forbes, president of the A. B. Forbes Bank in Boston and the cousin of John Murray Forbes, was a vice-president of the Suez Canal Company. 29

Nevertheless, when the Civil War broke out the United States found itself without a consul-general in Egypt. Edwin De Leon, though he was an ardent propagandist for Manifest Destiny and a prominent figure in the Young America movement, was a South Carolinian. When he learned that South Carolina had seceded from the Union, De Leon resigned, returned home, and offered his services to the Confederacy. When De Leon said farewell to Sa’id in March 1861, the Egyptian ruler anticipated that cotton prices would soon rise dramatically and told him, “Well, if your people stop growing cotton, I shall be glad to supply their place.” 30

President Lincoln nominated William Sydney Thayer, associate editor of the New York Evening Post, to replace Edwin De Leon as American diplomatic agent and consul-general to Egypt on March 18, 1861. 31 When Lincoln appointed him, the


31 New York Times (New York, NY), March 19, 1861.
thirty-one year-old Thayer was working as the *Evening Post’s* Washington correspondent. Thayer was a native of Haverhill, Massachusetts, and was related to Massachusetts congressman Eli Thayer, probably a cousin.\(^ {32}\) William S. Thayer had contacts with people in the inner circle of the Boston Associates. In 1850-52 he lived in the home of Robert Bennett Forbes, the brother of John Murray Forbes, where he was employed as a private tutor for the Forbes children.\(^ {33}\) Thayer was apparently something of an adventurer, and made a grueling trip to Nicaragua in 1855. At the time Lincoln appointed him consul-general Thayer was in poor health. The consular post was evidently political patronage arranged by Thayer’s friends in Congress in hopes that the desert climate of Egypt would cure his illness.\(^ {34}\)

Despite constantly worsening respiratory disease that finally killed him at his post in April 1864, William S. Thayer pursued his mission with staunch determination. In his reports to Seward, Thayer often displayed an experienced journalist’s sense for flavoring bare details with literary superfluities. Upon his arrival in Alexandria in June 1861, Thayer was greeted with diplomatic flourishes that included a ride to his first meeting with Sa’id in the viceroy’s state carriage, a “cavalcade of guards and janizaries [sic]” from the European consulates, a military honor guard, and a band. Interest in the American Civil War among the ruling elite of Egypt and its resident Europeans was high. Within a few days of his arrival Thayer scouted Alexandria’s bookshops and found them full of publications and maps


\(^ {34}\) *New York Times* (New York, NY), March 19, 1861.
dealing with the United States and the Civil War. Interest in the American war was not limited to the educated elite. Thayer wrote to Seward that “so well understood is the condition of the cotton growing region in the United States, even the poorest fellahs, (peasants,) it is difficult to persuade them to sell on terms which heretofore they would have been delighted to accept.”

The Lincoln administration had three strategic concerns in Egypt, all of which Thayer promptly addressed. The first was preventing Confederate naval commerce raiders from operating from Egyptian ports. This was dealt with quickly, when Sa’id adhered to the Sultan’s closure of Ottoman ports to all vessels flying national flags that were not internationally recognized. The second involved getting assurances from the viceroy that manufacturers in the United States would be able to purchase Egyptian cotton on the same terms as Great Britain. This too was obtained before the end of 1861. The third, related strategic concern was to gather intelligence about the Egyptian cotton crop and encourage its increase.

To assist in accomplishing these goals, Thayer employed a secret agent, Ayoub Bey Trabulsi, to reconnoiter the seaports from Egypt eastward to

35 Thayer to Seward, June 29, 1861, in FRUS, vol. 1 (1861), 421-423.
36 Thayer to Seward, July 20, 1861, in FRUS, vol. 1 (1861), 423.
37 Toulfikae Pacha (Minister of Foreign Affairs) to Thayer, Nov. 21, 1861, in FRUS, vol. 1 (1862), 855.
38 Thayer to Seward, Nov. 13, 1861, in FRUS, vol. 1 (1862), 853.
Alexandretta. Referring to Ayoub Bey in a despatch to Thayer dated November 7, 1861, Seward directly ordered:

You are requested also to direct his attention to the steps which have been undertaken for the growth of cotton in Egypt. It is the desire of the Department to be furnished with full statistics on this subject.  

Thayer was understandably reticent about Ayoub Bey Trabulsi’s activities in his written communications. Ayoub Bey’s initial task was apparently to travel by steamer to the seaports between Alexandria and Alexandretta and find out if Confederate agents had made any preparations for secretly outfitting or servicing ships there. His cotton related duties were evidently as a researcher and translator. It was probably Ayoub Bey who gathered the stream of very detailed historical and statistical information about cotton that Thayer passed to Seward during the six months that he was employed.

Taken in its entirety, the correspondence between Thayer and Seward indicates that Thayer’s function was considerably different from that of Julius Bing. Thayer’s role was much more diplomatic in nature. Whereas Bing concentrated on the cotton question, Thayer’s focus was much more on political and naval intelligence. Much of what Thayer sent Seward was in the nature of grand geo-strategic economic information with no direct bearing on the Civil War. There is no documentary evidence that William S. Thayer involved himself in the Cotton Supply Association’s efforts to promote cotton growing in Egypt to the degree that Julius

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Bing did in Smyrna. The impression from his despatches is that Thayer was a keen observer but not a participant. Thayer may have played a larger role than the documents reveal, however.

In the spring of 1862 Thayer learned that the viceroy Sa’id was planning to visit England in the near future. When Seward was notified of it he became worried that Confederate agents, meaning Sa’id’s friend Edwin De Leon, who was then in Europe as a Confederate diplomat, might try to influence him to adopt a less friendly attitude toward the United States. Seward promptly ordered Thayer to accompany Sa’id on the trip to Europe. Seward’s instructions to Thayer make it clear that Thayer was to cultivate a friendly relationship with Sa’id in order to meet as many persons involved with the Cotton Supply Association’s efforts to spread cotton production abroad as he could and obtain as much information about the subject from them as possible. Thayer accompanied Sa’id to Europe as ordered but there is nothing in the documentary record that directly reveals what he did during the trip.\(^{41}\)

It is clear from later routine correspondence that Thayer did develop a rapport with Sa’id, his successor Ismail, and other princes of the viceroyal family. Ismail grew large amounts of cotton on his personal estates before becoming viceroy at Sa’id’s death. Ismail’s personal income from cotton grown on his estates amounted to one million dollars in 1862. Halim, the young brother of Sa’id who had escaped from the train wreck, also occupied himself as a cotton planter on a large scale. In the spring of 1862 he informed Thayer that he had ordered ten tons of American seed for

an experiment on his estates in Upper Egypt. Thayer did not disclose the source of the seeds but according to Isaac Watts, secretary of the Cotton Supply Association, they were furnished by the Association, which initiated the experiment. In one of his few mentions of direct assistance to the cotton growing effort, Thayer reported that he encouraged Ismail to test an irrigation pump designed by a Boston engineer.42

William S. Thayer’s despatches to Seward concerning Egyptian cotton were a steady stream of highly detailed, ever more glowingly optimistic progress reports. There was no mention of any of the sort of difficulties that filled so many of Julius Bing’s reports from Smyrna. Egyptian cotton production increased by over two-thirds between 1860 and 1862, rising from slightly over 40 million pounds to over 66½ million pounds. Income from it increased slightly more than threefold, from $4,853,943 in 1860 to $19,511,497 in 1862.43 Under the influence of steeply rising prices, the quantity cotton grown and exported from Egypt increased to almost 129 million pounds in 1863 and to nearly 174 million pounds in 1864. The escalation in revenue from it was phenomenal. Egypt’s annual income from cotton in 1864 was a breathtaking $74,213,500. Cumulative revenues for the three years 1862-64 were a staggering $152,753,650.44 Charles Hale, the U.S. Consul in Cairo who covered for William S. Thayer in Egypt while Thayer was in Europe with Sa’id and assumed Thayer’s duties upon his death, wrote to Seward in February 1865:

42 Thayer to Seward, March 5, 1863, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863, 528-537; Watts, The Cotton Supply Association: Its Origin and Progress, 80.

43 Thayer to Seward, March 5, 1863, Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863, 535.

44 Hale to Seward, Feb. 24, 1865, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864, 670.
Gold and silver have poured into the country; many large fortunes have been quickly made, and scarcely anybody is free from the contagious feeling of prosperity. Although nothing but specie is known in business or in the common operations of trade, a rise in prices has been general; similar to that which in our own country has been attributed to the abundant use of paper money. Rents are doubled, and the cost of the necessities of life is augmented in an equal proportion, yet so widespread are the effects of the introduction of money into the country that very little inconvenience is experienced except among the poor people in Alexandria, and those others whose means are dependent on stated appointments from without the country. In the villages nearly all classes of the community share the general prosperity.⁴⁵

Never before in the history of any nation had there been such a tremendous leap in economic development as happened in Egypt during those years. English-made “Macarthy” roller gins and steam engines to power them arrived in the country in constantly increasing numbers. At the end of 1862 there were eighty-five new ginneries, all built since the beginning of the Civil War, each with from 25 to 200 individual gins. These were large brick factories with tall smokestacks reminiscent of Victorian era English or American factories built for permanence.⁴⁶ Along with the money and machines came 75,000 Europeans. In February 1865 two or three thousand more were arriving in Alexandria each week.⁴⁷ By the end of the year there were at least 90,000 Europeans in Egypt, most of them in Alexandria.⁴⁸ In the words

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⁴⁵ Hale to Seward, Feb. 24, 1865, Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1865, 483-484.

⁴⁶ Thayer to Seward, March 5, 1863, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863, 530.

⁴⁷ Hale to Seward, Feb. 24, 1865, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1865, 484.

⁴⁸ Owen, Cotton and the Egyptian Economy, 113.
of Charles Hale, “Many of them were mere speculating adventurers, but others bring capital and large business experience.”

In the midst of the boom it was predicted that with sufficient labor Egypt could produce three million bales of cotton weighing four kantars, or 396 pounds, each. Income from that amount of cotton “at the lowest computation would not be less than thirty millions sterling.” According to this calculation, the Cotton Supply Association expected that Egypt would eventually produce about three quarters of Britain’s needs in the 1870s at a cost of 6 d. per pound. Immediately after the American Civil War ended, it was generally believed in England and in Egypt that with the abolition of slavery in the United States the price of cotton would never again fall to pre-war levels. That is to say, it was thought cotton would never again fall below the average 5.10 pence that was paid for the least desirable types of cotton on the Liverpool exchange in 1858-60. Egypt could naturally expect to receive a premium over that base price for its high quality cotton. In 1870 the Cotton Supply Association sent a memorial to Ismail in which it expressed the opinion that Egypt might realistically expect to increase its annual growth of cotton to a million bales, or something not far under 400 million pounds. At the estimated price of 6 d. per pound this quantity of cotton would have generated £10 million each year. In terms of

49 Hale to Seward, Feb. 24, 1865, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1865, 484.


51 Hale to Seward, April 1, 1866, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1866, 436.


growing capacity this was a realistic assumption. Egypt’s production dropped in the five years immediately after the war but then gained steadily until 1890, when it reached 412 million pounds. Production reached 500 million pounds in 1892 and was well over 600 million by the end of the nineteenth century. Had the prices held at 6\textcelsius as expected, Egypt would have enjoyed more than enough income to pay the debts incurred to build infrastructure. No one anticipated the catastrophic drop in prices that began in 1876, when cotton averaged 4½\textcelsius per pound, and continued in a downward plunge until 1894 when Egyptian cotton sold for an all-time low of 2\frac{5}{8}\textcelsius per pound in Liverpool.\footnote{Todd, \textit{The World’s Cotton Crops}, 421 and 430-434.}

When Isaac Watts wrote his secretary’s report to the members of the Cotton Supply Association in 1871, a bright future for Egypt paid for by cotton seemed assured. Watts said of the situation in Egypt as it then stood:

\begin{quote}
So firmly is the growth of cotton established in Egypt, and so fully are both the Government and the people alive to its importance and advantages, that there seems no reason to apprehend that it will be allowed to decline. Encouraged by past experience, and possessing additional facilities for the production of cotton, with the enormous wealth already derived from this branch of industry, whatever temporary fluctuations may occur from various causes, there need scarcely be any fear that Egypt will permanently lose its position as a source of supply. Any probable fall in the price of American cotton will not prevent the Egyptian crop from being still one of the most profitable that can be cultivated. … Whatever may be the case with India and Turkey, it may confidently be expected that Egypt will continue to foster a trade which has proved so fruitful a source of prosperity and aggrandisement.\footnote{Watts, \textit{The Cotton Supply Association: Its Origin and Progress}, 81.}
\end{quote}
Egypt’s “prosperity and aggrandisement” depended upon the perspective and biases of the beholder. Little of the wealth generated by cotton remained in circulation in Egypt. Alluding to an ancient custom of the fellaheen, Charles Hale reported that almost all the money that came into Egypt was “taken into the villages, where it is generally buried in the earth.”

A more likely scenario is that a large portion of the money that the fellaheen took home to their villages was spent on buying draft animals. In the early spring of 1863 a deadly bovine plague known as the cattle murrain, probably rinderpest, appeared among cattle in the Nile Delta. By August it had killed almost all the cattle in Lower Egypt. Among them were at least 700,000 draft oxen. Horses, donkeys, and oxen had to be imported at great expense from abroad. The fellaheen had to go heavily into debt to purchase the replacement animals. Moneylenders, both Egypt’s indigenous Levantines and European finance companies like the British-chartered Ottoman Company, charged monthly interest rates of from 1½ to 4 percent. This added up to an annual interest rate of up to 48 percent. Crops and land were pledged as collateral.

Lenders were oftentimes dishonest, but an indebted fellah had little chance in disputes with them because, “the summary forms of justice adopted by the Egyptian government compel a prompt fulfillment of contracts, and do not tolerate the vexatious delays which attend litigation in Christian countries.”

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56 Hale to Seward, Feb. 24, 1865, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1865, 484.

57 Hale to Seward, Feb. 24, 1865, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1865, 484; “The Ottoman Company,” The Spectator 38, no. 1922 (April 29, 1865): 474.

58 Thayer to Seward, March 5, 1863, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863, 534.
Larger landowners purchased English steam ploughs and steam-powered irrigation pumps to replace their dead animals. According to British customhouse records, between 1860 and 1866 agricultural engines and machines valued at £2,330,485 were sent to Egypt. To fuel the steam engines the Egyptians imported almost 2 million tons of English coal at a cost of more than £1 million. The retail price of coal in Egypt was five to eight times its customs value at Newcastle.\textsuperscript{59}

Food consumed another large portion of the cotton income. At the same time that the cattle murrain was devastating Egypt’s working livestock, the highest Nile flood in a hundred years broke over the levees and destroyed much of the peasants’ food crops. In 1864 the Nile was far lower than normal and food crops again failed. Enough maize and wheat survived the catastrophes for the village farmers to sustain themselves, but Egypt was forced to import costly grain from Russia, Mesopotamia, and elsewhere to feed the urban population and the thousands of corvée laborers toiling to dig the Suez Canal.\textsuperscript{60}

The plight of ordinary Egyptians was obvious even to observant tourists. Harry Harewood Leech, an American who toured Egypt in 1867, wrote, “the rich are powerful chiefs, and the poor are miserable slaves; whose monuments of an unparalleled grandeur rise from the centre of mud villages, where Justice hangs a fellah for theft, and holds out her hand to receive a sheik’s bribe for murder.”\textsuperscript{61} On Egypt’s material progress Leech commented with derision, “civilization (induced by

\textsuperscript{59} Owen, \textit{Cotton and the Egyptian Economy}, 98-105.

\textsuperscript{60} Ibid.

\textsuperscript{61} Harry Harewood Leech, \textit{Letters of a Sentimental Idler, from Greece, Turkey, Nubia, and the Holy Land} (New York: D. Appleton and Company, 1869), 118.
cotton speculation) has touched this land in a slight degree: the first and only
evidence, at present, being a railroad from Alexandria to Cairo; but such a railroad!
Battered cars on twisted bars, running over a boggy plain.”

People much more intimately acquainted with Egypt concurred. Baron Samuel Selig de Kusel, an Englishman who lived in Egypt from 1863 until 1887 and was for a time Controller-General of Egyptian Customs, recounted his first experiences there as a young engineer at the height of the cotton boom. De Kusel was employed in a new, large cotton-ginning factory in Zagazig that was owned by a Dr. Mustapha, who was educated in Edinburgh and married to an Englishwoman. De Kusel described the steam-powered factory as an ugly one-story brick structure that employed several hundred men, boys, and young girls. Of them de Kusel wrote, “moral suasion was of little use,” so the Arab overseer “carried with him a sort of kourbash or long whip, with which he encouraged industry.” The impoverished laborers frequently stole small amounts of cotton. Any cotton thief that was caught, man, boy or girl, was taken to the police, who summarily dealt them thirty or forty painful blows to the soles of their bare feet with a small whip or rod. Perhaps to salve his conscience, de Kusel revealed that he sometimes accompanied thieves to the police station and intervened to lessen the punishment meted out to the most pitiable of them.

The demand for laborers led to an upsurge in the illegal but largely tolerated slave trade from Sudan. In 1862 and 1863 reports reached Robert G. Colquhoun, the British consul-general in Egypt, that a number of Europeans, at least one Englishman

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62 Ibid, 114.

63 Samuel Selig de Kusel, An Englishman’s Recollections of Egypt 1863 to 1887 (London: John Lane, 1915), 5-20.
reportedly among them, were engaged in slave catching expeditions on the White Nile in cooperation with Arab slave traders based in Khartoum. These were large, well organized raiding operations. In 1864 at least 120 large boats, each with 50 to 60 armed men, set out on the trip up the White Nile from Khartoum. Two boats thought to belong to an Austrian trader named Michael Luftolla, who was known as “Halil-il Sciane” in Egypt, were seized by Egyptian authorities upon their return to Khartoum and were found to have 850 emaciated slaves on board. Local authorities were powerless to stop most of the traffic, however. If stopped by Egyptian or Ottoman officials the European slavers hoisted their national flags and claimed immunity from search and seizure under terms of the Capitulations. At other times the slave boats operated as native craft that were not subject to European consular jurisdiction.

The Red Sea port of Massowah (Mesewa, Eritrea) became a major collecting point for Abyssinian slaves. Native boats then ferried them across the Red Sea to Jeddah (Jidda). Steamships of the Azizieh Steam Navigation Company, Egypt’s

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65 Inclosure 2 in No. 216, Mr. Joyce to the Egyptian Trading Company, Cairo, Nov. 10, 1864, in , Great Britain. Parliament. Accounts and Papers, Session 1 February – 10 August 1866, Slave Trade, “Correspondence with British Ministers and Agents in Foreign Countries, and with Foreign Ministers in England, relating to the Slave Trade. From January 1 to December 31, 1865.” (London: Her Majesty’s Stationery Office, 1866), 155-156.

government-owned shipping line, routinely brought slaves from Jeddah to Suez.\textsuperscript{67}

Attempts to stop the slave traffic at the ports of embarkation were unsuccessful. Neither the Ottoman Sultan nor the Egyptian viceroy had sufficient authority to compel local authorities in Massowah and Jeddah to curtail it.\textsuperscript{68} As a stopgap measure, Viceroy Ismail ordered the governor of Suez to personally board each ship that arrived from the Red Sea ports and inspect it for human contraband.\textsuperscript{69} The illicit trade nevertheless continued largely unhindered. During the first week in May 1865 George West, the British vice-consul in Suez, searched a train bound for Cairo and discovered 68 slaves hidden in its freight wagons.\textsuperscript{70} George West subsequently complained that his efforts to suppress the slave traffic were “unsupported by the local authority.”\textsuperscript{71}

\textsuperscript{67} Inclosure 3 in No. 217, Mr. Stuart to Aali Pasha, Jan. 19, 1865, in Great Britain. Parliament. Accounts and Papers, Session 1 February – 10 August 1866, Slave Trade, “Correspondence with British Ministers and Agents in Foreign Countries, and with Foreign Ministers in England, relating to the Slave Trade. From January 1 to December 31, 1865.” (London: Her Majesty’s Stationery Office, 1866), 157-158.

\textsuperscript{68} No. 228, Mr. W. Stuart to Earl Russell, April 22, 1865, in Great Britain. Parliament. Accounts and Papers, Session 1 February – 10 August 1866, Slave Trade, “Correspondence with British Ministers and Agents in Foreign Countries, and with Foreign Ministers in England, relating to the Slave Trade. From January 1 to December 31, 1865.” (London: Her Majesty’s Stationery Office, 1866), 164.

\textsuperscript{69} No. 237, Mr. Colquhoun to Earl Russell, Jan. 23, 1865, in Great Britain. Parliament. Accounts and Papers, Session 1 February – 10 August 1866, Slave Trade, “Correspondence with British Ministers and Agents in Foreign Countries, and with Foreign Ministers in England, relating to the Slave Trade. From January 1 to December 31, 1865.” (London: Her Majesty’s Stationery Office, 1866), 169.

\textsuperscript{70} Inclosure 1 in No. 240, Vice-Consul West to Mr. Colquhoun, May 10, 1865, in Great Britain. Parliament. Accounts and Papers, Session 1 February – 10 August 1866, Slave Trade, “Correspondence with British Ministers and Agents in Foreign Countries, and with Foreign Ministers in England, relating to the Slave Trade. From January 1 to December 31, 1865.” (London: Her Majesty’s Stationery Office, 1866), 174.

\textsuperscript{71} Inclosure 1 in No. 243, Vice-Consul West to Consul Reade, June 16, 1865, in Great Britain. Parliament. Accounts and Papers, Session 1 February – 10 August 1866, Slave Trade, “Correspondence with British Ministers and Agents in Foreign Countries, and with Foreign Ministers
Emmeline Lott, an Englishwoman who served as governess to the viceroy Ismail’s young son, wrote a scathing denunciation of the men who functioned as moneylenders and cotton factors in Egypt. According to Lott, the cotton buyers who traveled into the country villages, lent money, and purchased the crop were generally either Greeks or German Jews of low character. Most had come to the Ottoman Empire during the Crimean War as speculators in armaments and military supplies. When the American war began they moved to Egypt, where some of them quickly became very rich. Writing in October 1865 Lott said of them:

> Prussian Jews, the very refuse of the good city of Frankfort, the Israelitish population of which is celebrated for its craft, together with the scum of Italy, Spain, France, Malta, Greece, and the Levant, became suddenly enriched by that [the Crimean War] disastrous struggle. Many who at the commencement of that war were literally homeless, shoeless, and penniless, are now millionaires in Egypt. … They keep large establishments, speculate in cotton, hold hundreds of bank, railway, and joint company shares, receive large deposits from Europeans, for which they give from twenty-five to thirty per cent. interest; in short they are the Hudsons of Egypt and the Ottoman Empire. 72

Miss Lott described this group as “all powerful” in Egypt. They controlled banking and, through it, controlled the entire economy. Members of this group, either directly or as financiers behind the scenes, secured all of the concessions and contracts for public works let by the Egyptian government. 73 Historian Roger Owen identified the central figures in this group of merchant-bankers as Jean Sandino and Jules Pastré, both of whom were Greeks who came to Egypt during the rule of

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Muhammad Ali, and Edward Dervieu and Henry Oppenheim, who arrived after the Crimean War. Pastré and Sandino combined their operations to found the Anglo-Egyptian Bank in 1864. Agra and Masterman Bank in England furnished the Anglo-Egyptian Bank’s £2 million capital. Antoine Lucovitch, an Austrian who later founded the Société Agricole bank, arrived in Egypt during the cotton boom and quickly became a prominent financier.\textsuperscript{74} Emmeline Lott alleged that the moneylenders put constant pressure on Ismail to plant more and more cotton, to use forced labor on the plantations and in infrastructure construction, and to levy heavy taxes on the \textit{fellaheen}.\textsuperscript{75} Viscount Alfred Milner, who was under-secretary of finance in the British administration in Egypt in the 1880s, called the Alexandria merchant-bankers a “gang of swindlers.”\textsuperscript{76}

William Wing Loring, an ex-Confederate major general who served as Inspector General of the Egyptian army from 1869 until 1878, was as scathing as Emmeline Lott in his denunciation of the European banking interests. Loring wrote:

\begin{quote}
Ismail attempted the impossible task of modernizing everything in Egypt in thirteen years. In this endeavor the state revenues and his own private fortune became involved beyond hope. The Rothschilds now enjoy millions, the wreck of his estates, and Englishmen boast of the splendid investment Disraeli made in buying the Suez Canal bonds for which Egypt had given her security.\textsuperscript{77}
\end{quote}

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\textsuperscript{74} Owen, \textit{Cotton and the Egyptian Economy}, 113-114.
\textsuperscript{76} Alfred Milner, \textit{England in Egypt} (London: Edward Arnold, 1899), 178.
\textsuperscript{77} William Wing Loring, \textit{A Confederate Soldier in Egypt} (New York: Dodd, Mead & Company, 1884), 75-76.
\end{flushright}
Loring cited an elaborate array of evidence to support his claim that much of Egypt’s debt was the result of predatory lending. Loring declared that the objective of Egypt’s creditors was to “get squarely at the naked backs of the fellaheen, the better to wring the last piastre from them, and to make them pay into the foreigners’ pockets all their hard earnings, even at the risk of starvation. This constitutes a crime against humanity which no words can properly stigmatize.”

General Loring wrote:

When Ismail seized the reins of the state he found Egypt £8,000,000 in debt, with a strong European control in all the departments. The interior economy of the state was administered only for the rich, and despite all the good intentions which had animated Saïd, everything was in the hands of officials who ruled solely for their own aggrandizement. Never in the history of any nation were there greater exactions; the very last piastre was wrung from the poor wretches who tilled the soil.

The system under which Egyptian cotton was marketed was rife with graft and corruption. Emmeline Lott quoted a saying that was popular in Egypt:

“The land of Egypt is ruled over by twenty princes; one of whom is the Viceroy, eighteen of the others are known as Consuls-General of European nations, but the twentieth is the most powerful of all, and his name is Baksheesh (“Gift, Present, Bribery”).”

In the words of Miss Lott, “not a bale of goods can enter or be shipped out of the country without his leave; not a handful of cotton can leave it without paying him tribute.” She went on to add that “a firman from the Sultan himself” was useless in

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78 Ibid, 174.
79 Ibid, 64.
trying to avoid paying bribes.\(^{81}\) Lord Milner also commented upon the pervasive corruption in the khedival administration.\(^{82}\)

Edwin De Leon also blamed Egypt’s new capitalist elite and European financiers for the debt problems that beset Egypt after the Civil War ended. Apparently unknown to William S. Thayer, De Leon secretly met the ailing Sa’id at a Paris hospital during his trip to Europe in 1862. At that meeting Sa’id confided to his old friend De Leon his misgivings about accepting loans that then amounted to a £5 million debt. Looking back on it from the vantage point of fifteen years, De Leon called the influence of European bankers in Egypt a “poisonous fungus” in the vitals of the country.\(^{83}\) In a well studied and cited chapter of his memoirs about Egypt’s finances in 1877, when Egypt’s foreign debt stood at a crushing £100 million, De Leon revealed that the Khedive had netted only £45 million of the face amount of the debt. Of that amount, Egypt had repaid £31 million as of April 1876, when Egypt stopped making interest payments. The “dead loss to the foreign investor” should Egypt go totally bankrupt would be only about £15 million to £20 million.\(^{84}\) De Leon went on to say:

Of the remainder, some £10,000,000 went to defray costs connected with the Suez Canal and the unjust awards of Napoleon III connected with it; so that a minute sum remains which the Khedive could by any possibility have spent on improving his country. He can hardly have thus spent even that minute sum, because it would be needed for commissions, discounts, and market operations and for the ‘service’ of the debt. Therefore, we have the huge floating debt as the sort of

\(^{81}\) Ibid, 12.


\(^{84}\) Ibid, 316-318.
lumber-room into which the costs of all his extravagances have been flung. The floating debt cannot reasonably be viewed as an investor’s loss at all.\(^8\)

Alfred Milner attributed Egypt’s debt to the “career of public extravagance” by Ismail.\(^8\) But Milner essentially agreed with William Wing Loring and Edwin De Leon that Egypt never realized more than half of the money from the loans. Milner noted that of the £32,000,000 loan of 1873, Egypt actually netted £20,700,000. Worse were the numerous smaller loans that were “renewed at ever-increasing rates, and swollen at each renewal by arrears of interest, resulting in the accumulation of an enormous Floating Debt, the total of which was treble or quadruple the original advances.”\(^7\)

Edwin De Leon admitted that some of the money was squandered but thought that most of it was spent on “public works as yet unproductive.”\(^8\) Those works were impressive. First and most impressive was the Suez Canal, completed at a monetary cost to Egypt of £10 million to £17 million. By the time De Leon wrote his book, the Suez Canal had already passed to British ownership. In 1876 Egypt possessed 1,300 miles of railroad tracks. Building them cost £10 million. There were five hundred new railroad bridges. Telegraph lines extended to every city and town. Cairo, Alexandria, and other large cities had new sewerage systems, gas-making plants, and water works. There were new lighthouses and aids to navigation in the Red Sea. Alexandria’s new harbor facilities, among the best and most modern in the world,

\(^8\) Ibid, 318.

\(^8\) Milner, *England in Egypt*, 173.

\(^7\) Ibid, 178.

\(^8\) De Leon, *The Khedive’s Egypt*, 316.
cost £3 million to £4 million. Except for the Suez Canal, almost all of this
development was related to the cotton crop. In contrast the failed Egyptian military
campaign to conquer Abyssinia that British and French creditors often pointed to as
exemplary of Ismail’s recklessness cost £2 million. And according to William Wing
Loring, who did the military planning for it, the Abyssinian campaign’s objective was
to acquire additional territory where “good cotton and cane can be cultivated, and a
population of docile savages who can be made to work.”

The Cotton Supply Association’s success ultimately proved to be Egypt’s
disaster. Khedive Ismail tried to break Egypt out of its cotton straitjacket after the end
of the American Civil War. He achieved some success in restoring the country’s self-
sufficiency in food production. He looked to sugar as a second export crop. Despite
an investment of £5 million in factories and another £2 million in special railroad cars
to haul the cane to them, his sugar project collapsed. Sugar cane required far more
irrigation water than did cotton, and the cost of irrigation was prohibitive. It was later
discovered that Ismail’s sugar plantations and factories were able to sell sugar at a
competitive price only because they employed unpaid forced labor.

British cotton manufacturers saw Ismail’s attempts to move away from cotton
as a threat, and in 1874 their representatives in Parliament called upon the Foreign
Office to intervene to avert the threat. Egypt could not meet the interest payments on

89 Ibid, 362-367.

90 Loring, A Confederate Soldier in Egypt, 260.

91 De Leon, The Khedive’s Egypt; or, The Old House of Bondage under New Masters, 210.

92 Villiers Stuart, Egypt After the War, being the Narrative of a Tour of Inspection (London:
John Murray, 1883), 317-323.
its loans, and in April 1876 suspended payments. In April 1878 France and Britain imposed an international debt commission, the Caisse de la Dette, on Egypt. Ismail resisted the commissioners’ demands. Under British pressure, Sultan Abdul Hamid II deposed Ismail on June 26, 1879. Ismail’s son Tewfik was installed as Khedive. Non-payment of salaries and high taxes imposed by the Caisse de la Dette led to widespread civil unrest in Egypt. The unrest culminated in the nationalist Arabi Revolt by military officers in 1882. The Lancashire “Cotton Jingoes” in Parliament then swayed the British government to militarily occupy Egypt, an occupation that did not come to a final end until the Suez Crisis of 1956.\footnote{Edward Mead Earle, “Egyptian Cotton and the American Civil War,” \textit{Political Science Quarterly} 41, no. 4 (Dec., 1926): 543-545.}

The British took steps to prevent other cash crops from competing with cotton in Egypt. Cultivation of tobacco, the traditional cash crop that reasserted its dominance in Turkey, Syria, and Macedonia, was first restricted and then outlawed in Egypt. Prior to the American Civil War, Egypt had a thriving tobacco industry. Some of the tobacco used was grown locally, and some was imported, primarily from Syria. Only tobacco grown in the Ottoman Empire could be imported legally. The Egyptian government taxed tobacco, but did not restrict its cultivation. Greek tobacco merchants arrived around 1870 and began operating factories that mass produced cigarettes for the Egyptian market and for export. Egypt levied high tariffs on imported tobacco, and smuggling became a problem for Greek merchants, since smuggled tobacco had a price advantage over their heavily taxed legal imports.\footnote{Relli Scechter, “The Rise of the Egyptian Cigarette and the Transformation of the Egyptian Tobacco Market, 1850-1914,” \textit{International Journal of Middle East Studies} 35, no. 1 (Feb., 2003): 54-56.}
Almost all of the smuggled tobacco came from Greece and the smugglers were Greeks.\textsuperscript{95} Smuggled tobacco entered the trade under the guise of locally grown tobacco. In 1878, the Greek tobacco merchants convinced the Egyptian government to raise the tax on tobacco grown in Egypt to a level comparable to the import duty, license tobacco cultivation, and strictly limit the amount of tobacco that could be grown. Increasing the tax on Egyptian tobacco, the Greek merchants argued, would make tobacco smuggling unprofitable and raise much needed tax revenue. In March 1884, Egypt and Greece signed a commercial treaty that opened the Egyptian market to Greek tobacco. In 1890, Greek diplomats and tobacco merchants, working in cooperation with Edgar Vincent, the Egyptian government’s British financial advisor, used the same anti-smuggling argument that they had used in 1878 to convince the Egyptian finance minister to make growing tobacco illegal.\textsuperscript{96}

Revival of cotton production in the United States did not adversely affect Egyptian cotton. Egyptian “Jumel” cotton did not compete with American upland cotton. Egyptian cotton’s market niche was in fine silk-like fabrics used to make underwear and hosiery, uses for which American upland was unsuited. American textile manufacturers imported Egyptian cotton for those uses because the rival supply of American Sea Island was both too small and too expensive. In European mills Egyptian cotton had no competitors.\textsuperscript{97}

\textsuperscript{95} John Cardwell, U.S. Agent and Consul-General, Cairo, Tobacco Imports into Egypt, July 12, 1888, in \textit{Reports from the Consuls of the United States, No. 96 – August, 1888} (Washington: GPO, 1888), 254-255.


\textsuperscript{97} Shepperson, \textit{Cotton Facts}, 152-153.
Under British administration, Egypt continually enlarged its agricultural capacity by a program of massive irrigation projects, the most impressive of which was the first Aswan Dam, completed in 1902. Almost all of the increased agricultural capacity was used to grow cotton. Cotton production reached 320 million pounds in 1889, exceeded 400 million in 1890, passed 500 million in 1892, and reached 650 million in 1899. At the fiftieth anniversary of the American Civil War, Egypt was producing more than 750 million pounds of cotton annually. Income did not rise in proportion to poundage, however. In the 1890s, with cotton selling for around 3 d. per pound, Egypt earned less than £6 million annually. Nevertheless, cotton comprised 90 percent by value of Egypt’s exports at the beginning of the twentieth century. Cotton still amounted to half of all Egyptian exports in 1970.

Most of the wealth that Egyptian cotton generated went to Greek landowners, middlemen, and bankers and to a small group of British cotton exporters. Two family-owned British firms, R. J. Moss & Company and Carver Brothers, dominated the Alexandria Cotton Exchange. Greeks held most of the clerical and administrative jobs in the cotton trade. Egyptian fellaheen did the manual labor for wages that were among the lowest in the world. Egyptian men, women, and children were still

occasionally subjected to forced labor in the cotton fields by the British authorities well into the twentieth century.\textsuperscript{102}

Chapter 9
Latin America and the West Indies

During the American Civil War, attempts were made to grow cotton in virtually every part of Latin America north of Buenos Aires. Considerable attention was devoted to growing cotton in Brazil, Peru, Panama, Nicaragua, Mexico, and the Caribbean Islands. All contributed some quantity of cotton to Britain’s imports. Others, like Venezuela, lessened the strain on Britain’s other sources by exporting cotton to Germany, France, and Spain. Brazil became Britain’s third largest supplier of cotton, after India and Egypt. Anglo-Americans were deeply involved in promoting cotton growing in Latin America, but left surprisingly few traces of their activities in the historical record. Brazil is the most remarkable case in point.

Isaac Watts attributed much of Brazil’s increase in cotton production to the activities of John James Aubertin, superintendent of the British-owned São Paulo Railway. British historian Richard Graham followed this premise in his *Britain and the Onset of Modernization in Brazil, 1850-1914*, published in 1968. Citing the Brazilian *Journal do comercio* of January 1, 1871 as the source of his information, Graham wrote, “the British led the way in supplying cotton gins during the American Civil War.”

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1 Charles H. Loehr to Seward, Statement showing the description and quantity of the exports of Puerto Cabello, together with the names of the countries whither sent, during the year ending June 30, 1864, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864*, 746.


Yet except for a few British roller gins sent for demonstration purposes, all of the cotton gins and bale presses in operation in Brazil in 1865 were American made. Starting with two gins ordered in October 1863, the Eagle Cotton Gin Company and the New York Cotton Gin Company supplied 2,357 saw gins and 52 bale presses by the end of 1865. Most of the cotton gins were small machines “adapted to the wants of small planters” but some were large, high capacity machines with 30 to 60 saws. To power them, the Brazilians purchased 81 American steam engines.\(^5\)

Americans were also heavily involved in the railroads necessary to get cotton to the seaports. A Philadelphia company began building Brazil’s Dom Pedro II (Central do Brazil) Railroad in 1857. The tracks ran from Rio de Janeiro to a coffee plantation district about 300 miles inland. The railroad’s first section, 40 miles in length, opened in June 1858. Col. Charles F. M. Garnett, a Virginian, supervised its construction.\(^6\) American manufacturers furnished much of the rolling stock on the Brazilian railroads. Cars were made by T. W. Wason & Company in Springfield, Massachusetts, and the locomotives that hauled them were products of the Baldwin Locomotive Works in Philadelphia.\(^7\)

Richard Graham’s mistake resulted from the fact that he used only British and Brazilian sources, his failure to take into account the routing of ocean transportation between the United States and Brazil during the Civil War, and a quirk in the way the Brazilian customhouse recorded imports. There was no direct steamship

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\(^5\) Thomas Adamson to Seward, June 30, 1866, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1866*, 521-523.

\(^6\) *Hunt’s Merchants’ Magazine* 43, no. 5 (Nov., 1860): 635.

communication between the United States and Brazil. Passengers, mail, and freight from New York had to go first to Liverpool or Southampton, where they then transferred to a British ship for the voyage to Brazil.\(^8\) Direct trade between the United States and Brazil was carried in sailing ships.\(^9\) Those ships were vulnerable to the Confederate warships *Alabama* and *Florida*, which were cruising in Brazilian waters. The threat that the Confederate commerce raiders presented gave added incentive to American shippers to seek protection of the British flag.\(^10\) It was common practice in many countries to record American goods that were trans-shipped through English ports as imports from Great Britain. Thus many items manufactured in the United States were entered on foreign customhouse books as British goods.\(^11\)

For twenty years prior to the American war, Brazil’s cotton exports were insignificant. During that time, Brazil exported an average of 119,000 bales of cotton to England each year. A normal year’s export was about 100,000 bales.\(^12\) At the Paris Exhibition in 1855 it was reported, “From Brazil not a single sample appeared.”\(^13\) Yet Brazil supplied 823,402 bales of the 8,719,620 bales of cotton imported by Great Britain.

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\(^8\) James C. Fletcher, *Brazil and the Brazilians* (London: Sampson Low, Son, and Marston, 1866), 197.

\(^9\) *New York Herald* (New York, NY), June 30, 1863.

\(^10\) Report of Mr. Acting Consul Gollam on the Trade of Rio Grande do Sul, for the Year 1863, in *Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1st, 1863, and June 30th, 1864* (London: Her Majesty’s Stationery Office, 1864), 57.

\(^11\) J. H. Anderson to Seward, Nov. 1, 1862, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863*, 453.


Britain between 1862 and 1865. Brazilian cotton exports increased more than 240 percent between 1861 and 1865, from 99,224 bales to 340,261 bales. Exports to England reached 636,897 bales in 1868.\(^{14}\) Brazil’s income from cotton increased from £468,214 in 1860-61 to £1,681,780 in 1862-63, the last year for which Isaac Watts gave income figures.\(^{15}\) If one extrapolates from the quantity of Brazilian cotton received in Liverpool and the average price for the years 1864 and 1865 less the 22 percent under the Liverpool market average that British trading companies paid for Brazilian cotton in 1863, Brazil’s income in those years would have been £9 million. Total income from cotton in the ten years 1861-1870 would have been in excess of £33 million.\(^{16}\)


\(^{16}\) The 22 percent discount represents the trading companies’ profit and cost of ocean freight.
Table 2

Estimate of Brazil’s Income from Cotton during the Civil War
(Extrapolated from Isaac Watts and average prices on the Liverpool Exchange less 22% under average paid for Brazilian cotton in 1863)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bales @253 lbs. ea.</th>
<th>Pounds</th>
<th>Avg. Price – 22%</th>
<th>Amount £ sterling</th>
</tr>
</thead>
<tbody>
<tr>
<td>1860-61</td>
<td>99,224</td>
<td>21,467,520</td>
<td>5.23</td>
<td>468,214          *</td>
</tr>
<tr>
<td>1861-62</td>
<td>133,807</td>
<td>27,910,720</td>
<td>6.69</td>
<td>778,615          *</td>
</tr>
<tr>
<td>1862-63</td>
<td>137,142</td>
<td>34,740,096</td>
<td>11.61</td>
<td>1,681,780         *</td>
</tr>
<tr>
<td>1863-64</td>
<td>212,192</td>
<td>53,048,000</td>
<td>19.70</td>
<td>4,354,356         †</td>
</tr>
<tr>
<td>1864-65</td>
<td>340,261</td>
<td>85,065,250</td>
<td>13.96</td>
<td>4,947,962         †</td>
</tr>
<tr>
<td>1865-66</td>
<td>407,646</td>
<td>101,911,500</td>
<td>11.85</td>
<td>5,031,880         †</td>
</tr>
<tr>
<td>1866-67</td>
<td>437,208</td>
<td>109,302,000</td>
<td>7.78</td>
<td>3,543,206         †</td>
</tr>
<tr>
<td>1867-68</td>
<td>636,897</td>
<td>159,224,250</td>
<td>7.73</td>
<td>5,128,347         †</td>
</tr>
<tr>
<td>1868-69</td>
<td>514,200</td>
<td>128,550,000</td>
<td>8.90</td>
<td>4,767,062         †</td>
</tr>
<tr>
<td>1869-70</td>
<td>402,760</td>
<td>100,690,000</td>
<td>7.33</td>
<td>3,075,240         †</td>
</tr>
</tbody>
</table>

* From Isaac Watts
† Extrapolated from number of bales and market prices in E. J. Donnell

Political conditions in Brazil were advantageous for the cotton growing effort. Brazil was remarkable in Latin America for its stability. When the American Civil War began, Brazil was an independent constitutional monarchy ruled since 1831 by Emperor Dom Pedro II, a grandson of the Portuguese royal family. The Brazilian constitution was modeled on the French Constitution of 1791, with some elements adapted from the British parliamentary and United States federal governmental systems.\(^{17}\) Brazil’s law code was based on that of Portugal, which was based on ancient Roman law with a recent influence from the Code Napoléon. The

\(^{17}\) Fletcher, *Brazil and the Brazilians*, 71-85.
Commercial Code of 1850 standardized business law on the French model. Brazil’s government was dominated by a wealthy slave-owning planter elite, the wealthiest and most powerful of whom were the coffee planters of Rio de Janeiro. The Brazilian government was intensely conservative in both its social and fiscal policies.

Like its mother country Portugal, Brazil had strong ties with Great Britain. The only major complication in the Anglo-Brazilian relationship, slavery, appeared to be waning. In 1826, Dom Pedro I signed a treaty with Britain that banned the importation of slaves from Africa effective in 1830. Though illegal, the slave trade continued largely unhindered by Brazilian authorities until 1850, when threats of British naval action compelled Dom Pedro II to enforce the 1826 treaty. Slaves numbered about a quarter of Brazil’s population of 8-10 million people in 1860.

The United States established diplomatic relations with Brazil in October 1825, just three years after Dom Pedro I declared Brazil’s independence from Portugal. The diplomatic rank of the American representative was upgraded from chargé d’affaires to Envoy Extraordinary and Minister Plenipotentiary in 1842. There was apparently not a U.S. Embassy building, however. During the Civil War the American Legation operated from a suite of rooms in the Hôtel de Larangeiras in Rio de Janeiro. Consulates were located in Rio de Janeiro, Pernambuco (Recife), Bahia

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19 Stearns, *The Encyclopedia of World History*, 634.

20 Fletcher, *Brazil and the Brazilians*, 137-139; Stearns, *The Encyclopedia of World History*, 634. Brazil’s population was unknown until a census in 1872 counted 10,112,000 inhabitants.

(Salvador), Parà (Belém), Maranhão (São Luís), Rio Grande (Natal), Santos (Vitória), and St. Catherine’s Island (Ilha de Santa Catarina).  

When the Civil War began, Richard K. Meade, a Virginian, was United States Minister to Brazil. Meade resigned in July 1861 and went home to Virginia, where he died in Confederate service. President Lincoln appointed James Watson Webb to the post in August 1861, after Webb turned down the appointment to the Ottoman Empire. Webb was formerly editor of the New York *Courier and Enquirer* and a Seward partisan. His appointment was apparently purely political patronage. Webb was accompanied to Brazil by his private secretary, Peter Cornelius Bliss. Bliss traveled extensively in southern Brazil and in Argentina, but the nature of his activities are unknown. Lincoln appointed as Secretary of Legation Rev. James C. Fletcher, a Presbyterian missionary who had for many years been the American Seaman’s Friend Society’s chaplain in Rio de Janeiro. Fletcher was author of *Brazil and the Brazilians*, first published as a serial in the *North American Review* in 1857, and was regarded as an authority on the country. The previous Secretary of Legation, Thomas Biddle, remained at his post as well. Biddle apparently attended to the routine administration of the legation.

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26 A letter from His Excellency James Watson Webb, United States Envoy Extraordinary and Minister Plenipotentiary in Brazil, to J. Bramley-Moore, Esq., M.P. in reply to a statement in the
All indications point to James C. Fletcher as the man in the American legation most concerned with cotton. Fletcher traveled extensively in Brazil, apparently gathering information. His journeys including a steamboat trip 1,000 miles up the Amazon River. In late 1863 he returned to the United States and gave an address before the Chamber of Commerce in New York. In his address, Fletcher explained the condition of cotton cultivation in Brazil and remarked that two thirds of Brazil’s territory was suited to cotton growing. The details of what Fletcher did to promote cotton cultivation in Brazil remain hidden, however. Fletcher said nothing about his wartime activities in Brazil in the 1866 edition of Brazil and the Brazilians.\(^{27}\)

The United States had a strong commercial relationship with Brazil. In each of the years 1859 and 1860, the United States bought $23 million worth of Brazilian products. According to James C. Fletcher, each year the United States sold Brazil about $6 million worth of manufactured goods. During the clipper ship era of the 1840s and 1850s, American ships carried a substantial portion of Brazil’s foreign trade.\(^{28}\) More than nine-tenths of the average 286,000 tons of wheat flour that Brazil imported each year from 1848 to 1859 came from the United States.\(^{29}\) Lennon Hunt, the British consul at Pernambuco, reported that the United States’ share of Brazilian

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\(^{28}\) Ibid.

exports was slightly less than half that of Britain in the years 1858, 1859 and 1860. By far the largest item in Brazil’s exports was coffee. A New York firm, Maxwell, Wright and Company, bought the majority of Brazil’s coffee.

The American coffee trade and the British trade in cotton goods with Brazil were interconnected. The largest British coffee exporter in Rio de Janeiro, Edward Johnston and Company, bought for the American market and had offices in New York and New Orleans. In addition to exporting Brazilian produce, Edward Johnston and Company became the largest wholesale supplier of British cotton goods to the Brazilian market in the 1850s.

Brazil had long been considered a potential competitor to American cotton. In a paper read before the Royal Society of Arts in London on May 13, 1857, James Benjamin Smith, the president of the Manchester Chamber of Commerce, placed Brazil’s potential second only to that of India. James Dunwoody Brownson De Bow, an outspoken Southern partisan of American cotton, also rated Brazil second only to Asia as a potential rival. John Crawford, a British colonial administrator and former governor of Singapore, repeated the same assessment in a presentation to the

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30 Report by Mr. Consul Lennon Hunt on the trade of Pernambuco, for the Year 1863, in Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1st, and December 31st, 1864 (London: Her Majesty’s Stationery Office, 1865), 43.

31 Graham, Britain and the Onset of Modernization in Brazil, 77.

32 Ibid, 84.


Royal Society of Arts on April 17, 1861, after Fort Sumter had been fired upon but before the news reached Britain.\(^{35}\)

Brazil seemed to be geographically well situated. Brazil’s cotton growing areas were located in a roughly 150-mile-wide band on the coast from Maranhão in the north round Cape São Roque to Pernambuco and Bahia in the south. There were numerous seaports along the Brazilian coast. The most distant cotton plantations were 300 miles inland from the seaports.\(^{36}\)

Progress was being made toward getting Brazilian produce to world markets. Four Brazilian railroads in addition to the American-built Dom Pedro II Railroad were in operation in 1860. The Mana Railroad was a short line that ran 10 miles from Guia de Pacoaba to the north shore of the great bay of Rio de Janeiro to the town of Petropolis. Railroads of less than 25 miles in length ran inland to plantation districts from the port cities of Bahia and Pernambuco. The British-owned Recife and São Francisco Railway went 77½ miles inland from the port of Recife to a cotton plantation district. In addition, construction on the British-owned São Paulo Railway began in 1860.\(^{37}\)

Transportation remained the greatest obstacle, however. All of Brazil’s railroads combined amounted to only 140 miles of track in 1860. The total length of track in 1865 amounted to 314 miles.\(^{38}\) Large areas of the country, in some cases

\(^{35}\) American Railroad Journal 17, no. 24 (June 15, 1861): 441-442.

\(^{36}\) Todd, The World’s Cotton Crops, 208 map.

\(^{37}\) Hunt’s Merchants’ Magazine 43, no. 5 (Nov., 1860): 635-637; Report by Mr. Consul Lennon Hunt on the trade of Pernambuco, for the Year 1863, in Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1\(^{st}\), and December 31\(^{st}\), 1864, 50.

\(^{38}\) Graham, Britain and the Onset of Modernization in Brazil, 30.
whole provinces such as cotton growing Rio Grande do Sul, were without railroads, wagon roads, telegraphs, or modern infrastructure of any kind.\(^3^9\) Except for the Amazon, which did not flow through the cotton district, Brazilian rivers were not navigable. There were few wagon roads to connect the hinterlands with the seaport towns. Pernambuco Province, an area roughly 100 miles wide and 400 miles long, had only 130 miles of wagon roads in 1863. These were in the form of four roads that radiated from the town of Pernambuco into its immediate hinterland. Most roads in the countryside were simply dirt tracks worn by the hooves of pack mules, which were the primary freight movers.\(^4^0\) Costs were prohibitive. In the 1850s the cost of carrying one bale of cotton to the coast was equal to the bale’s value. Planters often paid the muleteer by giving him one bale of cotton for each bale transported to market.\(^4^1\) In 1863 the mule freight rate in Pernambuco was a minimum 1 shilling 6 pence (18 d.) to carry a 250 to 300 pound load 25 miles.\(^4^2\)

Brazilian seaports were inadequate. Many, like Rio Grande, the port that served the province of Rio Grande do Sul, were located several miles up rivers where dangerous shallow river mouth bars prevented ships from leaving the port if fully

\(^{39}\) Report of Mr. Consul Vereker on the Trade of Rio Grande do Sul for the Year 1861, in *Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1\(^{st}\), and December 31\(^{st}\), 1861* (London: Her Majesty’s Stationery Office, 1863), 51.

\(^{40}\) Report by Mr. Consul Lennon Hunt on the trade of Pernambuco, for the Year 1863, in *Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1\(^{st}\), and December 31\(^{st}\), 1864*, 40

\(^{41}\) Report by Mr. Consul Lennon Hunt on the trade of Pernambuco, for the Year 1863, in *Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1\(^{st}\), and December 31\(^{st}\), 1864*, 40.

\(^{42}\) Ibid, 53.
The port of Pernambuco, though which about one third of Brazil’s cotton passed, had an especially bad reputation. Its natural harbor was good, but the wharf at the Pernambuco customhouse could accommodate only two ships at a time. Most vessels had to load from lighters. The cartel that operated the harbor boats charged extortionate rates. The charge for ferrying cargo from the customhouse wharf to the ship was nearly equal to the ocean freight to England. Government regulations at the port were so vexatious, and its contractors regarded as such swindlers, that many ship owners instructed their captains to avoid Pernambuco even in emergency unless their vessels were in imminent danger of sinking.

Labor was in short supply. Immigration was discouraged by Brazil’s endemic tropical diseases, especially yellow fever, which was deadly to Europeans. Cholera was also endemic. Of the 175 English artisans who came to work in the railroad shops in Recife in 1855, disease had killed 26 men by 1863. Ten more men had to be sent home debilitated by disease. Among German and Belgian workmen excavating roadway and laying track the death rate was 60 percent. There was nevertheless a

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43 Report of Mr. Consul Vereker on the Trade of Rio Grande do Sul for the Year 1861, in Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1st and June 30th, 1863, 51; Report by Mr. Acting Consul Gollam on the Trade of Rio Grande do Sul, for the Year 1863, in Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1st, and December 31st, 1864, 58.

44 Report by Mr. Consul Lennon Hunt on the trade of Pernambuco, for the Year 1863, in Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1st, and December 31st, 1864, 45.

45 Ibid, 47.

46 Report by Mr. Consul Lennon Hunt on the trade of Pernambuco, for the Year 1863, in Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1st, and December 31st, 1864, 36-37.
sizable number of European colonists. These included an agricultural colony of 40,000 Germans in Rio Grande do Sul.\textsuperscript{47}

Brazilian cotton was grown using primitive methods. Mid-nineteenth century farming practices were still the same as they had been during the Portuguese colonial era, and remained so for decades after the end of the Civil War.\textsuperscript{48} At least two and perhaps more types of cotton were grown in Brazil before 1860. One, a perennial plant that from its description resembled either Sea Island or Egyptian, was believed to be indigenous. Another perennial variety of unknown origin was introduced about 1830.\textsuperscript{49} A herbaceous “green seed” cotton known as “caroço verde” was introduced into Rio Grande do Sul from the United States at an uncertain date. When American agricultural expert John C. Banner tried to ascertain its origin in 1885, he found that some Brazilian sources dated its introduction at around 1840. Others suggested that the foundation seed of caroço verde were brought to Brazil shortly before or during the Civil War by someone with the Germanic name Edward von Borusky.\textsuperscript{50} A few American saw gins were in use before 1836, but the primary method of cleaning cotton was a wooden machine similar to the East Indian \textit{churka}, a primitive hand operated roller gin. As was the case in Egypt, the saw gin damaged the fibers of long

\textsuperscript{47} Report of Mr. Acting Consul Gollam on the Trade of Rio Grande do Sul, for the Year 1863, in \textit{Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1\textsuperscript{st}, 1863, and June 30\textsuperscript{th}, 1864}, 61.

\textsuperscript{48} Henry Koster, \textit{Travels in Brazil} (London: Longman, Hurst, Rees, Orme, and Brown, 1816), 365-368; John C. Banner, \textit{Cotton in the Empire of Brazil, the Antiquity, Methods and Extent of its Cultivation; together with statistics of exportation and home consumption}, U.S. Department of Agriculture, Miscellaneous Special Report No. 8 (Washington: GPO, 1885), 7.

\textsuperscript{49} Banner, \textit{Cotton in the Empire of Brazil}, 62.

\textsuperscript{50} Ibid, 31. No mention of Edward von Borusky could be found in any other source.
staple Brazilian cotton. Brazilians apparently did not use the American McCarthy roller gin.

Surprisingly, the Cotton Supply Association does not seem to have focused as much attention on Brazil as it did upon several less promising countries. No location in Brazil is listed among the places to which the Association sent seeds and cotton gins in 1858. In 1861 the Association sent a supply of New Orleans seeds and one cotton gin to John James Aubertin in São Paulo province, where cotton was not then grown. These seeds were distributed free to local planters “by hatfuls.” Larger quantities of American seeds were sent to Aubertin in 1862. Cotton grown from the seed was known as “Santos” in Liverpool, after the name of the coastal town where it was marketed. British consuls said surprisingly little about cotton in their reports. Consul Lennon Hunt in Pernambuco devoted a page of his 1863 report to the cotton situation, but did not mention any British efforts to promote its cultivation.

The Brazilian government apparently took the lead in promoting cotton cultivation. Those efforts were initiated well before the American Civil War began. In 1858, the Brazilian government sent a provincial civil servant, Senôr Joaquin Lopez de Siloa, to the United States to study American farming methods and examine American implements. Upon his return to Brazil de Siloa was instructed to, “bring out

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51 East India Company, *Reports and Documents connected with the Proceedings of the East-India Company in regard to the Culture and Manufacture of Cotton Wool, Raw Silk, and Indigo, in India* (London: East-India Company, 1836), xiii.


54 Report by Mr. Consul Lennon Hunt on the trade of Pernambuco, for the Year 1863, in *Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1st, and December 31st*, 1864, 39-40.
with him a number of persons skilled in the growing of rice and cotton and in the manufacture of sugar.”

A Brazilian Cotton Association was established at Rio de Janeiro to promote cotton growing in 1862. During the Civil War, Brazilian government agents purchased cotton seeds in New York and shipped them directly to Brazil in sailing ships flying neutral flags. Whether these purchases were made through agents of the Cotton Supply Association or directly from American suppliers or the Federal cotton ginnery at Atlantic Dock is not disclosed in the available documents. The seeds were distributed in Brazil through government agencies. Whether the seeds were given to planters free or sold is not known. The Brazilian government also established agricultural institutes in at least some of the provinces, and through them introduced modern agricultural tools and equipment.

The Brazilians favored American agricultural equipment because, in the words of Senór Franco de Almeida, a member of the Chamber of Deputies, American tools were, “extraordinarily cheap compared with Europe.” Brazil purchased $362,644 worth of cotton gins, cotton presses, steam engines, and other agricultural machines from the United States in 1863-65.

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55 *Daily National Intelligencer* (Washington, DC), May 28, 1858.

56 *All the Year Round, a Weekly Journal* 8, no. 190 (Dec. 13, 1862): 328.


58 Report of Mr. Consul Vereker on the Trade of Rio Grande do Sul for the Year 1861, in *Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1st, and December 31st*, 1861, 51.

59 Thomas Adamson to Seward, Oct. 28, 1862, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1862*, 676. Italics in original.

60 Thomas Adamson to Seward, June 30, 1866, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1866*, 521-523.
Independent efforts to promote cotton were undertaken by British subjects and Americans. Christopher Gaybeard, the secretary of the Recife and São Francisco Railway, planted 120 cotton seeds mailed to him by the Cotton Supply Association in a highly visible garden on a hillside beside the railroad tracks in March 1862.61 A British trading firm in Rio Grande do Sul, Messrs. John Proudfoot and Company, distributed American and Egyptian cotton seeds free of charge. At an undisclosed date prior to July 15, 1864, Mr. Proudfoot purchased land and started a large cotton plantation that was evidently intended to be both a profit-making enterprise and a demonstration project.62 A shipment of Sea Island cotton seeds was sent to Pernambuco from Port Royal, South Carolina, in the autumn of 1863.63 At about the same time the seeds were sent to Brazil from South Carolina, an unnamed American merchant in Pernambuco sent samples of cotton grown from American seed to the New York Journal of Commerce.64 If the number of cotton gins sold in Brazil is an indicator, there must have been numerous salesmen representing New York and Boston manufacturers who would also be de facto promoters of cotton growing.

Brazil had demonstrated an ability to surge cotton production in the twenty years preceding 1860. When fears that the Mexican-American War would interrupt supplies from the United States caused prices to rise in 1848, Brazilian exports to Britain increased from 100,000 bales in that year to 163,000 bales in 1849 and to

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61 Cotton Supply Reporter 1, no. 103 (Dec. 1, 1862): 1103.

62 Report of Mr. Acting Consul Gollam on the Trade of Rio Grande do Sul, for the Year 1863, in Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1st and December 31st, 1864, 61.

63 New Haven Palladium (New Haven, CT), Oct. 6, 1863.

64 Milwaukee Daily Sentinel (Milwaukee, WI), Oct. 8, 1863.
171,000 in 1850 before dropping abruptly back to their normal level.\textsuperscript{65} This suggested that Brazilian farmers would respond to a sudden increase in price by planting more cotton.

Evidence suggests that the United States encouraged a surge in Brazilian cotton production by buying cotton during the first year of the Civil War. The British consul in Parà, Mr. Perry, noted in a table in his report to the Foreign Office for 1863-64 that 15 million pounds of Brazilian cotton were exported to the United States in the twelve months prior to June 30, 1862. Curiously, although Perry listed the money amounts paid for cotton purchased by France and Portugal, and for American purchases of rice, cacao, and other products, he did not list a money amount for the American cotton purchase. This seems odd, but may only mean that the data somehow escaped being recorded in the unidentified sources that Perry used to compile his report.\textsuperscript{66}

The American cotton purchases were made in many different towns, and in small lots. A consignment of 300 bales arrived in New York from an undisclosed Brazilian port in February 1863.\textsuperscript{67} Another 650 bales arrived in New York from Paroiba near the same time.\textsuperscript{68} In Maranhão, out of 65,000 bales sold in 1862, an American firm purchased 431 bales for about $6,000. Assuming that each bale weighed 250 to 300 pounds, the payload of a Brazilian pack mule, the American

\textsuperscript{65} Donnell, \textit{History of Cotton}, 367-381.

\textsuperscript{66} Report of Mr. Consul Perry on Commerce, Agriculture, & c., in the Provinces of Gram Parà, Amazonas, and Maranham, for the year 1863, in \textit{Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1st, 1863, and June 30th, 1864}, 12.

\textsuperscript{67} \textit{New York Herald} (New York, NY), Feb. 12, 1863.

\textsuperscript{68} \textit{Daily Morning News} (Savannah, GA), Feb. 20, 1863.
buyer paid from 4½ to 5½ cents per pound for the cotton. This was the first time that an American buyer had purchased cotton in Maranhão. In his report concerning the purchase, U.S. Consul William H. Evans commented, “The present high prices have done much to develop the natural advantages of the country for its production.”

The amount of money that Americans invested in this cotton speculation can be roughly estimated. Britain purchased nearly 28 million pounds of cotton at a cost of £778,615 during the same 1861-62 time period. If Americans paid for cotton at the same rate as the British, they paid over £417,000 into Brazil’s economy. An intriguing entry in the 1863 edition of *The American Annual Cyclopædia and Register of Important Events* cited James C. Fletcher as the source of a statement that the United States sent $6 million in gold to Brazil in 1861 to pay for produce.

High prices stimulated many subsistence farmers to grow cotton. U.S. Consul Thomas Adamson attributed much of the increased production in the Pernambuco district to “a class of poor people, small farmers, called *moradores*, or squatters.” These were people who settled on wilderness land and planted crops using primitive slash-and-burn agricultural methods, without ploughs or draft animals. Adamson informed the U.S. Commissioner of Agriculture, “They produce only a few arrobas to each family, just enough to supply them with a little clothing and the very few

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necessities of life which nature does not produce spontaneously for them.”

Adamson further commented that he thought the moradores would stop growing cotton for sale when prices returned to a normal level.

The famous naturalist Louis Agassiz was in Brazil in the winter of 1865 and recorded his observations of the cotton boom. Agassiz wrote:

The increased exportation of cotton from Brazil during the last few years is a still more marked feature of its industrial history than the large coffee crops. … When the Rebellion broke out in our Southern States, Brazil thus found herself prepared to give a considerable impulse to the cultivation of a product as much sought for as bread in time of famine. … Provinces like San Paolo, where a foot of ground had never before been planted with cotton; others, as for instance Alagoas, Parahyba do Norte, Ceará, where the cultivation of cotton had been abandoned, produced extraordinary quantities, —so large, indeed, that two lines of steamers were established, and have prospered, between Liverpool and the above mentioned ports, chiefly for the transport of this crop.

Agassiz further stated that Brazil, “received no foreign capital for this undertaking.” Although not precisely true, Agassiz’s comment reflects a valid assessment of the fiscal policies of Brazil’s intensely conservative government.

Insofar as can be determined, Brazil took out only one major foreign loan during the American Civil War, a £3,300,000 bond issue arranged through London banks in 1863. The British consul in Rio de Janeiro attributed the loan to the Brazilian government’s need for money to tide it over after the sharp reduction in coffee

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73 Ibid. An arroba was equal to 32 ¼ pounds.
74 Ibid.
75 Louis Agassiz and Elizabeth Cabot Cary Agassiz, A Journey in Brazil (Boston: Ticknor and Fields, 1869), 508
76 Ibid.
exports to the United States caused a substantial loss of tax revenue.\textsuperscript{77} There is no evidence in British or American consular reports that Brazil even contemplated development schemes like those undertaken in the Ottoman Empire and Egypt. The limited amount of railroads and other public works that the Brazilians built during the 1860s were paid for with their own funds, without resort to loans.\textsuperscript{78}

Mexico presented a unique set of circumstances because of its domestic political situation, the country’s nearness to the United States, common border with the Confederacy, and the French military occupation that began in 1862. France’s need for an alternative to American cotton was at least as great as Britain’s. French textile workers, though they constituted a smaller portion of the total population than their counterparts in England, were politically more volatile. The danger of working-class revolution in France was much greater than it was in England.\textsuperscript{79} M. Thiers, a Deputy in the French National Assembly, remarked in 1864 that there was a widespread expectation in France that Mexico would supply France with cotton.\textsuperscript{80} Many American contemporaries shared the conviction that Napoleon III’s interest in

\textsuperscript{77} Report of Mr. Consul Westwood, on the Trade of Rio de Janeiro, for the Year 1863, in Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1\textsuperscript{st}, and December 31\textsuperscript{st}, 1864, 64

\textsuperscript{78} Watts, The Cotton Supply Association: Its Origin and Progress, 89.


\textsuperscript{80} M. Thiers, Discours de M. Thiers Député de la Seine, Sur L’Expédition du Mexique, Prononcés dans la Discussion de L’Adresse au Corps Legislatif, Séances des 26 et 27 Janvier 1864 (Discourse of M. Thiers, deputy of the Seine, about the Mexican expedition, address to the legislative assembly, sessions of 26 and 27 January 1864) (Paris: Lheureux, 1864), 59.
Mexico was primarily motivated by a desire to seize the country’s cotton-growing potential for France.\(^8^1\)

Mexico did not figure prominently in the efforts or expectations of the Cotton Supply Association. Mexico was not listed among the locations where the Association sent seeds and cotton gins in 1858, and the country was seldom mentioned in *The Cotton Supply Reporter*.\(^8^2\) Isaac Watts did not mention any efforts to promote cotton cultivation in Mexico in his 1871 history of the Cotton Supply Association. The omission is puzzling unless the Association considered Mexico to be in the French sphere of influence and avoided involvement there in accordance with what seems to have been their policy in the case of Algeria. Historian Earl S. Pomeroy implied this in a short paper about French efforts to secure cotton published in 1943.\(^8^3\) Thomas Schoonover gave the Cotton Supply Association only one passing mention in his paper “Mexican Cotton and the American Civil War,” published in 1974. In Schoonover’s account, the promoters of cotton in Mexico are identified as French and Americans, and the markets as France and the United States.\(^8^4\)

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Supply Association’s 1858 effort may have attracted Mexicans’ attention to the possibility of growing cotton for export, however.\textsuperscript{85}

As the United States was plunging into civil war, Mexico was just ending the bitter civil war known as the War of the Reform. In December 1860, the Liberal leader Pablo Benito Juárez ousted General Miguel Miramon and the Conservative faction that had usurped power in Mexico City several years previously. Characterized in the broadest terms, the Liberals represented the mixed race Hispano-Indian \textit{mestizo} majority of Mexico’s population while the Conservatives represented the wealthy \textit{criollo} elite of pure Spanish descent. After its endemic political instability, Mexico’s greatest problem was its enormous backlog of unpaid foreign debts and claims for damages inflicted upon Europeans during past wars and civil disturbances. After decades of civil wars, Mexico’s economy was wrecked. Mexico was essentially bankrupt, and one of Juarez’s first acts was to impose a moratorium on interest payments on the foreign debt. Not long after Fort Sumter was fired upon, Mexican newspaper editors recognized that the Civil War in the United States afforded Mexico an opportunity to rebuild its economy and pay off its debts and began urging Mexicans to grow cotton for export.\textsuperscript{86}

A considerable amount of cotton was already being grown in Mexico. Mexico’s experience of a half-century of overlapping civil wars, regional political fragmentation, and lack of transportation had caused a unique economic situation to develop there. Lack of security on the roads and barriers imposed by different warring

\textsuperscript{85} Daily National Intelligencer (Washington, DC), March 27, 1858.

factions made it too difficult and dangerous to transport goods from one region to another. This resulted in each regional center developing its own self-sufficient manufacturing base, including cotton mills. Each regional manufacturing center depended upon its own hinterland for its raw materials and its market.  

The Juárez government never had the opportunity to embark on a program to promote cotton cultivation for export or to develop Mexico’s decentralized industrial base. Using Juárez’s stoppage of interest payments as a pretext, and recognizing that the United States would not be able to interfere, Napoleon III induced Britain and Spain to agree to joint military intervention in Mexico to collect the debts. Napoleon III’s real goal was to expand French imperial influence, a secret global grand strategic plan known as la Pensée de l’Empereur. The ambitious plan envisioned dismemberment of the United States into three independent nations, the Confederate States, a remnant United States in the north, and a western republic. Mexico would become a French protectorate ruled by an Austrian Habsburg monarch, Archduke Ferdinand Maximilian.

The British government would never have accepted French hegemony over North America as envisioned in la Pensée de l’Empereur. In a speech before the

House of Commons on June 27, 1861, Lord John Russell, the British Foreign


Secretary, raised the possibility of making Mexico a British protectorate in order to secure a conduit through which Britain could obtain Texas cotton.\textsuperscript{90} This would have circumvented the Union blockade of Southern seaports. It also avoided the Confederate embargo because the Confederate congress never passed a formal embargo statute. It merely passed a law that prohibited cotton from being exported to the United States. The choice of whether or not to embargo cotton exports to other countries was left to the individual states. Texas continued exporting cotton to Mexico through the state’s land ports of entry. The cotton was then shipped to Europe from the Mexican port of Matamoros.\textsuperscript{91} As a result, a thriving cotton export trade across the Rio Grande was already in existence before Lord Russell made his proposal.\textsuperscript{92}

To obtain British support for sending French troops to Mexico, Napoleon III played on Lord Palmerston’s well-known fear of American expansionism. As the first battles of the American Civil War were being fought, France, Britain, and Spain, working at cross purposes to one another, were laying plans and assembling expeditionary forces for a hazily conceived collaborative imperial excursion to Mexico. An international fleet composed of British, French, and Spanish warships appeared at Veracruz on December 8, 1861. About 11,000 troops landed unopposed in January 1862. The largest contingent, about 6,000 men, was Spanish. There were

\textsuperscript{90} \textit{New York Herald} (New York, NY), July 14, 1861.


\textsuperscript{92} \textit{North American and United States Gazette} (Philadelphia, PA), July 18, 1861; \textit{Weekly Mississippian} (Jackson, MS), Nov. 20, 1861; \textit{New York Herald} (New York, NY), Dec. 27, 1861.
also 4,000 French regulars, a French naval brigade, and about 700 British Royal Marines. The British and Spanish withdrew from the expedition in April 1862, whereupon the intervention in Mexico became an entirely French affair. Mexican forces repulsed the first French attempt to take Mexico City, and it was not until June 1863 that the capital surrendered to a French army of about 30,000 men. After the capture of Mexico City, the French expeditionary force and a much larger French-organized Mexican Imperial Army set out to expand the area under control of the Regency, as Maximilian’s government was called. Juárez’s followers and a number of regional Mexican factions mounted a fierce guerrilla war of resistance.  

This was the situation in Mexico when an Englishman, William Henry Bullock, made an extensive tour through the country in 1864-65. Bullock’s narrative of his travels, entitled *Across Mexico in 1864-5*, is minutely detailed, and his keen interest in cotton is obvious. Bullock’s travel narrative reveals a picture of British and American efforts to promote Mexican cotton growing that is unobtainable from either published consular despatches or *The Cotton Supply Reporter*. Bullock arrived at Veracruz as a passenger on the Royal Mail steamer R.M.S. *Solent* on November 29, 1864. His travels took him to Mexico City, to several towns in central Mexico, and then west to Tepic on the Pacific coast. All of the areas that Bullock visited were under control of Emperor Maximilian’s French-backed government. By Bullock’s account those areas were peaceful and under the rule of law and order. It is obvious from his writing that Bullock approved of the Maximilian government and that he

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looked favorably upon the Conservative criollo elite that returned to power with the arrival of the French.  

Maximilian was courting the wealthy criollo elite, and his government was actively encouraging them to grow cotton on their estates. The Regency sponsored two cotton promotion publications authored by Mexico’s leading agricultural experts in 1863. One, written by Dr. Perfecto Badillo, was a six-page promotional pamphlet entitled *Manuel para el cultivo del agodonero* (Manual for the cultivation of cotton) that resembles pamphlets that the Cotton Supply Association distributed in other regions of the world. The second, by José Andrade, was a much more detailed 40-page manual for cotton planters entitled *Memoria sobre el cultivo del algodón y de los gastos para situarlo en los puertos* (Memorial upon the cultivation of cotton and of the expenses to move it to the ports). Andrade’s manual resembles the several regional handbooks for cotton planters that were published by the British imperial government in India. Both works appeared in the *Boletín de la Sociedad Mexicana de Geografía y Estadística* and in Mexican newspapers.

When William Henry Bullock arrived in Veracruz, cotton activities in the seaport were immediately obvious. Bullock observed that the cathedral in Veracruz, which had been abandoned for some time, had been converted into a warehouse.

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96 José Andrade, “Memoria sobre el cultivo del algodón y de los gastos para situarlo en los puertos,” *Boletín de la Sociedad Mexicana de Geografía y Estadística*, Epoca 1a, X (1863): 619-659.

where, “bales of cotton and hardware were to be seen piled up on the high altar.”

French merchant ships were loading cotton at Veracruz destined for Havre. Cotton was also being carried to New York from Veracruz. U.S. Consul D. L. Lane reported the departure of seven American ships with a total of 2,646 bales of cotton during the months of January, February, and March 1864. Their cargo was valued at over $200,000, which amounted to over half the value of all goods exported from Veracruz to the United States during those months.

Bullock saw cotton fields almost as soon as the train that took him part way to Mexico City left the fever-ridden Veracruz lowlands and entered the Tierra Templada, the “temperate region” of Mexico that began at about 3,000 feet elevation. The railroad tracks ended at Camarón. Bullock continued his journey by carriage over a wagon road that he described as “wonderfully good” to Orizaba, a market town that was the seat of an enormous estate owned by Don Antonio Escandon, one of the wealthiest men among Mexico’s criollo elite. Escandon’s plantation manager, a German whom Bullock identified as Herr Fink, showed Bullock large fields of cotton, as well as coffee, sugar cane, and tobacco. Señor Escandon owned a cotton factory, which was managed by a Scotsman. Bullock mentioned that Escandon had originally

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98 Bullock, Across Mexico in 1864-5, 10.
100 Consul D. L. Lane, Statement showing the description, quantity, and value of exports from Vera Cruz to the United States for the quarter ended March 31, 1864, in Commercial Relations of the United States with Foreign Nations for the Year ended September 30, 1864, 717.
obtained the railroad concession from the Juárez government but had subsequently sold it to a British company, which used American-made railroad cars.  

It was on the Pacific coast of Mexico that Bullock found the most cotton being grown. Mr. Woolrych, the British consul at Mazatlán, told him that in 1863 the district produced 500,000 pounds of cotton on 1,300 acres. In 1864 the figures were dramatically higher: 4,200,000 pounds of cotton from 10,500 acres. The cotton was not exported, however, but was used in factories in Sinaloa and Jalisco. Growers were paid about 12 American cents per pound for the cotton. Mazatlán’s lack of exports was probably attributable to the primitive state of transportation in the area and lack of shipping. At Acapulco, which had steamship service with Panama and San Francisco, local cotton factories suffered a shortage of cotton because more than one million pounds was drawn away by the export market, which paid farmers 26 cents per pound.

Bullock visited a cotton plantation on the Rio Santiago near Tepic where Joshua Mellor, an English cotton mill “mechanic” who had first emigrated to the United States and then moved to Mexico, had 1,500 acres planted in cotton. Mellor had one cotton field that contained 350 acres. Another field measured “900 yards square,” which would equate to about 160 acres. Mellor employed Mexican women and boys as cotton pickers at wages of “6 reals or 3 shillings” per 100 pounds. According to Mellor, a family of five persons could earn close to £5 per week picking

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102 Ibid, 319-321.

103 Consul Lewis S. Ely to Seward, Sept. 30, 1863, in *Commercial Relations of the United States with Foreign Nations for the Year ended September 30, 1864*, 718.
Cotton gins and bale presses used to prepare Mexican cotton for market were imported from New York.

In 1864, the British Foreign Office attempted to find out how much cotton was being grown in Mexico. The British consul-general in Mexico City had questionnaires similar to the circular that Sir Austen Henry Layard sent to consuls in the Ottoman Empire printed and sent them to various consuls, Mexican officials, and landowners. The effort failed, however, because only one of the forms was returned.

The Panama Railroad and its subsidiary Pacific Mail Steamship Company, of which William H. Aspinwall was a director, played prominent roles in promoting cotton growing on the Pacific coast of Mexico and in Central America. Beginning in October 1861, the Panama Railroad began transporting cotton grown on the Pacific coast of Mexico, western South America, and Central America across the Isthmus of Panama (then still part of Colombia) to the port of Aspinwall and loading it into ships bound for Liverpool. By June 1862, the railroad had handled 5,663 small bales, with a cumulative weight of over 872,000 pounds.

In May 1863, David Hoadley, President of the Panama Railroad Company, and U.S. Commissioner of Agriculture Isaac Newton reached an agreement under the

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106 Bullock, *Across Mexico in 1864-5319*.


108 *Vermont Chronicle* (Bellows Falls, VT), June 17, 1862.
terms of which the Panama Railroad agreed to pay the costs of transporting cotton seeds from the United States to Panama. Upon arrival in Panama the seeds were turned over to the American consul for free distribution in cooperation with the railroad.109 The British vice consul in Panama, Charles T. Bidwell, was privy to the written communications between Hoadley and Newton concerning the cotton seeds.110 A. R. McKee, the American consul, reported that many persons were interested in growing cotton, and that the Colombian governor of Panama was promoting its cultivation.111 One planter, Adolf Steffens, established a plantation with 22,000 perennial Sea Island cotton trees on Gonzalez Island about 40 miles from Panama City.112 By 1866 about 3,000 acres of Sea Island cotton were being grown on the Pacific coast of Panama.113

American cotton promoters had particularly high hopes that its cultivation could be established in Nicaragua on a large scale. A German-American immigrant, Oraldo Wormger, had established a 5,000 acre cotton plantation on the shores of Lago de Nicaragua, the great Nicaraguan lake, in the late 1830s and proven that cotton cultivation was possible in the area. Transportation to the Pacific coast via the lake and the Rio San Juan was possible, though difficult because of a short length of


110 Ibid.


112 *Daily Evening Bulletin* (San Francisco, CA), April 4, 1864.

shallows and rapids in the river. Prior to the Civil War a Tennessean, Major John P. Heiss, experimented with growing cotton in Nicaragua. Heiss returned to Nicaragua in February 1861 with the intention of establishing a cotton plantation.

Americans may have bought Nicaraguan cotton to encourage production. The sailing ship *Magdalena* delivered 24 bales of Nicaraguan cotton to New York from Panama on September 4, 1861. This was reportedly the first time that Nicaraguan cotton had ever been sent to the United States.

Some success was achieved, but Nicaragua never produced anywhere near the quantity of cotton that was hoped for. Henry Swinglehurst, an agent of the Cotton Supply Association, toured Central America, the Pacific Coast of South America, and the West Indies in 1863. Swinglehurst reported that to the date of his visit to Panama, Don Pedro Marina, the “principal receiver of the Nicaraguan cotton” in Panama, had handled about 2,000 bales weighing about 250 pounds each. In January 1865, U.S. Consul B. S. Cotrell in San Juan del Norte reported, “Cotton planting in the interior is now quite an extensive business, in which many Americans, French, Italians, & c., are engaged. But it is not possible to state what their success has yet been.”

American buyers paid “10 to 20 cents” per pound for $21,047.70 worth of cotton in

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115 *Daily National Intelligencer* (Washington, DC), Feb. 9, 1861.

116 *The Friend’s Intelligencer* 18, no. 27 (Sept. 14, 1861): 430.


118 B. S. Cotrell to Seward, Jan. 18, 1865, in *Commercial Relations of the United States with Foreign Nations for the Year ended September 30, 1864*, 727-728.
1864 and sent it to New York.\textsuperscript{119} This indicates that approximately 140,000 pounds, or 350 American-size bales, were exported to New York at the peak of the cotton boom. Panama Railroad Company steamships carried the cotton from Nicaraguan ports to Panama and then from Panama to New York for a special low freight rate of \(\frac{3}{4}\) cents per pound. This was considerably cheaper than the freight rate charged for coffee and other produce.\textsuperscript{120}

Peru excited hopes even higher than Nicaragua. Prior to June 1861, the Cotton Supply Association induced several large Peruvian landowners to begin growing cotton on their estates.\textsuperscript{121} The cotton grown was a unique type of arboreal cotton, the plants of which were long lived and grew up to fifteen feet tall.\textsuperscript{122} One of the landlords brought in 250 Spanish immigrants to tend his cotton bushes, reportedly 200,000 in number. His plan was to eventually have 14 million cotton trees. Excavations began in 1858 or 1859 on an irrigation canal 39 miles in length to bring water from the Andes Mountains to the estate.\textsuperscript{123} American interests assisted and encouraged these plantations. Alfred Duvall, an American engineer from Maryland who had for some years been employed by the Peruvian government, initiated cotton planting on irrigated land at Monte Abierto, a village in the valley of the Chira River

\textsuperscript{119} Ibid.

\textsuperscript{120} B. S. Cotrell to Seward, Jan. 18, 1865, in Commercial Relations of the United States with Foreign Nations for the Year ended September 30, 1864, 727-728.

\textsuperscript{121} The Merchant’s Magazine and Commercial Review 44, no. 6 (June, 1861): 682.


\textsuperscript{123} The Merchant’s Magazine and Commercial Review 44, no. 6 (June, 1861): 682.
about 25 miles from Callao.  

Ships owned by the Panama Railroad Company transported cotton grown in Peru from Panama to New York, where it was then trans-shipped to England. The *Lowell Daily Citizen and News* reported on December 6, 1861, that “Messrs. Forbes & Company, Mexico” had contracted for the purchase of 10,000 bales of Peruvian cotton. Whether or not this trading company was associated with the Forbes family in Boston could not be determined.

The cotton boom even affected Peruvian Indian tribes that lived in the remote Amazonian rain forests on the eastern foothills of the Andes Mountains. A tree that grew in the forests produced a cotton-like fiber in its seedpods. Prices of “from six to twenty cents per pound” offered by traders encouraged the Indians to harvest the cotton tree pods and send them by mule back on the arduous journey over the mountains to the port of Callao. Indians in other regions harvested the cotton from Peru’s other indigenous cotton shrubs. Some of the Indians propagated the wild plants by planting the seeds but left the plants untended to grow wild. The traders’ transportation costs were excessive, however, at “$4 to $5 the cargo of 350 lbs.”

The Cotton Supply Association naturally looked to the West Indies as a source of cotton. Most of the islands had produced excellent Sea Island cotton prior to the rise of the American monopoly, and cotton cultivation had never been completely

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125 *Daily National Intelligencer* (Washington, DC), Jan. 6, 1862.

126 *Lowell Daily Citizen and News* (Lowell, MA), Dec. 6, 1861.

127 John E. Lovejoy to Seward, Sept. 30, 1863, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863*, 635-636.
abandoned. The West Indies consistently sent about 31,000 bales of cotton to Europe each year throughout the 1850s.\textsuperscript{128} The West Indies were also attractive because a sizable number of the islands were British territory.

Five British companies were formed to grow cotton in Jamaica, where the Association placed its greatest hopes.\textsuperscript{129} The greatest problem that confronted cotton planters in Jamaica was lack of labor. In the fall of 1862, W. I. Plaideur, a cotton planter in Jamaica, suggested to the Cotton Supply Association that its agents recruit free blacks from the United States to come to Jamaica and grow cotton for the Jamaica Cotton Company.\textsuperscript{130} At about the same time, American abolitionists made plans to recruit 5,000 African-American contrabands and employ them on the British West Indian cotton plantations.\textsuperscript{131} These plans apparently never came to fruition, however. As a result, none of the Jamaican cotton companies ever produced more than token quantities of cotton and their plantations were abandoned almost immediately upon the end of the American Civil War.

The Bahamas also held promise. Many of the whites in the islands were descendants of Loyalists from Georgia and South Carolina who had fled after the American Revolution and had enjoyed an era of great cotton prosperity that lasted until about 1830.\textsuperscript{132} Not long after the Civil War began, the British colonial

\textsuperscript{128} Donnell, \textit{History of Cotton}, 381-483.


\textsuperscript{130} \textit{Cotton Supply Reporter} 1, no. 100 (Oct. 15, 1862): 1054.

\textsuperscript{131} \textit{Freedom’s Champion} (Atchison, KS), Sept. 27, 1862.

government, the Cotton Supply Association, and a private company in New York, the American and British West India Cotton Company, teamed to grow cotton on New Providence Island. The government built a public cotton ginnery at Nassau, the Association furnished gins and seeds to individual planters, and the American company invested $250,000 in leasing land and hiring labor. Another New York firm, Messrs. J. and C. Rahming and Company, sent one of its partners, Edward G. Rahming, to Long Island in the Bahamas to establish a cotton gin and start plantations by planting a demonstration plot of about 20 acres and distributing free cotton seeds. Cotton plantations were subsequently established on Watling Island, Exuma, and on New Providence Island. Some cotton was shipped to New York from the American plantations, but again as in so many other cases, plantations in the Bahamas ceased to be economically viable shortly after the American war ended.

Puerto Rico, then a Spanish colony, presented an unusual case of the employment of forced “free” labor on the cotton plantations. All free male laborers among the island’s 600,000 people were required by law to present documents provided by their employer to the administrator of their district each month that proved that they were employed and showed the number of days worked in that month. Free men who did not present the papers or who did not work the required number of days were imprisoned and compelled to work. With labor thus secured,

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134 Cotton Supply Reporter 1, no. 110 (March 16, 1863): 1214.


Puerto Rican plantation owners increased their export of cotton, which went to Spain, from 310,000 pounds in 1862 to over a million pounds in 1863. Cotton acreage increased a further five-fold from 1863 to 1865. Latin America and the West Indies produced far more in the way of expectations and grandiose plans than they did cotton. Although cotton exports to Europe from the West Indies increased more than 600 percent between 1861 and 1865, the total quantity of cotton amounted to only 415,000 bales. Brazil, where the greatest increase in production was achieved, contributed 1,032,000 bales during the years 1861-65, only 322,000 bales more than in the five years prior to the war. It was, as Isaac Watts lamented in the subtitle to the section of his report to the Cotton Supply Association in 1871, a case of, “Latent capabilities and disappointed hopes.”

The reasons that the Cotton Supply Association’s hopes were disappointed were multifaceted. The high cost of transportation from the plantations to the seaports was certainly the major reason why cotton did not become permanently established in Brazil. Because of its high bulk to weight ratio, cotton filled the cargo hold of a ship well before the ship’s weight carrying capacity was reached. Shipping companies compensated for the lost cargo space by charging high ocean freight rates on cotton.

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137 Cotton Supply Reporter 1, no. 114 (July 1, 1863): 1275-1276.
138 Cotton Supply Reporter 1, no. 149 (June 1, 1866): 1855.
Shipping companies considered about 800 pounds of Brazilian cotton to be equivalent to a ton of other cargo, for which they charged 13 shillings 10¼ pence (£270¼). Freight from Pernambuco to Liverpool in 1871. The ocean freight rates for less bulky commodities such as grain and coffee were much lower.\(^{142}\) This differential in freight costs made coffee, Brazil’s major crop, much more attractive economically than was cotton after the price of cotton declined from its artificially high wartime levels.

Inexperience on the part of first-time cotton planters played a significant role as well. Many fledgling cotton planters no doubt met the same fate as the British trader John Proudfoot, whose demonstration plantation in Rio Grande do Sul was hailed with such high hopes in 1864. Neither Proudfoot, the laborers that he brought to Brazil from Scotland, the Brazilian laborers that he hired, nor the German colonists to whom he distributed free seeds had any experience growing cotton. As a result, Proudfoot’s plantation failed before 1868. The German colonists likewise became frustrated with cotton and quickly abandoned its cultivation for more familiar, easier to grow crops that were more profitable.\(^{143}\)

British mill owners helped to hasten the Brazilians’ decision to abandon cotton in favor of coffee. When the cotton crisis ended, British spinners began to complain about the damage done to Brazilian long staple cotton by the American saw gins. The Cotton Supply Association demanded that Brazilians abandon the machines and purchase roller gins. The Brazilians ignored the demands and continued using the


\(^{143}\) “Report upon Cotton by the Sub-Committee, Paris, 1867,” in *Reports of the United States Commissioners to the Paris Universal Exposition, 1867* (Washington: GPO, 1870), 91. Page numbers start with 1 in each individual report within the published collection.
nearly new saw gins, in which they had invested a considerable amount of money. Brazilian cotton soon fell out of favor in England.\textsuperscript{144}

A natural climatic catastrophe contributed significantly to the decline of cotton in Brazil. The natural habitat of a large region called the Sertão in northeastern Brazil south of the Amazon basin is semi-arid grassland that is similar to the savannas of equatorial Africa. Throughout most of Brazil’s history prior to 1845 the Sertão received too little rain for commercial agriculture, and was divided into enormous open-range cattle ranches. It was accepted custom for indigenous peoples and \textit{moradores}, or poor squatters, to settle near sources of water within the boundaries of the ranches and engage in small-scale slash-and-burn subsistence farming. For thirty years starting in 1845, the Sertão received considerably more rainfall than was normal in the past. The high Sertão’s dry climate made it generally healthier than the wetter coastal lowlands that were plagued with mosquito borne diseases.\textsuperscript{145}

The population of the Sertão, and in particular Ceará Province, increased dramatically during the long wet phase. During the cotton boom of the 1860s the \textit{moradores} in Ceará began growing small plots of cotton as a cash crop.\textsuperscript{146} At its maximum in 1873-74 the actual quantity of cotton was quite small, 4,878,044 kilos, the equivalent of about 27,000 American-size bales, but still greater in value than all of Ceará’s other exports combined.\textsuperscript{147} The Brazilian government encouraged

\textsuperscript{144} Watts, \textit{The Cotton Supply Association: Its Origin and Progress}, 89.

\textsuperscript{145} Herbert Huntington Smith, \textit{Brazil, the Amazons and the Coast} (New York: Charles Scribner’s Sons, 1879), 398-399.

\textsuperscript{146} Ibid.

\textsuperscript{147} Nicolau J. Moreira, \textit{Agricultural Instructions for those who may emigrate to Brazil} (New York: Imperial Brazilian Government, 1876), 40.
immigrants to settle in Ceará, claiming that the province had the potential to produce abundant crops of cotton, coffee, wheat, and even sugar cane and rice. According to the Brazilian government, there were 729,686 people in Ceará in 1876.\footnote{Moreira, \textit{Agricultural Instructions for those who may emigrate to Brazil}, 37-40.}

In 1876 the long wet phase ended with a prolonged drought that caused a terrible famine in the Sertão region. Smallpox struck at the same time as the drought-induced famine. Herbert Huntington Smith, an American naturalist who visited the region at the height of the famine in December 1878, estimated, “The entire mortality in Ceará, during 1877 and 1878, was probably not far from 500,000, or more than half the population.”\footnote{Smith, \textit{Brazil, the Amazons and the Coast}, 421.} Survivors emigrated to the coffee and rubber plantation districts.\footnote{Anthony L. Hall, \textit{Drought and Irrigation in North-East Brazil} (Cambridge: Cambridge University Press, 1978), 4.}

When agronomist John C. Banner visited Brazil in 1883-84, he found farmers growing small plots of cotton and transporting it to market on pack mules much as they had done two hundred years earlier. Even those whose fields were located adjacent to railroad tracks used mules to take their cotton to seaport markets because by that date the price of cotton was too low to pay the cost of railroad freight.\footnote{Banner, \textit{Cotton in the Empire of Brazil, the Antiquity, Methods and Extent of its Cultivation; together with statistics of exportation and home consumption}, 25-26.} At one town where Sea Island cotton had been a major crop during the Civil War, he found that cotton was no longer grown and commented, “The press house was in
ruins, and the governor of the place was giving his attention to the cultivation of sugar, corn, and beans.”

Coffee and rubber dominated Brazil’s economy. In 1897, Brazil exported coffee valued at US$90,030,250, accounting for more than 59 percent of all Brazilian exports. Rubber amounted to $36,985,250, or more than 24 percent. All other products amounted to $24,332,500. U.S. Consul Frank D. Hill enumerated these as, “Cocoa, hides, and saladero produce, herba matta, tobacco, sugar, minerals, etc.” Hill evidently did not deem cotton significant enough to warrant mention.

The reason for cotton’s failure in the West Indies was socially and economically more complex. British colonial officials in the islands were always less optimistic about cotton’s prospects in their annual reports to London than were the Cotton Supply Association’s reports in *The Cotton Supply Reporter*. Most reports concerning cotton cultivation in the West Indies were similar to the one sent to London by the governor of Anguilla in the Lesser Antilles in 1861 in which he said, “Agriculture generally is in a very backward state. There is neither a plough nor a cart of any kind on the island, and the only implement of husbandry is the hoe.” Under such circumstances the island’s 2,400 residents were far more concerned with growing food than cotton.

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152 Ibid, 27.


Contemporary authorities almost universally agree with William Lawson, the author of *Geography of the British Empire*, who wrote in 1864, “the West Indies possess every facility—except labor—for producing this article [cotton] in great abundance, and of the finest quality.”

Lack of labor was also blamed for the failure of efforts to resuscitate sugar production in the West Indies in the 1870s. Though almost all of the contemporary commentators based their reasoning on the racially based notion of the “natural indolence of the Negro,” it was true that the free black population of Jamaica and other British West Indian islands preferred subsistence farming on small plots of land of their own to working for wages on plantations.

Attempts to force Jamaican blacks to do plantation labor by charging them rent on the plots of land that they farmed and evicting them if they failed to pay sparked a bloody revolt in October 1865. A prolonged drought that caused food shortages in 1864 and 1865 probably contributed to the rebellion and hastened the economic failure of the Jamaica Cotton Company’s plantations as well.

On the island of Antigua in the Lesser Antilles, King Cotton was deposed in an agrarian *coup d’état* in the autumn of 1865. The astronomically high price of

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156 *The Sugar Cane* 14, no. 158 (Sept. 1, 1882): 464.


159 Pim, *The Negro in Jamaica*, 57.
cotton in 1864 led to a rash of cotton thefts from warehouses and docks in Antigua’s port of Saint Johns similar to those that occurred at Atlantic Dock in Brooklyn. In an attempt to stop the pilfering by making it impossible for the thieves to sell the stolen cotton, the colonial government resorted to an elaborate scheme of licensing and regulation of growers and buyers. The licenses were costly, and were enforced by a strict regime of surveillance, paid informants, and monthly inspections. Heavy fines were levied on cotton growers for even minor and unintentional infractions of the law. Antiguan farmers vented their dislike for the law in a peaceful but dramatic and effective act of lese majesty that elicited a gasp of horror from The Cotton Supply Reporter. They went into their fields with machetes and cut down their own cotton plants.\footnote{\textit{Cotton Supply Reporter} 1, no. 143 (Dec. 1, 1865): 1762-1763.}
Chapter 10
India and the Far East

India was by far England’s most important source of cotton during the American Civil War. Of the 14 million bales of cotton imported into Europe during the war, almost 7 million bales came from India. Indian cotton made by far the greatest contribution to the failure of the South’s King Cotton diplomatic strategy. At the critical moment in November 1861, just as arrivals of cotton from the United States ceased and the Trent Affair pushed England toward intervention in the war, ships carrying 153,364 bales of Indian cotton arrived in Liverpool. Without that Indian cotton, there would have been only 22,600 bales of cotton available on the Liverpool Exchange.¹ The psychological effect of a near-total interruption of cotton deliveries might well have set off a panic in the market. Had a panic occurred at that critical juncture, the Cotton Supply Association might have altered its anti-intervention stance. As it was, the Indian cotton helped to forestall panic and strengthened the Association’s position against war with the North. In 1862, the time when antebellum thinking indicated that an interruption of the cotton supply from the United States would threaten Britain with economic collapse, India contributed 1,075,000 bales of the 1,586,000 bales that arrived in Europe from all sources.² European importation of Indian cotton increased from 573,000 bales in 1860 to 1,897,000 bales in 1864.³ In that year, India contributed almost two-thirds of the

¹ Donnell, History of Cotton, 508-509.
² Ibid, 517.
³ Ibid, 499-533.
industrialized world’s cotton supply. The Cotton Supply Association justifiably considered India its greatest success. That success was not achieved without considerable difficulty, however.

The Cotton Supply Association’s motto “Cotton Knows No Politics,” which appeared in the masthead of The Cotton Supply Reporter, certainly did not hold true in the case of India. The activities of the Cotton Supply Association in India took place against a backdrop of acrimonious, sometimes bitter political conflict between the Manchester cotton interests and the India Office. That conflict and the course of the cotton crisis in India have been well examined by Arthur W. Silver in Manchester Men and Indian Cotton 1847-1872, in The Cambridge Economic History of India, and in several other works that deal with the Cotton Famine and Anglo-Indian history, and need be reiterated only briefly here.

When the American Civil War cut off the supply of cotton, India was in transition from rule by the East India Company to direct rule by the British Crown, a transition set in motion by the Sepoy Mutiny of 1857. Almost all of the new Government of India’s administrative apparatus, personnel, and conservative commercial mindset were inherited from the East India Company. The East India Company’s administration was itself in a state of transition at the time of the changeover as well, due to the reforms begun by the Earl of Dalhousie, the governor-general of India from 1848 to 1856. Relations between the East India Company and the Manchester cotton manufacturers had never been particularly good. Manchester manufacturers accused the East India Company of taxing the Indian farmers, called

\[\text{\cite{Ibid, 527.}}\]
ryots, so heavily that they could not buy British goods. The Manchester men also complained about the Company’s failure to build an adequate system of hard-surfaced roads for getting cotton from the interior to the seaports. For its part the Company complained that the Manchester manufacturers were unwilling to pay a consistently high enough price for Indian cotton, and did not sustain a constant enough demand for it, to encourage the ryots to grow it.5

The tensions between the Manchester manufacturing interests and the India Office intensified after 1858. The Cotton Supply Association particularly disliked the fact that the personnel and organizational structure of the East India Company in India were retained in their entirety, along with many of the East India Company’s policies. The East India Company had a long-standing policy that discouraged European settlers from colonizing India. The Cotton Supply Association felt that the new government retained this policy in practice if not in name. The old East India Company policy of protecting native Indian land tenure rights and maintaining the socio-economic status quo stood in the way of Europeans establishing cotton plantations on the large-scale, wage labor model envisioned by the Cotton Supply Association. The Association also believed that the new government was as averse to spending on public works such as roads, irrigation projects, and improvements to river navigation as the East India Company had been. As seen from Manchester, it appeared that the government was not willing to either build the desired infrastructure itself or allow private entities to build it. India Office officials countered that the government was willing to build, and had built, such roads and other improvements

as its finances allowed. The government refused to borrow to pay for those improvements, however. The India Office further complained that private capital was unwilling to invest in Indian development unless the government offered guaranteed returns on the investment.  

Under pressure of the Cotton Famine, the long-standing friction between the Manchester manufacturers and the India Office rapidly escalated into a bitter political feud between Sir Charles Wood, the Secretary of State for India, and the Cotton Supply Association. The flashpoint came because of a dispute over contract law. Under the prompting of indigo planters, a law was enacted in 1860 that criminalized failure to fulfill a contract to deliver indigo, cotton, or any other commodity to the buyer as promised. Those imprisoned under the law could not appeal to a higher court. An investigation revealed that indigo planters had in many instances used violence and intimidation to force the ryots to sign contracts and accept small advances for indigo at prices which were far too low to be remunerative. Sir Charles Wood, seeing the contract law as both a violation of the most cherished tenets of English justice and a potent source of rebellion, vetoed it.

The Cotton Supply Association nevertheless came out strongly in favor of a law that made a ryot’s failure to fulfill a contract a criminal offense. In its November 15, 1862, issue, The Cotton Supply Reporter copied an editorial from the Bombay Gazette in which the editor said:

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7 Algernon West, Sir Charles Wood’s Administration of Indian Affairs, From 1859 to 1866 (London: Smith, Elder and Co., 1867), 42-53 and 117-118.
With regard to the ryots, all acquainted with them will bear us out in affirming that, when they enter into a contract, they have no thought of fulfilling it, and feel no responsibility concerning it. They are concerned only about the means of subsistence, and think only about the advance of money they are to receive, and how little of it can be made to suffice for putting seed into the ground.\(^8\)

The Cotton Supply Association contended that a law to “summarily and effectually punish fraudulent agents and contract breakers” was necessary in order for English merchants to enter the cotton trade in the Indian interior, which was still dominated by native merchants, and invest capital in cotton cultivation. Native Indian merchants, the Association complained, were disinclined to modify the existing system of cotton cultivation and trade in such a way as to improve either the quality of cotton or increase the amount produced. In the Association’s view, criminalization of contract breaking was necessary because, since the ryots did not own their land, but only rented it from the government under a lifetime lease that protected them from foreclosure, civil legal remedies were ineffective. English cotton merchants also complained about the excessive length of time required for civil litigation in the Indian courts. The government had failed in its duty by not making contract breaking a criminal offense, the Association contended.\(^9\)

The proposed breach of contract law’s key provision read:

On failure to pay damages, the defendant is to be committed to gaol for a specified period, there to be kept at his own expense, or, failing that, at the expense of the Government. If the latter, he is to be allowed the same diet as prisoners in the criminal gaol, and to be subject to hard labour in the civil gaol for the period of his imprisonment. Once discharged, the defendant cannot again be imprisoned under the same

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\(^8\) Cotton Supply Reporter 1, no. 102 (Nov. 15, 1862): 1074.

\(^9\) Cotton Supply Reporter 1, no. 102 (Nov. 15, 1862): 1078-1079.
decree, but his property is to continue liable until the decree has been satisfied.10

Trials under the contract law were to be before a local magistrate, and the proceedings were summary in nature. The term of imprisonment was left to the sole discretion of the local magistrate. As in the 1860 statute, those imprisoned under the law were denied the right to appeal to a higher court.11 Among Indians the contract law was called the “Slavery Bill.” Sir Charles Wood heeded their complaints and again vetoed the law.12

Wood’s refusal to cooperate infuriated the Manchester cotton barons. Starting in the spring of 1862, G. R. Haywood of the Cotton Supply Association, the Manchester Chamber of Commerce, and Manchester’s representatives in Parliament launched a ferocious political assault on Wood in the press. Hugh Mason, a cotton spinner and chairman of the Manchester Cotton Company, demanded that Lord Palmerston, the Prime Minister, dismiss Wood. Palmerston, who was often at loggerheads with the Manchester industrial middle class, ignored Mason’s demand. The assault upon Wood in the press intensified throughout the fall and winter of 1862. The Manchester Guardian vilified Wood as the key obstructionist who was preventing Indian cotton from reaching the British mills.13

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10 Cotton Supply Reporter 1, no. 104 (Dec. 15, 1862): 1109.
13 Silver, Manchester Men and Indian Cotton 1847-1872, 201-224.
The Cotton Supply Reporter copied a lengthy article from the Money Market Review headlined, “Sir Charles Wood an Impediment to the Progress of India.”

Sir Charles Wood weathered the attacks for several months without responding until, choosing the time and place carefully, he struck back in a blistering, well reasoned two hour speech before a friendly crowd in his home town of Halifax, Lancashire, on January 13, 1863. The Times of London, which was generally hostile to Manchester’s upper middle class industrialists, and the influential Economist then came to Wood’s defense. Prominent economists of the Manchester School harshly criticized the Manchester Chamber of Commerce and its members for abandoning the principles of laissez-faire free trade. The Lancashire cotton interests’ attack on Sir Charles Wood failed, but the hostility between the Manchester cotton men and Wood embittered relations between the Cotton Supply Association and the India Office for the remainder of the cotton crisis.

Partisans on both sides of the acrimonious debate clung to their positions long after the American Civil War ended and the cotton crisis passed into history. Isaac Watts, who as editor of The Cotton Supply Reporter participated in and sometimes led the attack on Sir Charles Wood, wrote in 1871:

Never certainly was any Government so chary of its sympathy and assistance as that which with Sir Charles Wood as Secretary of State for India was entrusted with the functions of the Court of Directors and the Board of Control. Unfortunately the old leaven was still left to work, and the new India Council was largely composed of the members of the old Court of Directors, and has continued so ever since. Whilst on the one hand the natural immobility of the natives of

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14 Cotton Supply Reporter 1, no. 104 (Dec. 15, 1862): 1109.

India has ever presented a formidable obstacle to progress, on the other hand not less formidable has been the acquired immobility of the antiquated members of the Indian Council, and the conviction produced by a lengthy acquaintance with the proceedings of that venerable body is that until the translation of some portion of it shall permit the introduction of younger and more enterprising men to the seats now occupied, no great or rapid development of the vast capabilities of our great Eastern empire can be expected. … Our hopes of India must often be dashed, until its Government is committed to men untrammeled by the traditions of the old East India Company.  

Sir Charles Wood’s defenders were no less adamant. Algernon West, who was Wood’s private secretary, wrote of the episode:

Lancashire manufacturers called loudly for extravagant expenditure on cotton cultivation, without, perhaps, inquiring or knowing what had already been done, and what was then doing. Without considering the capabilities of India, or the tenure on which the land was held, or the position of the native ryots, they inveighed against Sir Charles Wood, because he did not consider that “India meant cotton, and cotton meant India,” but held that his duty, as Secretary of State, was to “govern India for the good of the greatest number of the hundred and eighty millions consigned to the care of England.”

Despite the Cotton Supply Association’s complaints, Sir Charles Wood’s and the Government of India’s efforts to promote cotton cultivation in India were considerable. Officials at the India Office foresaw the possibility that the secession crisis in United States could lead to war and an interruption of the American cotton supply in early 1861, and took immediate action to circulate the information to governing bodies, officials, and the public in India. Administrative mechanisms were put in place to quickly communicate market news from Liverpool to the cotton growing areas. An extensive survey of roads was begun, with a view toward their

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17 West, *Sir Charles Wood’s Administration of Indian Affairs, From 1859 to 1866*, 116.
improvement. From 1861-62, approximately £500,000 annually was spent on construction of cotton roads. This amounted to about one-tenth of India’s total annual expenditure for public works. The East India Company’s previous experiments with cotton growing were extensively reviewed. Handbooks for cotton planters were compiled for each region and distributed by the government. In 1863, the government began subsidizing experiments with cotton seeds imported from Egypt, the United States, and Peru. Although most of these experiments failed, Indian farmers in the Dharwar district eventually developed a hybrid variety, called Dharwar American, that combined the hardiness and drought resistance of Indian Surat plants with the fiber characteristics of American New Orleans cotton.

Seen from India, it was the Cotton Supply Association, not Sir Charles Wood or the government, that was not doing enough to promote cotton cultivation. Wood’s supporters further charged that the Cotton Supply Association was mismanaging what it did do. Algernon West wrote:

In July of the same year [1861] the Manchester Cotton Supply Association deputed Mr. Haywood, their secretary, to proceed to India. The services of Mr. Forbes, superintendent of the Dharwar Cotton Gin Factory, who was in England at the time, were at once placed by Sir Charles Wood at the disposal of the company. Mr. Haywood, however, on his arrival in India, refused to buy any cotton. The people, believing that he had come to purchase, flocked round him, offering even to keep their cotton till his return from upper India; but his authority to purchase for the company had been withdrawn, if ever granted, before he touched the shores of India.

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18 Ibid, 119-122.
20 West, Sir Charles Wood’s Administration of Indian Affairs, From 1859 to 1866, 120.
Algernon West drew no distinction between the Cotton Supply Association and the Manchester Cotton Company, of which Haywood was respectively secretary and managing director. West defended the government’s policies of limited, carefully targeted public works and legislation. West wrote:

All having been done that was legitimate on the part of a Government, and perhaps a little more, in furtherance of the growth of cotton, the rest was wisely left to private enterprise, and to those unfailing laws which govern supply and demand; and the increase in the amount of cotton received from India has justified the expectation that to those laws might be safely left the encouragement of its production. ²¹

Political economist and lawyer William Nassau Lees went to the heart of the dispute when he reviewed the failure of past cotton growing experiments in India in 1863. Lees wrote:

India has not supplied England’s demand, for a double, yet very simple, reason. England is rich. India is poor. The Capitalist has not supplied the Cultivator with the means of relieving his distress. Speculating on peace, England has denied India even the guarantee that she will take what is grown at a fair price; and the result has been quite in accordance with those sound principles of Economic Science which ordinarily regulate the laws of production and consumption. Manchester and Lancashire have been loud in their demands on the Home and Indian Governments to encourage the cultivation of Cotton,—nay even to compel the Indian ryot to undertake it. But Manchester and Lancashire, having reserved to themselves the right of buying in the cheapest and best markets of the world that may be open at the moment, have no just ground for complaint against India, or any other country that refuses to grow any staple for which circumstances have created a spasmodic demand—that prefers certain to uncertain profits. ²²

²¹ Ibid, 125.

If the Cotton Supply Association and the Manchester Cotton Company did nothing to manipulate the laws of supply and demand in India, the group of Boston manufacturers associated with Edward Atkinson certainly attempted to do so, at least in a limited way. Boston merchants purchased 30,000 bales of Indian Surat cotton in 1862, at the same time that cotton was being bought from locations around the world to stimulate production. According to Atkinson, this coarse Indian cotton was not suitable for making clothing, and the Boston importers disposed of it by selling it to makers of grain bags.\textsuperscript{23}

Americans were peripherally involved in other ways as well. Emery Brothers in Albany, New York, won a competition in 1862 to supply cotton gins adapted for Indian Surat cotton to the Cotton Supply Association.\textsuperscript{24} The American farm implement manufacturer subsequently opened a large factory near London to make cotton gins for India. Emery’s machines were so designed that they were portable and could be used, “in the open field if necessary.”\textsuperscript{25}

The American contribution to promoting cotton in India never approached the level that it did in the Ottoman Empire and Brazil, however. Americans were simply not in a position to do more. Although Boston traders were active in India from the late-1700s, and American trade with India was twice that with China, Americans never established commercial houses in India as they did in China and the Ottoman

\textsuperscript{23} The Living Age 77, no. 992 (June 6, 1863): 464.


Empire. American firms did not establish the kind of partnerships, formal and informal, with British firms in India that they did in the Ottoman Empire. The United States consular presence in India was limited to the major ports. Great Britain did not recognize American consuls in India until 1840, and even after that date the consular representatives were usually British subjects employed to represent the United States as commercial agents and paid on a fee-for-service basis, not salaried American citizens with full consular status.26

Americans were skeptical that India could become a viable source of cotton. That skepticism toward India was rooted in the failed cotton growing experiments of the recent past. Many Americans in the North believed, as did Charles Francis Adams, Jr., that India’s natural environment precluded the growing of cotton with the requisite fiber characteristics.27 A stream of intelligence that reinforced that belief flowed back to the United States. This encouraged Southerners in their belief that Indian cotton was a chimera. It discouraged Northerners from investing the kind of effort in India that they did in the Ottoman Empire and Brazil. The belief that India could never produce cotton equivalent in quality to American and that Indian cotton would cease to be competitive economically persisted among Americans throughout the Civil War.28 Only after the Civil War was India’s contribution to the South’s defeat fully recognized, when William H. Seward remarked upon visiting a cotton


market in India during his around the world tour in 1870-71, “From the tomb of the Mogul monarch of India, Akbar, we passed to the tomb of the pretended monarch of America, King Cotton.”

The lasting social, political, and economic impact of the cotton boom and subsequent bust upon the Indian ryots is difficult to gauge. Historians’ views are sometimes diametrically opposed. Sven Beckert asserts that the cotton boom brought about, “a permanent change in the agricultural structure and trade of India.” Beckert states that as “people the world over refused to work for wages on cotton plantations” an entirely new system of labor control came into existence, one in which, “cotton would be grown by cultivators who work their own or rented land with the input of family labor and metropolitan capital. Sharecropping, crop liens, and powerful local merchants in control of capital characterized the countryside in which they lived.”

Indian historian Laxman D. Satya contends that European cotton interests and the colonial government engaged in tacit collusion with village moneylenders to reduce the ryots to a condition similar to serfdom in order to compel them to grow the maximum amount of cotton. Dietmar Rothermund takes a position opposite that of Beckert and Satya. He wrote, “The colonial rulers did not introduce any innovations into Indian agriculture and even their investment in irrigation was fairly limited. They preserved the existing structure of the peasant economy and only saw to it that the

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30 Beckert, “Emancipation and Empire: Reconstructing the Worldwide Web of Cotton Production in the Age of the American Civil War,” 1421.

31 Ibid, 1424.

revenue was paid fully and punctually." Rothermund points out that the system of sharecropping, crop liens, and indebtedness described by Satya and Beckert was already in existence in India decades before the 1860s. British authorities enacted legislation that protected the class of ryots that he called “richer and middling peasants” against the predatory practices of moneylenders and landlords. Dharma Kumar states in *The Cambridge Economic History of India* that India’s ryots had already become heavily indebted because loss of markets for their produce had severely depressed conditions in India’s agricultural economy during the first half of the nineteenth century.

Cotton was one of the products for which markets had been lost. In some districts where cotton cultivation increased after 1861, cotton had been a major crop at the beginning of the nineteenth century, but had declined. Berar, for example, had supplied large amounts of cotton to weavers in Bengal until around 1830 but had reduced acreage after the weavers began using English manufactured cotton yarn. The increase of cotton in proportion to other crops was not a new situation, but a return to the conditions of fifty years earlier. Cotton monoculture never developed. Of 5 million acres under cultivation in Berar in the 1870s, 3.5 million acres was devoted

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34 Ibid, 6.


37 Ibid, 344.
to crops other than cotton, mostly food grains. This ratio remained almost unchanged until the beginning of the twentieth century. Under normal circumstances, cotton growing areas remained self-sufficient in food and produced a surplus for export. Farms remained small. The average land holding in Dharwar, for example, was 24 acres. Farming practices remained largely unchanged. Cotton yields were not improved from the 66 pounds per acre obtained by Mercer in 1845.

Cotton played an important role in lifting India’s agricultural economy out of the prolonged depression that was its defining characteristic during the first half of the nineteenth century. Tales of Indian ryots becoming so rich from cotton that they put silver rims on the wheels of their oxcarts were almost certainly exaggerations, but windfall profits from the cotton boom enabled at least some of the Indian ryots to pay off old debts and to raise their standard of living considerably. The more prosperous farmers purchased English clothing and household goods, these being both practical goods and status symbols. Some invested their new wealth in digging wells and irrigation canals, building granaries, and otherwise increasing the productive potential of their land. Cotton income enabled some Indian farmers to afford English-made farm implements to replace age-old traditional ones. These implements were as useful

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38 Bengal Civil Service, Resident at Hyderabad, Administration Report by the Resident at Hyderabad: Including a Report on the Administration of the Hyderabad Assigned Districts; for the Year 1870-71 (Hyderabad: Printed at the Residency Press, 1871), 118; John P. Faunthorpe, Geography of the British Colonies and Foreign Possessions (London: George Philip & Son, 1874), 51.


40 Bradshaw’s Hand-Book to the Bombay Presidency, and North-Western Provinces of India, 193.

for growing grain as they were for cotton. The benefits from cotton cultivation were spread unevenly, however. Those who benefited from cotton tended to be people with larger land holdings. Farmers with small plots of land and landless laborers generally did not share in the increased prosperity. Food prices were driven up by the increased amount of money that cotton brought into the rural economy. Price inflation benefited farmers who grew grain for the market, but harmed landless laborers because wages did not increase in proportion to the increase in the price of grain.

India’s foreign trade, measured in value, showed a dramatic increase during the American Civil War. In 1864, India’s exports were more than double what they were in 1860. At the peak of the cotton boom, cotton accounted for more than 55 percent of India’s exports. Although Indian exports declined from their high of 6,802,700 rupees in 1864 to 4,566,540 rupees in 1866, this reduced figure was almost double India’s total exports in 1855 and 40 percent above 1860. Moreover, Indian exports continued to increase. The total fell just short of the 1864 high in 1879 and surpassed it in 1880. Imports of foreign goods, although they showed a slight acceleration in 1863-66, grew steadily throughout the two decades from 1855 to 1875.

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Kumar, *The Cambridge Economic History of India*, 833-834.

Ibid, 849.

Ibid, 833-834.
The building of railroads, the most visible gauge of development, accelerated during the cotton boom. India had about 850 miles of railroad in 1860. Ten years later 4,800 miles of railroad track was in use. Track mileage increased 569 percent during the 1861-70 decade, but increased only 332 percent during the next twenty years. Most of the new lines connected cotton-growing areas with the seaports.\footnote{Ibid, 739.} However, the figures may represent a statistical fluke. Routes of the railroad lines had already been planned more than a decade earlier.\footnote{C. W. Grant, \textit{Bombay Cotton and Indian Railways} (London: Longman, Brown, Green and Longman, 1850), passim.} Although the cotton boom did help accelerate railroad construction by bringing money into India, the Indian railways were not built specifically as a result of the cotton crisis. Nor were the railways completed in time to play a large role in getting Indian cotton to market during the crisis. The Great Indian Peninsular Railway did not reach the Berar district, described as “the great cotton field of India,” until the winter of 1865-66. It was not completed through the district until 1870.\footnote{Bradshaw’s \textit{Hand-Book to the Bombay Presidency, and North-Western Provinces of India} (London: W. J. Adams, 1864), 169; A. C. Lyall, \textit{Gazetteer for the Haidarâbâd Assigned Districts, Commonly called Berâr} (Bombay: Education Society’s Press, 1870), 227.}

British-Indian law made it a criminal offense, “Fraudulently to deteriorate cotton by exposing it by night to heavy dews, by putting dirt, stones, earth, or any other substance, or salt-water amongst it, with the view of making it heavier.”\footnote{Walter R. Cassels, \textit{Cotton: An Account of its Culture in the Bombay Presidency} (Bombay: Printed by order of Government, 1862), 293.} The rigors of transportation made the law irrelevant, however. Cotton grown in central India was ginned in the interior, but not baled. Instead, it was packed into large, rough

\footnote{Ibid, 739.}

\footnote{C. W. Grant, \textit{Bombay Cotton and Indian Railways} (London: Longman, Brown, Green and Longman, 1850), passim.}

\footnote{Bradshaw’s \textit{Hand-Book to the Bombay Presidency, and North-Western Provinces of India} (London: W. J. Adams, 1864), 169; A. C. Lyall, \textit{Gazetteer for the Haidarâbâd Assigned Districts, Commonly called Berâr} (Bombay: Education Society’s Press, 1870), 227.}

sacks called *dorkas*, each weighing about 250 pounds. The *dorkas* were loaded on the backs of bullocks and carried 500 miles to Mirzápur on the Ganges River, where the cotton was loaded aboard native boats for the 450-mile trip down river to Calcutta.\footnote{Lyall, *Gazetteer for the Haidarábád Assigned Districts, Commonly called Berár*, 226.} Cotton spent about 100 days in transit.\footnote{Satya, *Cotton and Famine in Berar 1850-1900*, 137.} Alfred C. Lyall, the Commissioner of West Berar, reported, “cotton is eaten by the bullocks, stolen by the drivers, torn off by the jungles through which the road passes, and damaged by the dust and weather, as well as by having to be loaded and unloaded every day, often in wet and mud.”\footnote{Lyall, *Gazetteer for the Haidarábád Assigned Districts, Commonly called Berár*, 226.} Once the cotton arrived at Mirzápur it was loaded into one of the more than 5,000 locally built boats that were engaged in transporting cargo to Calcutta and poled down the Ganges River. Some of the Ganges River cargo boats had an overhead cover to protect the cotton from the weather, but most did not. After delivering their cargo to Calcutta, boatmen had to laboriously tow their vessels back upstream to Mirzápur with ropes.\footnote{Sir William Wilson Hunter, *A Statistical Account of Bengal*, vol. 11 (London: Trübner & Co., 1877), 28; Records of the Government of India, Public Works Department, *Reports Connected with the Construction of Docks at Calcutta* (Calcutta: Printed by the Superintendent of Government Printing, India, 1885), 230.}

The Dharwar district, where farmers were growing 25,000 acres of cotton from New Orleans seed in 1864, likewise remained without a railroad. Just as had been done when the American planter W. R. Mercer conducted the cotton growing experiments in 1845, the Dharwar-American cotton was transported 300 miles to Bombay on the backs of bullocks. It suffered significant damage in transit.\footnote{Bradshaw’s *Hand-Book to the Bombay Presidency, and North-Western Provinces of India*, 192-193.} After
observing a caravan of cotton-laden bullocks on the trail from Dharwar to Bombay in 1862, Walter R. Cassels wrote:

Cotton is exposed to every species of depreciation during its transit to Bombay. Moving along at the rate of one or two miles an hour in rude carts, or on the back of bullocks, over bad roads, the dew and dust do their worst. The bullocks are loaded and unloaded twice a day, generally in the neighbourhood of watering places, and their packs are rolled in the mud. Each bullock consoles himself during the march by keeping his nose in his leader’s pack, and steadily eating the cotton. The loss in weight, which has not been compensated by the accumulated dust of the journey, is too often supplied in water at its close.\(^56\)

Conditions at the seaports were equally primitive. Bombay, the main cotton loading port, had no modern dock facilities until 1875, when the privately owned Sassoon Dock was opened.\(^57\) The piers in use in the 1860s dated from the seventeenth century, and were inadequate for the demands made upon them during the cotton boom. Warehouses were non-existent. Cotton was stacked in a 1½-mile square outdoor sales bazaar and storage yard on the Colaba Causeway known as Cotton Green.\(^58\) Two modern, steam powered hydraulic cotton bale pressing facilities, the Colaba Press Company and the Hydraulic Press Company, were located in factory buildings adjacent to Cotton Green.\(^59\) Workmen at the two press facilities opened the *dorkas* of cotton from the interior and repacked it into compact bales for ocean shipment. Frederick J. Jobson, a British missionary who visited Bombay in 1862, …

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\(^59\) *Bradshaw’s Hand-Book to the Bombay Presidency, and North-Western Provinces of India*, 36; J. C. Parkinson, *The Ocean Telegraph to India* (London: William Blackwood and Sons, 1870), 40.
observed that thousands of bales of cotton awaiting shipment were left piled on the waterfront, unprotected from the elements.60

Calcutta, the seaport to which the cotton grown in Bengal, Berar, and the Ganges Valley was brought by native boats down the Ganges River, had no wharves or other cargo handling facilities until 1870. Ships had to anchor in mid-stream along a 15-mile stretch of the Hooghly River and load from boats moored alongside.61 In the twelve months preceding April 30, 1861, more than a thousand ships loaded over 600,000 tons of cargo in this way.62 The volume of cotton handled at Calcutta increased exponentially during the cotton boom. Fewer than 6 million pounds of cotton was exported from Calcutta in the 1861-62 cotton season. The figure jumped to nearly 40 million pounds, the equivalent of 100,000 American-size bales, in 1862-63.63 In 1865, the port of Calcutta handled 411,180 bales of cotton.64 Conditions in the busy river port were appalling. Great quantities of silt washed down the Ganges River with every rain. The Hooghly River channel below Calcutta was frequently blocked by mudflows, and ships running aground on newly deposited mudbanks was

60 Frederick J. Jobson, Australia; with notes by the way, on Egypt, Ceylon, Bombay, and the Holy Land (London: Hamilton, Adams, and Co., 1862), 215.

61 Karmon, Ports Around the World, 187. The Hooghly River is a distributary of the Ganges River that branches off from the Ganges 160 miles from the Bay of Bengal. Calcutta is situated about 30 miles from the mouth of the Hooghly.


63 Consul General N. P. Jacobs, Statement showing the exports from Calcutta during 1861-'62 and 1862-'63, Sept. 30, 1863, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863, 87.

a common occurrence." U.S. Consul General N. P. Jacobs described navigation on the river between Calcutta and the ocean as, “difficult and even dangerous.”

Cotton loaded at lesser ports was handled under even more difficult conditions. At Broach, a market town at the mouth of the wide, shallow Narmada River 190 miles north of Bombay that was the shipping point for cotton grown in the black soil Guzerat region, cotton bales were simply rolled down the river bank and then dragged across mud flats to the native coastal craft that carried them to Bombay. At the peak of the shipping season in 1864 as many as a hundred boats were being loaded in this way at one time. In some instances, cotton was loaded aboard ships in locations where there was not even a natural harbor. In the fall of 1861, the British sailing ship Myrtle loaded 4,600 bales of cotton at Tuticorin (Thoothukudi), on the eastern Malabar Coast of India near the southern tip of the subcontinent. Tuticorin was then a mere village, and separated from the sea by a barren, sandy beach four or five miles in width. There was no sheltered anchorage, nor port facilities of any kind. The Myrtle simply anchored off the beach and the cotton was ferried through the surf to the ship in boats.

Cotton cultivation was long established at Tuticorin, but it had not previously been exported from the village. The price of cotton, the equivalent of 11½ d. per...

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65 Consul General N. P. Jacobs to Seward, Sept. 30, 1863, in Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863, 81-82.

66 Ibid, 82.

67 Bradshaw’s Hand-Book to the Bombay Presidency, and North-Western Provinces of India, 73.

68 Report of Mr. Consul Featherstonhaugh on the Trade, & c., of Havre for the year 1861, in Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between January 1st and June 30th, 1862 (London: Her Majesty’s Stationer Office, 1862), 71.
pound, made ship captains and merchants willing to go to difficult to access locations like Tuticorin. Merchants arrived in the village not long after the American Civil War began and started buying its cotton for export. The merchants brought portable cotton gins with them. Captain Warden of the Myrtle told the British consul in Havre, France, where he delivered the cotton in February 1862, that the cotton in his ship’s cargo hold had, “been imperfectly cleaned by the natives with the hand-mills of old times, and subsequently brought into a cleaner state by the merchants with cotton gins.”

Immense numbers of laborers were needed to handle the cotton at every stage of its transportation. The populations of Bombay and Calcutta increased dramatically during the cotton boom. The increase was particularly rapid in Bombay, where the population reached 800,000 before the boom ended, up from 500,000 ten years earlier. That the increase in population was people attracted from the countryside to work as laborers in the cotton trade is attested to by the fact that when the cotton boom ended, Bombay’s population rapidly declined and did not recover to its 1865 level until the First World War.

Because they remained in control of the cotton trade with the ryots in the interior, Bombay’s Hindu and Parsi merchants profited from the cotton boom. In addition to their traditional role as middlemen between growers and English buyers, some became ginners and packers. Others became importers and distributors of manufactured goods. Indian names figure prominently in Bombay’s 1864 business

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69 Ibid.

70 Karmon, Ports Around the World, 183.
directory, and include skilled craftsmen such as clockmakers, gunsmiths, goldsmiths, jewelers, and a ship chandler.\textsuperscript{71} A few cotton merchants, like Jamsetji N. Tata (1839-1904), the founder of one of modern India’s great industrial dynasties, became fabulously wealthy.\textsuperscript{72}

J. N. Tata was the most outstanding example of the native Indian merchants whose control of the cotton trade the Manchester interests found so objectionable. Tata was the son of a family of Parsi merchants that had been long established in the Indian trade with China. The Parsi were descendants of Zoroastrian refugees who fled Iran at the time of the Muslim conquest and settled in India. They were outside the Hindu caste system, and thus could engage in a wider range of mercantile activities than could most Hindus. They were also on generally good terms with India’s Muslims. This had enabled the Parsi to establish themselves as commercial agents and middlemen for the East India Company. Parsi merchants had long dominated the commerce of Bombay, and many of them were already quite wealthy. At the time of his death in 1859, the dean of the Bombay merchants, Sir Jamsetjee Jeejeebhoy, was one of the wealthiest men in the British Empire.\textsuperscript{73} Many upper class Parsis, particularly members of the younger generation like J. N. Tata, were thoroughly Anglicized. J. N. Tata went to work in the family business, Nusserwanji and Kalindas Company, in 1859. When the American Civil War began, the Tata family company

\textsuperscript{71} \textit{Bradshaw’s Hand-Book to the Bombay Presidency, and North-Western Provinces of India}, 35-36.


\textsuperscript{73} \textit{Bradshaw’s Hand-Book to the Bombay Presidency, and North-Western Provinces of India}, 51-52.
established agencies in the inland cotton growing districts, where they made advances against future delivery of cotton and bought the crop in the traditional mode of native agricultural finance and marketing.\textsuperscript{74}

More important in the long run, the cotton boom brought about a profound change in Indian thinking. Every major town in India was connected by telegraph before the American Civil War began.\textsuperscript{75} In the Bombay Presidency alone there were thirty-one telegraph stations. The government-operated telegraph provided a regular news service.\textsuperscript{76} This brought market news to such remote locations as Dharwar on a daily basis. As American historian-agronomist Frenise A. Logan wrote:

> When England substituted Indian for American cotton during the four years of war in the United States, the thinking of the Indian cultivator was in a measure internationalized. The war enabled him to look beyond the narrow market of his village, and even the subcontinent.\textsuperscript{77}

The telegraph’s importance and its impact on Indian thinking should not be overstated, however. Telegraph lines did not penetrate into the rural hinterlands far from the railroad tracks and market towns. Rural villages remained isolated from modern communications until the twentieth century.\textsuperscript{78}

\textsuperscript{74} Koh, Sung-Jae, Stages of Industrial Development in Asia; A Comparative History of the Cotton Industry in Japan, India, China, and Korea (Philadelphia: University of Pennsylvania Press, 1966), 97.

\textsuperscript{75} Charles C. Adley, The Story of the Telegraph in India (London: E. & F. N. Spon, 1866), 7.

\textsuperscript{76} Bradshaw’s Hand-Book to the Bombay Presidency, and North-Western Provinces of India, 48-49.

\textsuperscript{77} Logan, “India—Britain’s Substitute for American Cotton, 1861-1865,” 479-480.

\textsuperscript{78} Satya, Cotton and Famine in Berar 1850-1900, 151.
The change in thinking was much greater among India’s native elite than it was among the ryots. Jamsetji Tata and other Indian entrepreneurs invested some of the wealth that they had amassed during the boom to import British-made machinery and start modern industrial cotton mills in Bombay, the first of which began operating in 1872. Tata’s huge Empress Mill at Nagpur, the flagship of Indian industry, opened in 1874. The mills used Indian cotton, inexpensive labor, and the advantage on transportation costs to undersell English manufacturers in the huge Indian market. Indian mills were soon exporting cheap cloth and yarn to China as well. India’s tariff on imported English cotton goods, which was imposed as a revenue measure, also served to protect this domestic industry. Lancashire demanded that it be lowered, but in 1875 the Bombay Mill Owner’s Association was formed to counter Lancashire’s demands. The Indian mill owners used the mercantilist argument that by exporting their goods they too were bringing wealth into the British Empire, and prevented Lancashire from strangling the Indian textile industry. During the next four decades India’s indigenous cotton merchant-manufacturers poured the wealth generated by their cotton mills into starting other industries, building infrastructure, banking, and endowing educational institutions. Indian educational institutions in turn became the cradles of Indian nationalism.79

Just as it deceived most Americans, the hybridization problem encountered in the experiments with American cotton in India misled many people in Britain to believe that India’s natural environment precluded producing cotton with the sought after American-type characteristics. British historian Iltudus Thomas Prichard stated:

There is a tendency, however, in the long staple when introduced into India to degenerate into short staple. Everything degenerates in India. The Anglo-Saxon degenerates; cattle, horses, sheep, dogs, and cats degenerate. The vegetable world follows the same inexorable law, and cotton forms no exception.\textsuperscript{80}

As a result, Great Britain’s imperial strategists and the Cotton Supply Association looked eastward beyond India’s borders for a reliable cotton supply. China and Southeast Asia seemed the best and most likely sources of cotton should India prove unviable, as many feared it would. Lancashire cotton interests began lobbying for construction of a railroad from the port of Rangoon north through Burma to China’s Yunnan Province in 1852.\textsuperscript{81} Initially the efforts were aimed at opening the area to British manufactured goods, but shifted to getting cotton out after 1861. It was thought that the wild, sparsely populated borderland area of northwestern Burma then known as the Shan States was better suited to American-type cotton than was India or northern China. In a memorial to Lord Palmerston in 1863, John Cheetham suggested that a railroad would, “induce Chinese to come down from the south-west of China to settle these waste lands, which, under their cultivation, would furnish large supplies of cotton.”\textsuperscript{82}

The Cotton Supply Association also looked to neighboring Siam (Thailand) as a possible source of cotton. A British agent explored the remote areas of the upper

\textsuperscript{80} Prichard, The Administration of India, from 1859 to 1868: The first ten years of administration under the Crown, 91.

\textsuperscript{81} Richard S. M. Sprye, Correspondence between Captain Richard Sprye, and the Rt. Hon. William-Ewart Gladstone, on the Commercial Opening of the Shan States, and Western Inland China, by a Railway, Direct from Rangoon (London: Printed for Private Circulation, 1865), 56-57.

\textsuperscript{82} Memorial from the Manchester Cotton Supply Association to the Rt. Hon. Viscount Palmerston, July 15, 1863, in Correspondence between Captain Richard Sprye, and the Rt. Hon. William-Ewart Gladstone, on the Commercial Opening of the Shan States, and Western Inland China, by a Railway, direct from Rangoon, 2-4.

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Mekong River Valley in 1848 and reported that cotton was grown there by Chinese. This report led to a belief that large quantities of cotton could be grown there if only Chinese laborers could be induced to move to the area.\textsuperscript{83} The British government sent a cotton gin and a modern hydraulic bale press furnished by the Cotton Supply Association as gifts to the King of Siam in Bangkok in 1861.\textsuperscript{84} An Englishman, J. W. Thies, obtained a concession from the King of Siam that amounted to a monopoly on the cotton trade. Thies was authorized to grow, gin, press, and export cotton, and was empowered to collect the “inland revenue,” an excise tax on agricultural produce.\textsuperscript{85}

These efforts produced a great deal of fanfare, but very little cotton. U.S. Consul A. J. Westervelt reported 14,000 piculs (1,866,200 pounds) of cotton exported from Thailand in the twelve months prior to July 27, 1864.\textsuperscript{86} This would have been equal to 4,665 American-size bales. On December 31, 1864, Westervelt reported that 12,638 piculs were exported during the calendar year.\textsuperscript{87} There was no consular report from Bangkok for 1865. In January 1868, a new American consul, J. M. Hood, reported exports of 11,102 piculs of ginned cotton and 11,466 piculs of unginned

\textsuperscript{83} London and China Telegraph 2, no. 160 (Jan. 3, 1865): 5.

\textsuperscript{84} Merchant’s Magazine and Commercial Review, Vol. 45, From July to December, Inclusive, 1861 (New York: William B. Dana, 1861), 410.

\textsuperscript{85} Samuel J. Smith, ed., The Siam Repository, containing a summary of Asiatic intelligence, vol. 2, for the Year of Our Lord 1870 (Bangkok: Published at Smith’s Place, 1870), 1.

\textsuperscript{86} A. J. Westervelt to Seward, July 27, 1864, in Commercial Relations of the United States with Foreign Nations for the Year ended September 30, 1864, 693. A picul was equal to 133 $\frac{1}{3}$ pounds.

\textsuperscript{87} Statement showing the description and quantity of exports from Bangkok in Siamese square-rigged and foreign vessels during the year ended December 31, 1864, in Commercial Relations of the United States with Foreign Nations for the Year ended September 30, 1865, 517.
cotton for the calendar year 1867. All of it was carried to China in 11 Chinese junks. None went to Europe or the United States.\textsuperscript{88}

J. W. Thies abandoned his cotton business and left Thailand sometime prior to the 1869 marketing season. An English traveler reported that on July 9, 1869, he saw a large number of native boats bringing cotton down the Chao Phraya River to Bangkok. At that time, Thai cotton was being exported exclusively to China by native Thai merchants and carried in small Chinese sailing vessels.\textsuperscript{89} The English traveler added the often-heard lament, “The cultivation of cotton and the collecting of the inland revenue, [sic] is again in the hands of natives, who have neither the energy, nor the moral principle, necessary to increase the production of this article.”\textsuperscript{90}

China was the only overseas competitor that cotton planters in the American South feared. In January 1860, John Mitchell, an exiled Irish nationalist who was editor of the Richmond \textit{Examiner}, was in Europe and warned that the ultimate strategic goal of the British in waging the Second Opium War was to seize control of China and turn the country into a cotton field. Mitchell believed that China produced six times as much cotton as the American South, and because China had the requisite combination of soil, climate, and labor, it had the potential to produce much more. In Mitchell’s estimation, China did not suffer from the natural conditions that most Americans believed would prevent India from becoming a successful cotton producer. Transportation was not thought to be a problem because China’s cotton

\textsuperscript{88} Return of exports from the port of Bangkok for the year 1867, in \textit{Commercial Relations of the United States with Foreign Nations for the Year ended September 30, 1867}, 644.

\textsuperscript{89} Smith, \textit{The Siam Repository}, 1.

\textsuperscript{90} Ibid.
growing provinces lay along the Yellow (Huanghe) and Yangtze Rivers. Further, it was thought that China could produce abundant cotton far more cheaply than could the American South. Mitchell wrote in a letter from Paris addressed to the 

*Charleston Mercury* that was reprinted in several other newspapers:

> Labor also is far more abundant, and costs literally nothing at all. Once the country is subjected, the English cotton growers may have many millions of laborers, all anxious to work for their bare subsistence; for what would subsist one negro would be a luxurious supply for five Chinamen. The Chinamen, too, will be apprentices, not slaves, and so there will be no obligations to care for them, to feed and clothe them, when the work is got out of them. In short, if the cultivation once begins on these two rivers [the Yellow and Yangtze], you may bid adieu to the Liverpool and Manchester markets, and that’s the real meaning of this China war.

John Mitchell’s appraisal of China’s cotton-growing potential was given great weight in the North because he was considered an expert on cotton economics and he was an ardent secessionist. It stood to reason that if Mitchell feared Chinese cotton, China’s cotton-growing potential was real. John Minor Botts, a prominent Virginia Unionist, expressed similar sentiment when he warned the Virginia secession convention, “England and France have already, by the Chinese War, made arrangements for a supply of cotton from that region of the world, which, together with the supply from the East Indies, will render them independent of the Cotton States.”

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91 *Boston Investigator* (Boston, MA), Jan. 30, 1861.

92 Ibid.

93 *Bangor Daily Whig & Courier* (Bangor, ME), Jan. 18, 1861.

John Mitchell had no first hand knowledge of China, however, and his appraisal of China’s cotton-growing potential ignored several major obstacles to successful cultivation and exportation of cotton. By comparing the Yangtze River to the Mississippi and the Yellow River to the Alabama River, Mitchell left readers of his assessment with the impression that both Chinese rivers were navigable like the American streams.95 While the Yangtze River was navigable, the shallow, silt-choked Yellow River was not. Mitchell probably based his erroneous assumptions on the geographic information available to him, much of which was faulty. Miss Julia Corner, an Englishwoman who had spent time in China and was purportedly an expert on the county, stated in her book *China: Pictorial, Descriptive, and Historical* that the Yangtze and Yellow Rivers, “surpass all the rivers of Europe and Asia, and are secondary only to the Amazons [sic] and the Mississippi in America.”96 In 1852 the Yellow River changed its course so that it emptied into the Gulf of Bohai north of the Shandong Peninsula, 200 miles north of its previous course into the Yellow Sea south of Shandong. Sir John Francis Davis, a British geographer who authored a geography of China published in 1857, seemed only vaguely aware of the implications of this natural disaster on agriculture, commerce, and navigation.97 Even so respected an authority as the Hydrographic Office of the British Admiralty, though

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95 *Boston Investigator* (Boston, MA), Jan. 30, 1861.


97 John Francis Davis, *China: A General Description of that Empire and its Inhabitants; with the history of foreign intercourse down to the events which produced the dissolution of 1857*, vol. 1 (London: John Murray, 1857), 184.
it admitted that Westerners knew almost nothing about the Yellow River, called it “little inferior to the Yang-tse kiang (Yangtze) in magnitude.”

Mitchell also ignored the Taiping Rebellion, which at the time of his writing was devastating the very areas that he thought would be ideal cotton fields. Mitchell’s failure to take the Taiping Rebellion into account is puzzling. Most likely he thought, as did the editors of The Times, that the rebellion would lead to the collapse of the Chinese government and the breakup of China. Such a collapse, Mitchell may have thought, would enable Britain to establish control over China. Alternatively, Mitchell may have believed that the Taiping regime would open the interior of China to free trade. This belief was prevalent among Western observers. Jardine, Matheson & Company, the largest British trading company operating in China, contended that the breakdown of the Chinese central government’s authority was beneficial to trade. The company openly urged the British government to ignore all regulations and tariffs issued by the Chinese government. Colonel W. H. Sykes, a British officer in China who viewed the Taipings favorably, adamantly denied reports of the devastation wrought in the countryside by the Taiping forces and contended that the Taiping regime was eager to establish trade with foreigners.

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99 Times (London), March 17, 1862.


There was some validity in those beliefs concerning trade. Although the Taipings held Nanjing, and thus controlled the passage of shipping on the Yangtze River, trade continued. In 1861 the Yangtze River downstream from Nanjing to the sea was open to commerce and patrolled by British gunboats. Foreign merchants could operate on the river unhindered by Chinese customs officials and government regulations. Commander Lindesay Brine, a Royal Navy officer who served aboard one of the British gunboats, reported, “Fleets of native vessels under foreign flags, laden with merchandise the property of foreigners, are now everywhere met with.”

When Chinese government authorities reasserted control over the Yangtze below Nanjing in the summer of 1862, customs officials put an end to this unregulated trade.

Whatever the dynamics of the situation may have been, China responded to the demand for cotton. Prior to the American Civil War, China did not export any cotton to Great Britain, and imported raw cotton from India to meet domestic needs. During the years 1862-1865, British manufacturers imported more than 154 million pounds of Chinese cotton. This was the equivalent of about 386,500 American-size bales. The 1912 edition of the authoritative Shepperson’s Cotton Facts put the total amount of Chinese cotton exported to Europe in the years 1863-1865 at 405,000

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bales, but did not cite the source of its information. During one 40-day period at the peak of British cotton imports from China, January 1 to February 11, 1864, twenty-two ships arrived in English ports with 101,628 bales of Chinese cotton, weighing over 16 million pounds. In addition, starting in 1863 an unknown quantity of Chinese cotton was shipped to Bombay, where Indian merchants mixed it with Indian Surat. This was apparently done to increase the value of the Surat, because the fiber characteristics of Chinese cotton were more like those of American cotton than was the Indian fiber. The blended Chinese cotton consequently lost its Chinese identity and entered England as Indian cotton.

Cotton acreage increased substantially in some Chinese provinces. In Chekiang (Zhejiang) Province, cotton acreage increased from 54,000 acres in 1863 to 106,000 acres in 1864. Little or none of the province’s cotton was exported prior to 1861, but nearly 64 million pounds of cotton was exported through the province’s port of Ningpo in 1863. Exports from Shanghai increased from 15 million pounds to all destinations, mostly to Japan, in 1861, to over 40 million to England alone in 1862, and to nearly 74 million in 1863. Exports then dropped to 44 million in 1864 and to 10 million in 1865. Cotton exports for China as a whole followed the same


109 *Cotton Supply Reporter* 1, no. 135 (April 1, 1865): 1630-1631.

pattern, rising from less than 2 million pounds of cotton sent to England in 1862, to
over 30 million in 1863, and to 86 million in 1864. Exports then dropped to slightly
under 36 million in 1865, to less than 6 million in 1866, and to a only a half million
pounds in 1867.\footnote{Martin, \textit{The Statesman's Year-Book: A Statistical, Mercantile, and Historical Account of the States and Sovereigns of the Civilised World, a Manual for Politicians and Merchants for the Year 1869}, 633.}

This increase was apparently achieved purely through the influence of the
market. Insofar as \textit{The Cotton Supply Reporter} reveals, the Cotton Supply
Association did not undertake any active promotion efforts in China. Isaac Watts said
nothing about China in his 1871 report. Chinese cotton exports rose almost 500
percent in response to the increase in price from 11.25 Chinese taels per picul at the
end of 1861 to a high of 26 taels per picul in 1863. Exports then showed a similar
price-correlated downward curve as prices fell to 14.5 taels per picul in 1865.\footnote{Cotton Supply Reporter 1, no. 141 (Oct. 2, 1865): 1726-1727. According to \textit{The Statesman's Year-Book} for 1869, one Chinese tael was equal to 0.720 Mexican silver peso. A Mexican silver peso was worth 4 shillings 2 pence (50 d.) in British money. At the official rate of exchange, one Chinese tael was worth 6 shillings 8 pence (80 d) in British currency.}

Chinese cotton sold on the Liverpool exchange for \(8\frac{5}{8} d\) per pound in June 1862,
varied between 14 \(d\) and 20 \(d\) during 1863, peaked at 20½ \(d\) in the first weeks of
1864, and then declined to 15¼ \(d\) at the end of the year. Prices paid for Chinese
cotton at Liverpool fell steadily during the first five months of 1865, to a low of 7 \(d\)
per pound.\footnote{Cotton Supply Reporter 1, no. 141 (Oct. 2, 1865): 1726-1727.} These prices paralleled those paid for Surat-type cotton from India and
elsewhere fairly closely.\footnote{Donnell, \textit{History of Cotton}, 519, 525, 529, and 535.}
All of the cotton grown and exported was indigenous Chinese varieties. Only one small experiment growing cotton from American seed was attempted in the Shanghai area in 1865 by the British trading firm of Messrs. Hogg and Markham. That experiment failed for undisclosed reasons.\textsuperscript{115} Judged from the scanty information provided in \textit{The Cotton Supply Reporter} and in reports from British consuls, the cotton boom encouraged an increase in cotton growing. Cotton was grown and processed in traditional ways. Mr. Fittock, the British consul in Ningpo, commented that farmers in Chekiang were planting cotton in rows interspersed with wheat and beans, but neglected to say whether this was normal planting practice or something new.\textsuperscript{116} However, the practice was common fifty years later and was then thought to be ancient, indicating that Chinese farmers probably did not change their cropping methods.\textsuperscript{117} No cotton gins or bale presses were used in the Chinese hinterlands.\textsuperscript{118} Merchants in Shanghai were using a few hand-operated cotton gins by 1865, but they were a rarity.\textsuperscript{119} This and mention of China as a destination for their gins by Emery Brothers in their advertising would seem to indicate that some cotton was sold “in the seed” to merchants who then ginned it using imported gins.\textsuperscript{120}

Some adverse side effects of the cotton boom were felt in China, although it is impossible in most cases to differentiate between side effects of increased cotton

\textsuperscript{115} \textit{Cotton Supply Reporter} 1, no. 141 (Oct. 2, 1865): 1726-1727.

\textsuperscript{116} \textit{Cotton Supply Reporter} 1, no. 135 (April 1, 1865): 1630-1631.

\textsuperscript{117} Todd, \textit{The World’s Cotton Crops}, 54.

\textsuperscript{118} \textit{Cotton Supply Reporter} 1, no. 141 (Oct. 2, 1865): 1726-1728.

\textsuperscript{119} Ibid.

\textsuperscript{120} \textit{Trow’s New York City Directory, compiled by H. Wilson, Vol. LXXVIII, for the year ending May 1, 1865}, 270.
production and the dislocations and disruptions caused by the Taiping Rebellion. Consul Fittock reported that while in the past Chekiang Province had not imported rice, in 1862 the province imported $9,706,182 worth.\textsuperscript{121} Fittock’s report leaves the impression that this deficit in rice production was because of increased cotton production, though the Taiping Rebellion may have been the real cause. The steep, rapid increase in cotton prices was explicitly blamed for disrupting the normal routine of transactions between farmers and the Chinese merchants who bought their cotton. As prices rose, farmers were prone to break contracts to sell their cotton for a pre-agreed price and sell instead to whoever offered the highest price.\textsuperscript{122} Again, however, the real reason may have been desire on the farmers’ part to sell their cotton as quickly as possible rather than risk its confiscation or destruction by either the Taiping rebels or government forces.

Evidence suggests that New England cotton manufacturers and merchants may have attempted to encourage cotton production in China by making small purchases in a fashion similar to the purchases made in the Ottoman Empire, Brazil, and Central America, although details are unclear and contradictory. On June 12, 1862, the *Lowell Daily Citizen and News* reported that the first Chinese cotton imported into the United States was 735 bales that had just arrived in New York from Macao aboard the merchant ship *Levant*\textsuperscript{er}.*\textsuperscript{123} News accounts of this delivery of Chinese cotton did not identify the ship’s owners nor name the importer. Sometime 

\textsuperscript{121} *Cotton Supply Reporter* 1, no. 135 (April 1, 1865): 1630-1631. Fittock’s use of the American $ symbol to denominate the unit of currency seems odd, and it may be that he was using it to denote Mexican silver pesos, often referred to as “Mexican dollars.”

\textsuperscript{122} *Cotton Supply Reporter* 1, no. 141 (Oct. 2, 1865): 1728.

\textsuperscript{123} *Lowell Daily Citizen and News* (Lowell, MA), June 12, 1862.
prior to August 13, 1863, the sailing bark *Emily Banning* delivered 159 bales of cotton from Shanghai to San Francisco. Finding no market for the cotton in California, the unidentified importer shipped it to Panama on the steamer *Golden Age*, for trans-shipment to New York.\(^{124}\) More than three decades after the Civil War, in June 1898, Captain Arthur E. Knights, a retired merchant ship captain who had spent his career commanding ships engaged in the Far East trade, told Murray Bain, the editor of the *China Mail* newspaper, that he had commanded the ship that brought what he believed to be the “First Cotton from China to America.” Captain Knights identified the ship as the *Neimen*, a sailing vessel owned by Messrs. Russell and Company of Boston. The *Neimen* departed Hong Kong bound for New York on May 24, 1864. Captain Knights stated that the Chinese cotton sold for $1.50 per pound in New York, indicating that his recollection of the date was correct. According to Captain Knights, the importer was Paul Forbes.\(^{125}\)

China’s failure to meet expectations can be attributed to two factors. First, the Taiping Rebellion severely disrupted village life, agriculture, commerce, and transportation. From 1860 to 1863, Taiping forces controlled the Shanghai hinterlands from bases 25 miles in every landward direction from the city and had the seaport under what amounted to a land blockade.\(^{126}\) Destructive raids penetrated to within ten miles of the city on several occasions.\(^{127}\) In January 1861, the rebels launched a

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\(^{124}\) Daily Evening Bulletin (San Francisco, CA), Aug. 13, 1863.

\(^{125}\) Arthur E. Knights, *Notes by the Way in a Sailor’s Life* (San Francisco: A. M. Robertson, 1905), 6-7.


\(^{127}\) Ibid, 64-65.
major assault on the city that was repulsed by a battalion of the British Indian Army, a battery of British artillery, and a contingent of foreign volunteers. Taiping forces seized the port of Ningpo on December 9, 1861, and held it until driven out by an Anglo-French naval force on March 10, 1862. According to historian H. B. Morse, the Taipings subsequently laid waste to the countryside around the city. Yet the devastated area exported 64 million pounds of cotton in 1863. The large export of cotton from Ningpo during the time when the Taipings controlled the seaport’s hinterland suggests that the rebels may have been protecting and encouraging the cotton trade, perhaps as a source of revenue to finance military operations.

Had the Taiping Rebellion not interfered, China might have followed a pattern similar to that of India. Smallholdings were the general rule, and farmers utilized their limited amount of land in such a way as to maximize its return in both food for home consumption and cash. This involved an intensive, balanced system of mixed cropping. When the price of cotton increased dramatically as a result of the American Civil War, Chinese farmers opportunistically increased the amount of land and labor devoted to cotton. They did not change their fundamental system of agriculture to accommodate cotton, however. When cotton prices fell, they relegated it to its previous lesser status within the crop mix.

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128 Ibid, 73.
129 Ibid, 78.
130 Cotton Supply Reporter 1, no. 135 (April 1, 1865): 1630-1631.
131 Todd, The World’s Cotton Crops, 56-57
Second, the Cotton Supply Association’s failure to introduce American cotton seeds into China meant that most Chinese cotton remained an undesirable product.\(^{132}\) Chinese cotton exports ceased after 1866 because British mills stopped buying it, not because Chinese farmers stopped growing it. After 1908, when the Chinese government introduced American seeds in large quantities and energetically promoted cotton growing as an alternative to opium, the quality of Chinese cotton improved dramatically, enabling it to compete with the lower grades of American cotton in Japanese mills.\(^{133}\)

Japan too felt the ripple effects of the American Civil War, and had its own short-lived cotton exporting boom. Cotton had been grown in Japan for many centuries. Most Japanese peasants in regions south of Tokyo grew small plots of cotton for domestic use. A cotton market began in Osaka in the early 1600s. Japan’s cotton merchants were already well established in the trade, though their activities were confined within Japan. A few were importers who brought in Chinese cotton to supplement the Japanese crop, which usually fell short of domestic needs. When the price of cotton skyrocketed because of the American Civil War, a Tokyo cotton merchant, Manpei Kashima, who already had a business relationship with British merchants in Japan, began exporting Japanese cotton to Britain.\(^{134}\) Manpei Kashima’s activities are remarkable when it is considered that the commercial treaty between the United States and Japan that opened Japanese ports to world trade was signed in

\(^{132}\) Ibid, 53.

\(^{133}\) Ibid, 57; Shepperson, *Cotton Facts*, 61.

\(^{134}\) Sung-Jae Koh, *Stages of Industrial Development in Asia*, 28-36.
February 1858. Under the terms of that treaty, Kanagawa (Yokohama) was opened to foreign trade on July 4, 1859. Edo (Tokyo) was not officially opened to foreign trade until January 1, 1862.\footnote{Marius B. Jansen, ed., \textit{The Cambridge History of Japan}, vol. 5 (Cambridge: Cambridge University Press, 1989), 280.}

American consular reports from Japan for the year ended September 30, 1862, do not mention cotton among Japanese exports. However, in a report dated October 1, 1863, U. S. Consul George S. Fisher in Kanagawa informed Secretary of State Seward that exports of cotton were increasing rapidly due to demand from Europe. According to Fisher, 16,310 piculs (2,174,123 pounds) of cotton were exported in 1862 and 41,714 piculs (5,560,476 pounds) in the first nine months of 1863. Fisher cited the Japanese customhouse as his source for the data, but it is unclear whether his figures are for all of Japan or just for the port of Kanagawa.\footnote{G. S. Fisher to Seward, October 1, 1862, in \textit{Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863}, 539-542.} The price paid for cotton was “$13.50 to $20 per picul.”\footnote{Ibid, 542.} This indicates a price of from 10 cents to 15 cents per pound. It is unclear whether Fisher meant U.S. dollars or Mexican silver pesos, as he uses the “$” sign expressly for “Mexican dollars” in later reports. The 1869 Mexican silver peso weighed 24.44 grams and was made of silver bullion refined to 90 percent purity.\footnote{CoinFacts.com, “The 1865 Liberty silver dollar,” http://www.coinfacts.com/silver_dollars/seated_liberty_dollars/1865_dollar.htm (accessed April 10, 2012).} The 1865 U.S. Liberty silver dollar weighed 26.73 grams and was composed of 90 percent pure silver alloyed with 10 percent copper.\footnote{Gold Eagle.com, “The Mexican Peso and the Roman Denarius,” http://www.gold-eagle.com/editorials_05/salinas092806.html (accessed April 10, 2012).}
In terms of silver content, the Mexican peso was worth slightly less than 91½ U.S. cents, so prices in American currency would be in the 9 cents to 13¾ cents per pound range. After the Japanese currency revision of February 1860, Japanese coins had a face value roughly equivalent to their silver content. U.S. silver dollars and Mexican silver pesos could be exchanged for Japanese currency at a 1-to-1 rate based on their silver content.140

George Fisher kept careful track of the cotton situation in Japan and reported prices and exports regularly to Washington. Fisher observed that the increase in Japanese cotton exports involved an actual increase in the amount of cotton grown. He also noted that Japanese cotton, though it was a short staple variety, was superior to the average Chinese cotton and that it was, “better than the best India cotton.”141 His reports, though they give details of prices and quantity, are lacking in some details. Fisher did not, for example, mention cotton gins, nor did his British counterparts. Prices for Japanese cotton climbed sharply during November and December 1863, doubling in just sixty days to $35 per picul.142 Japanese cotton exports from Kanagawa increased from 9,645 bales in the 1862-63 reporting year to 74,000 in the 1863-64 year.143 All Japanese cotton was pressed with machinery at the

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141 G. S. Fisher to Seward, October 1, 1862, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1863*, 545.
142 G. S. Fisher to Seward, Dec. 28, 1863, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864*, 679.
143 G. S. Fisher to Seward, June 29, 1864, in *Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1864*, 681.
ports, resulting in a uniform bale that weighed an average 300 pounds. \(^{144}\) This seems to indicate that Fisher expected about 22 million pounds of Japanese cotton to be exported in 1864. The Cotton Supply Association, using information supplied to the Foreign Office by the British consul in Kanagawa, Mr. Winchester, on October 7, 1864, estimated 8 million pounds. \(^{145}\) It should be noted that both these figures were projections based on estimated acreage and estimated yield, not reports of actual exports. Winchester’s report, made in October, after harvest, was probably more accurate than Fisher’s, which was made in June, when the cotton had just been planted.

American buyers were active in the Japanese cotton markets. In a letter sent from Kanagawa in March 1864, the British consul reported that 6,736 piculs (897,908 pounds) of Japanese cotton valued at $134,720 was exported to the United States during the previous twelve months. This calculates to 15 cents per pound. \(^{146}\) If the cotton arrived in New York in September 1864, after six months at sea, it would have returned a 1,000 percent gross profit, as the price in New York was over $1.80 at that time. \(^{147}\) Curiously, as was the case in Brazil as well, the American consul did not mention any shipments of cotton to the United States in his reports.

Circumstantial evidence suggests that the American cotton merchants transacted their business with Manpei Kashima. In 1864, soaring prices drove British-

\(^{144}\) Cotton Supply Reporter 1, no. 135 (April 1, 1865): 1631.

\(^{145}\) Cotton Supply Reporter 1, no. 135 (April 1, 1865): 1631.

\(^{146}\) Report by Mr. Consul Winchester on the Trade of Kanagawa for the Year 1863, in Commercial Reports Received at the Foreign Office from Her Majesty’s Consuls between July 1\(^{st}\), 1863, and June 30\(^{th}\), 1864 (London: Her Majesty’s Stationery Office, 1864), 169.

\(^{147}\) Donnell, History of Cotton, 532.
made cloth out of reach of most Japanese consumers. Kashima suggested to the Tokugawa government that foreign spinning and weaving machines be imported and installed in a factory to use Japanese cotton at home. The machines were ordered not from Great Britain, but from the United States. Manpei Kashima established his own cotton textile factory in 1867, also with American machinery and the assistance of an American engineer.\textsuperscript{148}

Great and rapid as the increase in Japanese cotton exports was, there was never any assumption that Japan would become a permanent cotton supplier. In a letter to the Foreign Office, the British consul in Kanagawa warned, “No dependence can, however, be placed on the permanence of trade in this article, stimulated as it has been by the enormous value which the blockade of the Southern States had produced.”\textsuperscript{149} A little more than one year later, George Fisher commented in his annual recap for the year ended September 30, 1865, that cotton had, “entirely disappeared from market, and has ceased to be talked about. Since July 1 not a bale has been shipped, and not one is likely to be during the year.”\textsuperscript{150}

The cotton boom and subsequent bust in Asia followed the same general pattern as in Brazil and the Ottoman Empire. India’s cotton merchants, anticipating a coming collapse of the market, ceased advancing operating money to the ryots upon learning that the Civil War in America had ended. Farmers responded by greatly

\textsuperscript{148} Sung-Jae Koh, \textit{Stages of Industrial Development in Asia}, 36-37.

\textsuperscript{149} Report by Mr. Consul Winchester on the Trade of Kanagawa for the Year 1863, in \textit{Commercial Reports Received at the Foreign Office from Her Majesty’s Consuls between July 1st, 1863, and June 30th, 1864} (London: Her Majesty’s Stationery Office, 1864), 160.

\textsuperscript{150} G. S. Fisher to Seward, Oct. 9, 1865, in \textit{Commercial Relations of the United States with Foreign Countries for the year ended September 30, 1865}, 490.
reducing cotton acreage. That acreage, and additional land made usable with the profits from the cotton boom, was sown in wheat and other cereals.\textsuperscript{151} By 1870, cotton exports to Britain had declined to the point that many shipping companies found it difficult to secure return cargoes from India. In an effort to sustain falling cotton exports, the Great Indian Peninsular Railway cut the freight rates that it charged for hauling cotton in 1871, but to no avail. Lancashire simply did not want Indian cotton after American cotton production recovered.\textsuperscript{152} When compared to the Ottoman Empire and Egypt, a major difference was that India’s native merchants invested their earnings in developing India’s own cotton textile industry. They subsequently managed to keep that industry alive in the face of Lancashire’s attempts to drive them out of business. This kept cotton growing economically viable in India, though it was not the only nor even the major crop.

India never developed the necessary agricultural techniques, infrastructure, and institutions to grow, transport, and market cotton necessary to compete with the United States. Indian cultivation methods remained basically static for more than fifty years after the end of the American Civil War. The 1912 edition of Shepperson’s \textit{Cotton Facts} reported, “The methods of cultivation are very primitive and rude. Everything is done by hand and no commercial fertilizers are used.”\textsuperscript{153} Railroads gradually improved transportation, but handling remained rude. The marketing system also remained pre-modern. Thirty years after the end of the American Civil War...

\begin{footnotesize}


\textsuperscript{153} Shepperson, \textit{Cotton Facts}, 145.
\end{footnotesize}
War, cotton continued to be sold and stored in the open air on Bombay’s Cotton Green.\textsuperscript{154} Even when India was producing 6 million bales in 1913, its production methods and handling facilities remained far behind those of the United States. At that time, British agronomist John A. Todd was forced to lament, “It is all the more regretted, therefore, that India’s present position in the world’s cotton-supply should be such a bad second.”\textsuperscript{155}

In China, the effects of the Taiping Rebellion crippled agriculture and transportation, but despite the disruption the high prices paid for cotton during the Cotton Famine led to some increase in cotton production. In the rest of Asia, the world cotton crisis was merely an economic ripple, a brief wave that came suddenly and passed just as quickly, without leaving any discernable trace in the long-term. By the time the Japanese legation in Washington, the trading firm of Mitsui & Company, and the Naigai Wata Kaisha industrial combine in Osaka provided the information for the brief history of the Japanese cotton industry that appeared in the annual edition of Shepperson’s \textit{Cotton Facts} for 1912, Japan’s experience as a cotton exporting nation during the Civil War was omitted.\textsuperscript{156}


\textsuperscript{155} Todd, \textit{The World’s Cotton Crops}, 19.

\textsuperscript{156} Shepperson, \textit{Cotton Facts}, 150-151.
Chapter 11
The Friendly Islands

The global cotton crisis brought on by the American Civil War affected even remote islands in the South Pacific. Two years before the American Civil War began, *Frank Leslie’s Illustrated Newspaper* said of the Fiji Islands:

For a cotton country it is said to be particularly adapted; and there are over 200,000 Feejeeans, who if they could once be made to feel certain of enjoying the produce of their labor, would speedily send forth a large supply of this vegetable fleece. The growth of cotton, and its first preparation for raw export, require very little manual labor, and no agricultural or mechanical skill. It is singularly suited, therefore, to the capacity of such people as those islanders.¹

Eleven days after the article about “Feejee” appeared in the New York newspaper, the *Charleston Mercury* reported that in Britain, “Mr. W. Arthur, a fellow of the Asiatic, Ethnological, and other learned societies,” had published a pamphlet extolling Fiji’s cotton growing potential.² In August 1859, the *Mercury* worried that the Cotton Supply Association might convince the British government to annex the South Pacific island group and turn it into a cotton plantation. The same editorial was reprinted in *The Weekly Mississippian* a week later.³ Charles Francis Adams, Jr., thought that Fiji was better suited to cotton growing than was India.⁴ With hindsight, the belief that Fiji could be transformed into an idyllic Polynesian cotton plantation seems incredibly naïve. It was attempted nonetheless.

¹ *Frank Leslie’s Illustrated Newspaper* (New York, NY), April 9, 1859.
² *Charleston Mercury* (Charleston, SC), April 20, 1859.
³ *Weekly Mississippian* (Jackson, MS), August 12, 1859.
The Fiji group are a chain of over three hundred reef-laced volcanic islands comparable to Hawaii in size, topography, and natural habitat located in the tropical South Pacific some 2,000 miles east of Cairns, Australia. The Fijis lie at the eastern extremity of Melanesia; the Tonga group, 200 miles to the east, are in Polynesia. No European set foot in Fiji until 1774, when Captain James Cook touched briefly at Vatoa Island. Cook mistakenly thought that the Fijis and Tonga were a single island group, and he named them the Friendly Islands. It was a misnomer. Warfare was constant, and conducted with unlimited brutality.5

The Fijians’ aboriginal socio-political organization, in common with that found on all the South Pacific islands, was a patchwork of hereditary complex chiefdoms, i.e. a primitive system of vassalage in which subordinate chiefs were tributary to a superior chief, who was in turn subordinate to a chief who ranked higher still. This hierarchy terminated in a dozen or so paramount chiefdoms. The Fijians practiced subsistence agriculture based on taro, yams, bananas, and breadfruit supplemented with pigs, fowl, and seafood. Their principal agricultural tool was the wooden digging stick. Primitive as their agricultural implements were, Fijian farming methods were well adapted to the local habitat and provided food in abundance.6


Distant and inaccessible though it was, Fiji’s location brought the islands to the attention of Americans, particularly New Englanders. Before the advent of steam power, prevailing winds dictated the course that sailing ships took to reach their destinations. In order to ride the cyclonic and anti-cyclonic winds in the Atlantic, ships outbound from New England to the Far East steered an elongated backward “S” course southward almost to Cape São Roque, the easternmost tip of Brazil, then curved south and east to the southern tip of Africa. Ships then followed a track, “from the Cape of Good Hope…round New Holland through the South and North Pacific Oceans, and went as far to the eastward as…the northwestern extremity of the Friendly Islands.”\(^7\) Ships rode the strong westerly winds known as the “Roaring Forties” across the Indian Ocean at about 40 degrees south latitude and passed south of Australia before steering a great curve northward through the Tasman Sea that passed close to the Fijis. They then came round to a westward heading that enabled them to ride the easterly equatorial winds on a track several hundred miles north of the Solomon Islands and New Guinea to the southern Philippine Sea before turning north to Luzon Strait, where they turned west to Canton.\(^8\)

Starting with the wreck of the ship *Argo* in 1798, a handful of Americans took up permanent residence in Fiji. Some of them were shipwrecked sailors who survived


\(^8\) John William Norie, *A New and Complete Epitome of Practical Navigation* (London: J. W. Norie, 1805), 153-160; Edward J. Tarbuck and Frederick K. Lutgens, *Earth Science* (Upper Saddle River, NJ: Prentice Hall, 1997), 430. Winds are designated by the direction from which they are blowing; hence a “westerly” wind blows *from* the west *to* the east, a “northeasterly” wind blows *from* the northeast *to* the southwest, and so on.
as best they could until rescued. Others were misfits who jumped ship from passing whalers and traders. A few were men from trading ships who initially remained behind intending to stay only long enough to barter for the ship’s next cargo but gradually integrated themselves into Fijian culture. Fijian chiefs valued these Americans as intermediaries in trading with the ships. Men with practical craft skills such as metalworking that the natives did not possess were highly sought after. The chiefs formed bonds with favored newcomers, often through marriage alliances.⁹

One of the most notable of the resident Americans was David Whippy, the scion of a family of Nantucket sea captains and merchants. Whippy arrived as a young trader in 1824 and remained in Fiji until his death in 1871. He would play an important role in the efforts to establish Fijian cotton plantations in the 1860s. Unlike the illiterate castaways, ship jumpers, and shiftless rogues who were the general run of seamen cast up on Fiji’s shores, Whippy was a well-read man who possessed considerable strength of character. He assimilated into Fijian society, but on his own terms. Whippy established himself at Levuka village on Ovalau Island and made himself indispensable as a business agent representing Fijians in trade negotiations with American merchant ship captains. He rose to prominence in Fijian society, became a kind of inter-chiefdom ambassador, married two high-ranking Fijian women, and acquired several large parcels of land.¹⁰

Visiting ships brought cotton seeds to Fiji sometime around 1830, along with many other plants not indigenous to the islands, including tobacco, maize, and

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¹⁰ Campbell, “Gone Native” in Polynesia, 62-68.
cassava. The Fijians readily adopted tobacco, maize, and cassava, and integrated them into their garden farming. They evidently planted cotton, but found no use for it and abandoned its cultivation. The cotton seeds introduced into Fiji arrived at different times and came from different locales. Six distinct varieties were later identified. One was indigenous to Peru, one was the Chinese variety known as Nankin, two were “kidney” cotton akin to American or South Asian upland varieties, and two were probably naturally hybridized strains the progenitors of which could not be determined. Whatever their native character, in Fiji’s tropical oceanic climate all types of cotton grew as shrubby perennials, the woody plants sometimes reaching twelve feet in height. Feral cotton plants spread everywhere along the island littorals, growing as weeds. Nearly every account of Fiji published prior to 1860 remarked upon the thriving cotton plants that grew wild in the islands.  

Two Wesleyan-Methodist missionaries from the London Missionary Society, William Cross and David Cargill, arrived with their families in 1835. More followed. With the missionaries came encouragement to grow cotton and engage in the capitalist commercial economy. Rev. Arminius Burgess, a British missionary who arrived in 1839, wrote that on his very first day in Fiji he urged the natives to, “use the earth so abundantly given to them, by planting sufficient food for their own consumption and for sale, and cotton and coffee.” Converting the Fijians to Christianity proved to be a slow, difficult process, however. The Fijians, and

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especially the chiefs, were by all accounts obstinate heathens who much preferred leisure, feasting, fighting, and sex with their multiple wives to *lotu*, as the Christian lifestyle of pacifism, monogamy, frugality, and hard work preached by the missionaries was called.\textsuperscript{13} U.S. Navy Captain Charles Wilkes, commander of the United States Exploring Expedition that arrived in 1840, described the Fijians as, “the most barbarous and savage race now existing upon the globe.”\textsuperscript{14}

At the time of Wilkes’ exploration of the islands, Fiji’s two largest paramount chiefdoms, Bau and Rewa, were engaged in a struggle for primacy. The root of the conflict was personal enmity between Cakobau (pronounced Thak-om-bau), the paramount chief of Bau, and Qaraniqio, the paramount chief of Rewa. The two men’s mutual hatred seems to have known no bounds. The feud apparently began as a fight over ownership of a pig. It escalated when Qaraniqio seduced one of Cakobau’s wives. Cakobau had one of Qaraniqio’s wives and her three children killed in reprisal. A tribal war then erupted. Eventually Cakobau began calling himself “Tui Viti,” a title that foreigners translated to mean King of Fiji. Though Cakobau never presented a mortal threat to the missionaries, he forbade conversion to Christianity by anyone in his domain. In 1849 the Wesleyans converted Tui Nayau, chief of Lau atoll on the eastern fringe of the group and a vassal of Cakobau, to Christianity. Cakobau considered Tui Nayau’s religious conversion an act of rebellion. The fight between Tui Nayau and Cakobau took on the character of a religious war between Christians and heathens. It soon drew Henry Ma’afu, a Christianized and politically ambitious

\textsuperscript{13} Derrick, *A History of Fiji*, 71-74.

Tongan chief into the power struggle as an ally of the Christian partisans. Ma’afu was on cordial terms with the Wesleyan missionaries, who naturally gave him their support.\textsuperscript{15}

This was the situation when the United States appointed a commercial agent with consular powers to represent American interests in Fiji in 1846. The American agent, John Brown Williams, from Salem, Massachusetts, had been in the Pacific since 1840, operating as a trader. Insofar as it suited his own ends, Williams recognized Cakobau’s pretensions to be King of Fiji and held him responsible for all injury and damages done to Americans in the islands, even in areas that Cakobau did not actually control. When a derelict American merchant ship drifted aground on one of the island group’s many coral reefs and natives looted it, Williams demanded that Cakobau compensate the owners. Cakobau refused to pay. On July 4, 1849, Williams’ house and trading post burned in an accidental fire. In the ensuing pandemonium natives stole some of Williams’ trade goods and personal possessions. He demanded that Cakobau pay $5,000 compensation for the damages. Cakobau again refused. In 1855 Commander E. B. Boutwell, captain of the ship-sloop U.S.S. \textit{John Adams}, held Cakobau prisoner aboard the warship until Cakobau agreed to pay Williams $45,000 in three installments over two years. The illiterate Cakobau put his mark on a written agreement to that effect, although it was impossible for him to honor the pledge.

There was no money in the islands. Indeed, it is doubtful that Cakobau then fully understood the meaning of money. Nevertheless, Williams continued to demand payment. Williams also used threats of punitive action by American warships to

\textsuperscript{15} Derrick, \textit{A History of Fiji}, 82-84; Campbell, \textit{A History of the Pacific Islands}, 91-95.
coerce other Fijian chiefs into selling him a considerable amount of land in exchange for small quantities of trade goods. The British missionaries began to suspect that Williams was plotting to use the unpaid reparations debt as a pretext for American annexation of Fiji.\textsuperscript{16}

Williams had underestimated his opponent, however. In what was probably a shrewdly calculated stratagem intended to gain the assistance of the British missionaries in thwarting Williams, Cakobau announced his conversion to Christianity and underwent an ostentatious baptism ceremony on Sunday, April 30, 1854. Cakobau thereupon ordered his people to convert to Christianity \textit{en masse}. A year later Rewa’s resistance collapsed and Qaraniqio died, leaving Cakobau the victor. That did not mean that Cakobau was in fact as well as in name King of Fiji, however. Ma’afu wielded at least as much power and influence as Cakobau did, and probably more. Great Britain appointed the Empire’s first consul to Fiji, William Thomas Pritchard, the Tahiti-born son of missionaries, in 1858.\textsuperscript{17} At that time Fiji had about fifty white residents. Some of them were British subjects engaged in trade with the natives, but Pritchard’s appointment owed more to British concerns about American activities in the islands than to commerce. Three weeks after Pritchard arrived, the U.S.S. \textit{Vandalia} appeared. The \textit{Vandalia}’s Captain Sinclair reiterated the demand that Cakobau pay Williams’ reparations claim and threatened bloody reprisals if he did not. Cakobau turned to Pritchard for help, and Pritchard drafted for him a formal petition to Queen Victoria asking that Fiji be made a British

\textsuperscript{16} Seemann, \textit{Viti: An Account of a Government Mission to the Vitian or Fijian Islands in the years 1860-61}, 64-65; Derrick, \textit{A History of Fiji}, 91-102.

\textsuperscript{17} Some sources list Pritchard’s given name as Thomas William Pritchard.
protectorate. In return for Great Britain paying the American reparations debt,
Cakobau promised to bestow upon Queen Victoria and her heirs a 200,000-acre Fijian
estate.\(^{18}\)

Pritchard set out on the long voyage to England in mid-November 1858, and
arrived in London in February 1859. He presented Cakobau’s petition to the Earl of
Malmesbury, then the Colonial Secretary in Lord Derby’s cabinet. Pritchard urged
that Britain accept Cakobau’s offer, pointing out that Fiji, “Situated on the highway
of commerce between Australia and Panama, its capacious and secure harbours, in the
possession of an enemy, would afford shelter to an imposing fleet, and a basis for
offensive operations against our commerce in the southern seas and the coast of
Australia.”\(^{19}\) He brought with him samples of the cotton found growing wild in Fiji,
and reported, “Cotton may be grown extensively, and there is no scarcity of labour.”\(^{20}\)
Support for the proposal came forth almost immediately, and from many quarters. In
a memorandum dated March 12, 1859, Admiral John Washington, Hydrographer of
the Admiralty, affirmed the geostrategic importance of Fiji to the security of
Australia. He also noted that Fiji would be a convenient location for a coaling station
on a future Panama-to-Australia steamship route.\(^{21}\) The London Missionary Society,
whose views oftentimes shaped British colonial policy in the Pacific islands, noted

\(^{18}\) John Inglis, “Fiji and the Fijians,” *The Reformed Presbyterian Magazine for 1862*

1864), 445.

\(^{20}\) Ibid.

\(^{21}\) Seemann, *Viti: An Account of a Government Mission to the Vitian or Fijian Islands in the
years 1860-61*, 419-421.
that there were now in Fiji some 60,000 Christian converts in need of Britain’s benevolent protection and civilizing influence. The Royal Geographical Society, of which Pritchard was a member, lent its support.\textsuperscript{22} The Manchester Chamber of Commerce lobbied the Government to accept Cakobau’s offer. In April \textit{The Cotton Supply Reporter} published a feature article extolling the virtues of Fiji as a potential cotton-growing country.\textsuperscript{23}

While the proposal was being discussed and debated, the Royal Navy detailed a warship, H.M.S. \textit{Cordelia}, to return Pritchard to Fiji. He arrived there on November 1, 1859, bringing with him a few bags of New Orleans cotton seeds provided by the Cotton Supply Association. Upon arrival Pritchard found the islands in turmoil, with Cakobau and Ma’afu engaged in a power struggle. They were arming for a violent showdown. Pritchard discovered that the Fijian chiefs were offering young women in payment for firearms, and that the white traders had acquired numerous concubines in this exchange. This incensed the missionaries, but there was nothing that they or Pritchard could do about it. Neither the Fijian chiefs nor the white traders would brook interference in that they considered their private affairs. This was especially true of the American traders, over whom Pritchard’s consular authority did not extend. The Christian ruler of Tonga, King George Taufa’ahau, a close kinsman of Ma’afu, was maneuvering to thwart the British protectorate and add Fiji to his Tongan kingdom. There was also trouble between Wesleyan and Roman Catholic missionaries and their native partisans, raising the prospect that French warships


\textsuperscript{23} \textit{Cotton Supply Reporter} 1, no. 16 (April 15, 1859): 121.
cruising in the vicinity might intervene to protect the Catholics. This presented the
danger that the French might impose their own protectorate in Fiji as they had done
earlier in Tahiti. With consummate diplomatic skill and a bit of intimidation provided
by the Royal Navy gunboat H.M.S. Elk, Pritchard arranged a truce between Cakobau
and Ma’afu. Acting far in excess of his authority as a consul, Pritchard then accepted
the rival chiefs’ suggestion that he assume the power to make and enforce laws under
the aegis of a still non-existent native government. This immediately made Pritchard
referee in every squabble that occurred in the islands, and ultimately caused the
Foreign Office to dismiss him as British consul in January 1863. 24

Meantime, the Colonial Office appointed a commission headed by Colonel W.
J. Smythe of the Royal Artillery to go to Fiji and investigate the situation there. In
addition to Smythe, the commission included Dr. Berthold Seemann, the head
botanist at Kew Gardens and a renowned authority on tropical plants. The
commission sailed from Southampton bound for Australia via the Cape of Good Hope
in a Peninsular and Orient Line steamer on February 12, 1860, and finally reached
Fiji in the missionary schooner John Wesley on May 12, 1860. Seemann departed Fiji
on November 17, 1860. Colonel Smythe remained until March 1861. While in Fiji,
the commissioners had the assistance of Consul Pritchard, the missionaries, and the
Royal Navy ship-sloop H.M.S. Harrier, Captain Malcolm M’Gregor commanding.
They also enjoyed the unexpected cooperation of the acting American vice-consul,
Dr. Isaac Mills Brower, a former U.S. Army surgeon and seagoing trader who

assumed John Brown Williams’ duties when Williams died of dysentery on June 10, 1860.\textsuperscript{25}

Colonel Smythe devoted most of his attention to the strategic value of Fiji, and to assessing the many problems likely to be encountered in administering the proposed protectorate. Smythe quickly discovered that despite his pretensions, Cakobau was merely one of twelve paramount chiefs, not King of Fiji, and could not deliver on his promises. The 200,000 acres that Cakobau promised to Queen Victoria turned out to belong to another paramount chief, he one of Cakobau’s enemies. Only one page of Smythe’s book-length report was devoted to cotton. Smythe thought that if cotton were to be grown commercially in Fiji it would have to be done by white settlers. Whether or not they succeeded would be “a question of land and labour.” The natives would have to supply the land and the field workers, and Smythe did not think them likely to do so.\textsuperscript{26}

Mr. M. Bensusan of the Royal Geographical Society, who was not a member of the commission but was in Fiji at the same time, agreed with Smythe’s dim assessment. In reference to the outlook for cotton cultivation in the islands, Mr. Bensusan reported back to the Society:

[T]he real stop to all such enterprise is the actual want of native labour—the natives will positively not work. People inquire why they will not work. My answer is, because they have no wants. The spontaneous supply of food far exceeds their wants. They make their


own scanty dresses, build their own houses, their own canoes; make
their own mats to lie upon, their own cooking utensils of pottery; and
they are independent of the white man. 27

Seemann was more optimistic. Pritchard and the missionaries had induced the
Christian chiefs to order their people to begin cultivating cotton. Seemann
commented that, “cotton has been thickly spread over all the Christianized districts,
and imparts to them a characteristic feature, occasionally very striking in places
having a mixed religious population.” 28 This leads one to wonder whether the natives
considered growing cotton a commercial activity or a Christian religious obligation.
The Fijians did not adopt large-field plantation methods. Instead, they planted the
cotton seeds in the same traditional manner as they did food crops, in garden plots of
about fifty plants each. In many gardens cotton plants were intermingled with maize,
taro, yams, cassava, and other food plants. Because of this planting method, Seemann
agreed with Smythe that natives working on their own would never produce
anywhere near enough cotton to make the enterprise worthwhile. Surprisingly, neither
Smythe nor Seemann addressed the logistical problems of getting Fijian cotton to
market. 29

Pritchard and Seemann began cotton demonstration projects aimed at
encouraging the adoption of monoculture plantation methods. Prichard acquired a
parcel of land on an island in the Rewa River Delta on Viti Levu and planted the

32 (1862): 49.

28 Seemann, Viti: An Account of a Government Mission to the Vitian or Fijian Islands, 52.

29 Seemann, Viti: An Account of a Government Mission to the Vitian or Fijian Islands, 52-54;
William Thomas Pritchard, Polynesian Reminiscences or Life in the South Pacific Islands (London:
Chapman and Hall, 1866), 298.
American cotton seeds that he brought with him from England. Seemann brought with him from England an unspecified “large” quantity of Sea Island and New Orleans cotton seeds supplied to him by the Cotton Supply Association. Some of these were planted at Nukumoto, in the Rewa district. Twenty native laborers were hired to tend the plants under the supervision of Seemann’s assistant, identified only as Mr. Storck. Seemann gave seeds to a Captain Wilson, who owned land at Somosomo, and to M. Joubert, a settler recently arrived from Sydney, who started a plantation on Taviuni Island. Seemann established another demonstration plantation at Somosomo supervised by a native Fijian, a man named Koytoo. The Sea Island seeds proved faulty and did not germinate, but the New Orleans cotton thrived. The vigorous young plants were already sufficiently mature when Seemann departed for England that he was able to carry sample bolls from them with him. These he presented to the Cotton Supply Association.\textsuperscript{30}

Simultaneous with the cotton experiments begun by Pritchard and Seemann, the longtime American resident David Whippy began cultivating cotton. In 1860, Whippy, in partnership with an Englishman, William Simpson, exchanged less than $400 worth of trade goods for 9,000 acres of land at Wainunu Bay on the northern coast of Vanua Levu Island and established a cotton plantation there. It is unclear whether Whippy and Simpson planted imported seed or merely began tending and harvesting the feral cotton plants already growing on the land.\textsuperscript{31}

\textsuperscript{30} Ibid.

Isaac Mills Brower’s position as acting U.S. Vice Consul in Fiji was irregular. He held no commission or appointment from the government. His status rested purely on the fact that John Brown Williams had entrusted him with looking after U.S. consular affairs until such time as a new consul was appointed. President Lincoln appointed Thomas J. Johnston of Michigan to be U.S. Commercial Agent in Fiji on December 5, 1861. Johnston declined the appointment. The Fiji consular post was then given to Edwin F. Bunnell, a Californian. Bunnell sailed from San Francisco in a trading ship in May 1862, but died before the ship reached Fiji. The State Department apparently remained unaware of Bunnell’s death until after the end of the Civil War, when Isaac M. Brower wrote to ask why official correspondence was being sent to him. Secretary of State Seward officially designated Brower as consul in 1866.


Little can be said with certainty about Isaac Mills Brower before he assumed the duties of acting vice consul in Fiji. British colonial historian Ronald Albert Derrick, in the official *A History of Fiji*, stated that Brower was a Southerner by birth, and that he had been a surgeon in the U.S. Navy prior to coming to Fiji as an island trader and ship captain in the 1850s.\(^{37}\) However, in his first letter addressed to the Secretary of State from Fiji, Brower wrote that he was, “Born in the State of Ohio, and have served in the U.S. Army.”\(^{38}\) There seems to have been some confusion at the State Department about Brower’s identity. Reports from Brower published in *Commercial Relations of the United States* were sometimes attributed to J. M. Brown, most likely because his signature was illegible.

Though without salary or official commission, Brower energetically pursued American interests in Fiji. In 1859 Brower acquired ownership of a plantation on Wakaia Island, an enclave inhabited by the half-caste offspring of white beachcombers and their Fijian wives, and made his home there.\(^{39}\) In 1861 or early 1862, Brower planted about fifteen acres of cotton using New Orleans seed at his estate.\(^{40}\) A story in the *Boston Daily Advertiser* in 1872 stated that Brower introduced Sea Island cotton seed into the islands “several years ago.”\(^{41}\) The source of the seeds

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\(^{39}\) Derrick, *A History of Fiji*, 151.


\(^{41}\) *Boston Daily Advertiser* (Boston: MA), May 17, 1872.
that Brower planted is unknown. Later, Brower and David Whippy partnered to develop and operate cotton plantations.42

Brower was also involved in establishing a settler from Australia, Robert Swanton, as a cotton planter. Robert Swanton came to Fiji in 1857 as a passenger aboard Brower’s small schooner, the *Mechanic*, apparently at Brower’s behest. Swanton first tried to raise sheep on Brower’s Wakaia estate, but the project failed when a mysterious wasting disease killed the sheep. Swanton then began experimenting with cotton, using various types of seed furnished by the Cotton Supply Association and Fiji’s feral plants. Through trial and error, Swanton eventually developed a variety of Sea Island cotton and cultivation methods that were adapted to the Fijian habitat. Swanton kept extensive notes, and also amassed a collection of literature about cotton cultivation, much of it articles clipped from British, Australian, and American newspapers.43

While these efforts to explore the horticultural potential of cotton cultivation were being made in Fiji, a parallel effort was underway in Australia to finance the establishment of commercial cotton plantations. In March 1861, Mr. Bensusan, despite his misgivings about the viability of native labor in Fiji, was in Melbourne, proposing that merchants in New South Wales charter a company with £100,000

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capital to purchase land in Fiji upon which to establish cotton plantations. Men from Australia were to be encouraged to go to Fiji and take up cotton planting.44

News of these promising experiments with cotton growing in Fiji arrived in England just as the American Civil War precipitated the long-feared cotton crisis. Mr. Bensusan’s letter reporting his activities in Fiji and Australia was delivered to the Cotton Supply Association’s office in Manchester in May 1861. The Colonial Office forwarded a copy of Berthold Seemann’s short preliminary report from Fiji to the Association in July, in time for it to appear in The Cotton Supply Reporter published on August 1, 1861.45 In the meantime, the British government decided not to accept Cakobau’s offer, meaning that Fiji would be without effective civil government during the coming cotton boom.46

Judging from the time it took Mr. Bensusan’s March 21, 1861 letter to the Cotton Supply Association to reach Manchester from Melbourne, news of the outbreak of the Civil War in America probably did not reach Australia until two months after it was known in England. The news probably did not reach Fiji for something over a month later than that, as there was no mail service to the islands except that provided by the irregular voyages of tramp trading vessels and the London Missionary Society’s small support schooner John Wesley.47 Thus it was probably sometime in August or September 1861 before anyone in Fiji knew that the world

44 Cotton Supply Reporter 1, no. 67 (June 1, 1861): 524.
46 Derrick, A History of Fiji, 152.
cotton economy had been disrupted. What the immediate reaction was in Fiji to the news that a world cotton shortage was imminent is hinted at by a brief article in *The Cotton Supply Reporter* of March 1, 1862. It reported receipt of a letter from a Mr. Henry Crawford in which he reported having harvested 1,500 pounds of cotton grown on his newly established plantation on the “Reeva” (Rewa) River in Fiji. Along with his letter to the Association, Crawford sent a half-pound sample of his cotton for an appraisal of its value. In common with many other aspiring cotton planters in locales around the world, Crawford requested that the Association send him instructional literature.  

Henry Crawford was among the first of about 2,000 aspiring cotton planters who came to Fiji between 1862 and 1870. Dr. W. C. Pechey, a resident medical missionary who in 1870 published a manual for planters titled *Fijian Cotton Culture, and Planters Guide to the Islands* reported that, “During the last few years the Fiji Islands have risen into public notice as a locality where cotton may be produced. … From Australia and New Zealand, colonists have and are still flocking to Fiji.”

Most of the new colonists were British subjects, but the American influence in Fiji remained strong. Fijian natives and resident whites were long accustomed to the value of trade goods being expressed in American money, and when local traders began making advances to planters the price of Fijian cotton was also expressed in dollars, not in British pounds sterling. Those prices were a matter of guesswork.

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48 *Cotton Supply Reporter* (March 1, 1862): 809.

49 Derrick, *The Fiji Islands: A Geographical Handbook*, 133. Estimates of the total number of settlers varies, from 1,500 to 3,000.

Cotton market news was always at least three months out of date by the time it reached Fiji due to the islands’ remoteness. Getting cotton to market was difficult. Access to the islands was from Sydney by small schooners, and these did not keep regular schedules. Sailing among the reef-girded islands continued to be extremely dangerous, and few ship owners were willing to risk valuable ships among them. Cotton had to be sent first to Sydney by schooner, and then shipped to England. The distance meant that planters never knew what their cotton would bring when it eventually reached Liverpool. It also meant that twelve to eighteen months elapsed between the time a shipment of cotton left Fiji and the planter received his payment.

Smythe’s prediction that Fijian land and labor would be difficult to obtain proved accurate. For a cotton plantation to be commercially viable, 300-400 acres of arable land was deemed necessary. Land could be purchased from a Fijian chief for a relatively small quantity of trade goods. However, it was unclear which chief owned what parcel of land. Two or more chiefs oftentimes claimed ownership of the same land. People living on the land often did not recognize the chief’s sale of it. Tract boundaries were almost never clearly delineated. Moreover, there was no law code, no courts, and no institutionalized way to settle land ownership disputes. There was not even a way to record land deeds except to deposit them with the British or American consuls. Land tenure was very insecure for settlers and natives alike.

Working a 300-acre plantation required about 30 laborers. Hiring Fijians to work for

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wages proved next to impossible. W. C. Pechey echoed Col. Smythe and M. Bensusan when he wrote that the Fijian native, “does not stand in need of food, for he can grow all he requires; clothes, or the want of them, do not trouble him.” To solve the labor problem, the cotton planters turned to Cakobau, the presumed King of Fiji. Cakobau offered to compel native laborers to work for the cotton planters in return for a payment to him of £1 per man per year. The laborer was to be paid annual wages in the amount of £1 or £2 worth of trade goods. Pechey thought that this system, “if properly carried out, would leave nothing to be desired.” The natives failed to see its merits, however, and resisted Cakobau’s press gang. Some of Cakobau’s men were killed. Cakobau quickly abandoned the scheme.

Most of the new settlers who came to Fiji early in the boom were young laboring-class men from Australia who lacked sufficient capital to buy land enough to establish commercial-size plantations. In a letter written to the Cotton Supply Association in April 1864, the acting British consul William Owen reported that although a “considerable number” of newly arrived settlers had established cotton plantations none was bigger than 15 or 20 acres. These fields the planters had to work themselves, with hand tools. Owen remarked that “not one plough” was in use. There was only one cotton gin in the islands, a small machine sent to Fiji by the Cotton Supply Association in 1861. It was operated by a makeshift windmill and could clean

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56 Ibid.
about 500 pounds of cotton per day. Optimism nevertheless ran high in Fiji. In an unsigned letter to the Cotton Supply Association probably written in November or December 1865, a planter reported that there was at that time about 5,000 acres under cultivation. High prices were encouraging more planting. The writer commented that, “although cotton may fall quickly on the settlement of the American war, it could be produced in Fiji as cheaply as in any part of the world.”

Some of the early reports sent from Fiji were undoubtedly exaggerated. The quantities of cotton being harvested were in fact quite small. In a consular report dated July 27, 1863, it was stated that, “7½ tons have left this group since January, viz., 2 tons cleaned, and 5½ tons in the seed, the former realised in Sydney 1s. 6d. per lb., and the latter 7d.” Cotton production was increasing rapidly, however. At the end of 1867, Mr. John B. Thurston, a planter and acting British vice-consul at Levuka, sent a letter to The Cotton Supply Reporter in which he reported that Fiji exported 240,000 pounds of cotton in 1865, 588,000 pounds in 1866, and 758,600 pounds in 1867. Thurston had just put an American-made Brown’s cotton gin into operation, using it to gin planters’ cotton and accepting a share of the cotton as his fee. Despite high shipping costs, which Thurston put at 4½ d. per pound, the prices paid for Fiji cotton in Liverpool remained sufficiently high to return the planters a

57 Cotton Supply Reporter 1, no. 128 (Sept. 1, 1864): 1517; Merchants’ Magazine and Commercial Review 44, no. 6 (June, 1861): 677.
58 Cotton Supply Reporter 1, no. 133 (Feb. 1, 1865): 1600.
59 Commercial Reports received at the Foreign Office from Her Majesty’s Consuls between July 1st, 1863, and June 30th, 1864 (London: Her Majesty’s Stationery Office, 1864), 26-27.
good profit.\textsuperscript{60} Consul Edward March reported that cotton returned £9,300 in 1865, £19,800 in 1866, £34,004 in 1867, £30,975 in 1868, and £45,000 in 1869. He estimated that the return in 1870 would be £100,000.\textsuperscript{61}

It seems that no one really knew how much cotton was planted in Fiji. A few months after the anonymous planter reported 5,000 acres, Consul Henry M. Jones gave the Cotton Supply Association a “rough estimate” that there were 3,000 acres planted by settlers, plus some small plots tended by natives.\textsuperscript{62} He described the plantations as very small. Cultivation methods were primitive. As of April 1865, only one plough was in use in the islands. Most of the crops were still being tended with primitive native tools. There were, however, several newly imported cotton gins.\textsuperscript{63} After much experimentation with native, American and other seeds, the planters had settled on Sea Island and an upland variety from Brazil. Both types of cotton performed well, but two devastating typhoons, one in January 1866 and another in March, roared across the islands. The two storms destroyed half the cotton plants. The Fijian chiefs were being uncooperative, obstructing land acquisition and refusing to supply labor. Jones suggested “deporting the obnoxious chiefs to other islands.”\textsuperscript{64}

Another typhoon, a monster storm that Jones described as “the worst in 20 years” swept over the islands in the spring of 1867. Villages were flattened and the

\textsuperscript{60} Cotton Supply Reporter 1, no. 172 (May 1, 1868): 2226-2227. John B. Thurston later received a knighthood and became Royal Governor of Fiji.

\textsuperscript{61} Cotton Supply Reporter 1, no. 201 (Oct. 1, 1870): 2690.

\textsuperscript{62} Cotton Supply Reporter 1, no. 155 (Dec. 1, 1866): 1954.

\textsuperscript{63} Cotton Supply Reporter 1, no. 139 (Aug., 1, 1865): 1699.

\textsuperscript{64} Cotton Supply Reporter 1, no. 155 (Dec. 1, 1866): 1954.
cotton plants were again severely damaged. Nevertheless, Jones was optimistic that there would be enough cotton in two years time to begin shipping it direct to England. Cotton was by then starting to change the character of Fiji’s white population. The beachcomber days of castaway sailors “gone native” were ending, and an era of settler families appeared to be in process of starting. Jones reported that the white population now numbered “400 souls, 31 of whom are women, and 53 children under twelve years of age.”

Except that they were almost all young, unmarried men, the whites were a diverse group. The majority of the new planters were British subjects, from England, Australia, and New Zealand. There were also a small number of Americans, most of them of New England origin. These Americans wielded considerable influence in the developing cotton trade and in Fijian native affairs. Two American traders, brothers Jack and Will Macdonald operated as seagoing cotton factors in their schooner American Brothers. German settlers established a plantation colony on Lau Island. Three Germans, Frederick, Gustavus, and William Hennings, formed the trading firm of Hennings Brothers and began advancing supplies to planters on credit with future cotton pledged as collateral.

Political changes were underway among the Fijian natives. In April 1867, Cakobau asked Samuel A. St. John, an American friend who had been in Fiji for fifteen years and was married to a high-ranking Bau woman, to write a constitution

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for his Kingdom of Bau. St. John wrote a constitution that provided the structure of a civil government with supreme authority vested in King Cakobau, a rudimentary law code, independent courts, and secretaries of state, treasury, and war. The British consul was leery of this government, probably because of the strong American influence in it, and refused to recognize its authority. When Cakobau’s embryonic government attempted to levy taxes on the British settlers, they refused to pay. A worry arose in British circles that the United States, now that the Civil War was over, was again looking to acquire Fiji as a Pacific outpost, perhaps as a stepping-stone to Australia. Ominously, the steam sloop U.S.S. *Tuscarora* appeared at Levuka on July 11, 1867 to again demand that Cakobau pay the reparations debt owed to the late John Brown Williams’s estate. A correspondent in Melbourne subsequently wrote to *The Cotton Supply Reporter* warning that if Great Britain did not soon secure its position in Fiji, “the United States will before long make arrangements for assuming the protectorate of the islands.” The writer went on to say that the Fijians preferred “a protectorate un-English in race and institutions.”

In the spring of 1868, a group of Melbourne investors belatedly acted on the proposal that M. Bensusan had made seven years earlier. The Australian capitalists formed the Polynesian Company to encourage cotton growing in Fiji. In July, two agents of the Polynesian Company identified in documents as Dr. Brewer and Mr. Evans negotiated the purchase of 200,000 acres of land on the big island of Viti Levu.

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69 *Cotton Supply Reporter* 1, no. 204 (Jan. 2, 1871): 2739.

70 Ibid.

from Cakobau and six of his subordinate chiefs. The purchase contract stipulated that the Polynesian Company was to assume responsibility for Cakobau’s reparations debt to the United States. This and some small considerations were the purchase price. The company paid the sum of £9,000 in three installments, settling the debt in full on November 19, 1870. Fears lingered in Britain that the United States would still make Fiji its protectorate because the Polynesian Company’s investors included “a large American element.”\(^72\)

The Polynesian Company’s tract included the town of Suva, its harbor and facilities, and ran along the coast in the direction of the Rewa River. In a separate transaction in July 1869, Cakobau and another chief named Natika sold another 27,000 acres to the Polynesian Company. Jacob Brache, the managing director of the Polynesian Company, began subdividing the land and selling it to settlers in August 1870. Plantations of 80-200 acres now became the norm. Some were considerably larger.\(^73\)

Simultaneously, a solution to Fiji’s shortage of field laborers was found. Inter-island traders began recruiting laborers from the New Hebrides Islands about 400 miles to the northwest and bringing them to Fiji. These workers were usually signed to five-year indentured labor contracts. Almost from its inception, missionaries and the Anti-Slavery Society condemned this indentured contract labor system as being nothing other than thinly disguised slavery.\(^74\) Planters in Fiji vigorously denied that


the contract labor system was a form of slavery. On July 9, 1869, William Scott, a planter on Ovalou Island penned a letter to *The Cotton Supply Reporter* in which he refuted claims that the contract labor system was a form of slavery and contended that all that was needed was the installation of a British-supervised civil government in Fiji with the power to regulate the practice.\(^\text{75}\)

The charges leveled by the missionaries were in fact well founded. Whatever the original intent may have been, the contract labor system rapidly degenerated into the infamous practice of kidnapping islanders for forced labor known as “Blackbirding.” Life for the contract laborers on plantations in Fiji was little different from that experienced by slaves on cotton plantations in the American South. Wages were so dismally low as to be a legal fig leaf to avoid violating British anti-slavery laws. Floggings and other harsh punishments, though rare on Fiji’s plantations, were sometimes inflicted. Employers deterred their contract laborers from running away by instilling the not-unfounded fear that if they fled to the hills the Fijians would kill, roast, and eat them.\(^\text{76}\)

Fiji’s cotton economy peaked in 1870, though production increased for another two or three years. The U.S. consular report for 1870 indicates that Fiji’s total exports amounted to $492,400 in value. Of that amount $463,500 was cotton. The value of cotton exported would never again reach these amounts. But at the time, the future looked bright. Fiji imported $347,255 worth of goods, of which $147,970 was

\(^{75}\) *Cotton Supply Reporter* 1, no. 193 (Feb. 1, 1870): 2563.

for items such as provisions and groceries, cotton gins and other equipment, and livestock.\textsuperscript{77} Many planters purchased small hand-cranked cotton gins made by the English firm Dobson and Barlow. The Cotton Supply Association sent out one of the latest British-made Macarthy steam-powered cotton gins for display and demonstration at the British consulate at Levuka, with hopes of encouraging sales of the machines. English ploughs and Australian draft horses were being imported. A total of 104 vessels called at Fiji during the year, 99 of them British. Every boat from Australia brought new settlers.\textsuperscript{78}

Three men who arrived in Fiji during the cotton boom era left written records of their experiences. John Hall James was probably fairly representative of the general run of planters. James Turpin was something of a shady character. His value to history lies in his diary, the surviving manuscript of a never-published book \textit{Anecdotes, Narratives and Legends of Fiji}, and a \textit{Fijian Almanac and Directory} that he published in 1873. In the almanac, Turpin listed the names and occupations of some 1,500 whites living in Fiji. James Lyle Young arrived in 1875, after the cotton boom had become the cotton bust. Young was himself never engaged in cotton growing, but he preserved in his journal accounts of it heard first hand from those who had been directly involved.

James Turpin, then a young man 24 years of age, came to Fiji from New Zealand as a passenger in the Macdonald brothers’ schooner \textit{American Brothers} in 1866. Turpin’s past is obscure. He did not say much about himself beyond the fact

\textsuperscript{77} Annual Report on the Commercial Relations between the United States and Foreign Nations, for the Year Ending September 30, 1870 (Washington: GPO, 1871), 91.

\textsuperscript{78} Cotton Supply Reporter 1, no. 201 (Oct. 1, 1870): 2691-2691.
that he was born in 1842 into a working-class family in Tontes, Devonshire, England. He married and had a family in Fiji, but said next to nothing about them. Turpin worked for a short time for the British consulate, but was dismissed for some undisclosed reason. He then went into business as a land agent. His real estate activities fell just short of criminal fraud. Turpin and a partner, John B. Macomber, also owned and operated a plantation with 85 acres of cotton, where they employed 72 contract laborers. James Turpin was never a leader in the white community, and indeed did not get along with many people, including eventually his business partner, Macomber. Turpin eventually lost his property in Fiji to creditors and moved to Australia, where he died in 1917. During most of his time in Fiji, Turpin and his family lived in near poverty.79

John Hall James was a young Englishman of lower middle class parentage who arrived in 1870, just as the cotton boom peaked. He brought with him a new Snyder breech-loading rifle and 400 rounds of ammunition, enough money to buy 100 acres of land at Tuvu on Viti Levu Island, and a burning desire to “go big licks” as a colonial cotton planter. James hired about 25 native men, whether contract laborers or locals he did not say, and set about clearing his land and planting cotton. Settler life in Fiji in the early 1870s was still very much a frontier existence, and a dangerous one. The mountainous interiors of the larger islands remained unexplored, and the hill dwelling natives known as “Bigheads” because of their bushy Afro-like hairstyle were still savage cannibals untouched by civilization. No sooner had James set to work on his plantation than came a raid by men from one of these hill tribes.

The raiders brutally killed two of James’ white neighbors and several natives from a nearby village. Whites from the neighborhood joined forces with local Fijians in launching a retaliatory attack on the offending hill village, the white men using their rifles to support their more numerous but less well armed native allies in the attack. James put his quick-firing .577 caliber Snyder rifle to good use in the battle, killing several enemy warriors. James and his companions then plundered the enemy village and, as he wrote to his father on October 8, 1871, “burnt everything destroying all else we could.”

His first experience of South Pacific frontier warfare behind him, James resumed work on his plantation. It was a subsistence existence. James slept in a native grass hut and ate food grown in his own gardens. Hennings Brothers supplied the rest of his needs on long-term credit. A typhoon shredded the crop in 1872, but in April 1873 James was able to write to his mother that, “the cotton fields look like a very large garden.” By that time, however, prices had declined sharply. Although Fiji exported more cotton, the total monetary return in 1872 was a third less than in 1870.

In May 1873, another raid by hill “Bigheads” sparked a brutal war that became known in Fijian history as the Ba Campaign. Whites, James among them, again joined forces with local Fijians to launch a reprisal attack. This time they aimed

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80 John Hall James, Correspondence and Diary [Correspondence, Fiji, 1870-75, and Diary of the Ba Campaign, May 1873]. Pacific Manuscripts Bureau, The Research School of Pacific Studies, The Australian National University, Canberra, Australia. Microfilm.

81 Ibid.

at the total destruction of the hill people. The campaign aimed at destroying their villages, gardens, and stored food supplies was reminiscent of the so-called “feed fights” waged by English settlers against the Indians in colonial Virginia.\textsuperscript{83}

As that bloody war came to an end, the already weak cotton prices collapsed. In a letter to his father dated July 8, 1873, James wrote, “every thing is bad—cotton down to 6 cents or 5½ cents & they say, no prospect of rising.”\textsuperscript{84} At that price, cotton would not pay the cost of freight. To worsen matters, the settlers became involved in a dispute with Cakobau. Cakobau ordered John Hall James’s native workers to cease working for him, and forced them to leave the plantation by burning their houses. James lamented that although he had a large crop of good cotton, he could get no workers to pick it. A tense confrontation between the white settlers and Cakobau occurred, and James complained that had Captain Chapman of H.M.S. \textit{Dido} not interfered, the settlers would have “sent the government & their cannibal King to a very hot place.”\textsuperscript{85}

Similar complaints were heard from other planters. In a letter to the Cotton Supply Association, planter R.B. Leefe wrote, “The only thing wanted to make you in England get cotton from the whole of this group is a Government.”\textsuperscript{86} Leefe wanted the Cotton Supply Association to urge the British government to take over the islands. The influential \textit{Manchester Guardian} newspaper, whose articles The Cotton Supply

\textsuperscript{83} John Hall James, Correspondence and Diary [Correspondence, Fiji, 1870-75, and Diary of the Ba Campaign, May 1873]. Pacific Manuscripts Bureau, The Research School of Pacific Studies, The Australian National University, Canberra, Australia. Microfilm.

\textsuperscript{84} Ibid.

\textsuperscript{85} Ibid.

\textsuperscript{86} \textit{Cotton Supply Reporter} 1, no. 196 (May 2, 1870): 2611.
Reporter frequently reprinted, also continued to extol the virtues of Fiji as a cotton-growing country. Isaac Mills Brower apparently still believed that Fiji could become a major cotton producing country as well. In May 1872, Brower traveled to Washington and while there prompted a Washington Chronicle reporter to write that cotton was, “likely to become the leading article of shipment and culture.” The article reported that Sea Island cotton grown in Fiji “sells in Europe at from three to five shillings sterling per pound.” This was the equivalent of saying cotton was selling for 36 to 60 d. per pound, when in fact the price on the Liverpool exchange for the best grades of cotton in 1872 averaged slightly under 11 d. per pound.

Not everyone was optimistic, however. An American resident in Fiji, H. C. Victor, wrote a long letter to the San Francisco Daily Evening Bulletin on January 30, 1871, in which he presented figures that showed growing cotton in Fiji was fast becoming unprofitable. Victor advised Americans who might be thinking of coming to Fiji to become cotton planters, “My advice to any well-to-do American may be summed up in very few words, and they are—stay at home.” Victor warned, “Fiji is a long way off, hard to get to, and harder to get away from.” To illustrate his point, the letter took over eleven weeks to reach San Francisco and, if it went via the British mail, traveled via Australia, India, Suez, London, and New York.

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87 Ibid.
88 Boston Daily Advertiser (Boston, MA), May 17, 1872. The Boston newspaper copied the story with an attribution to the Washington Chronicle.
89 Todd, The World’s Cotton Crops, 431.
90 Daily Evening Bulletin (San Francisco, CA), April 19, 1871.
91 Ibid.
King Cakobau continued to behave in a way that the white settlers viewed as hostile. In November 1873, John Hall James told his father that the Fijian government had confiscated several plantations from their owners, apparently by disallowing the sales by which the land was obtained. James became increasingly disparaging of Fijians, who he deemed lazy and shiftless because of their refusal to work for wages. Contract laborers were scarce and he could get only 10 men, not nearly enough to pick his cotton. When the time to pay those men off came in August 1874, James had no money. He was soon reduced to a bare subsistence mode of survival. He was still hopeful, however. Hennings Brothers were still extending him credit, and the Hennings were as optimistic as he was that the cotton market would soon recover. It did not.92

Not long after he arrived in Fiji in the summer of 1875, James Lyle Young wrote in his journal:

It is inexpressibly sad to look back on the roll of sanguine, adventurous, high-spirited [sic] young men who came to Fiji 5 or 6 years ago, and invested their all in land and labourers, and to consider that in every case they have lost their money, their time, and some of them their characters. Most of them are entirely penniless, there is no employment to be obtained in Fiji and those who are fortunate enough to have friends who will send them money to leave the country do so, those who have not are living almost on charity. And saddest of all, not young men alone, but married men, and fathers of families are in the same position. … They spent all their cash in getting land, labour, etc. and in getting off the first crop of cotton, and then they had to wait 12 or 18 months for returns from England, and to run in debt to the store-keepers (who were very willing that they should do so, for they were “cotton mad” like everybody else) and when the long looked for returns came out, behold!, their cotton had only realized 2/ per lb. instead of 4/—. This one would think would be a damper, but no, they

92 John Hall James, Correspondence and Diary [Correspondence, Fiji, 1870-75, and Diary of the Ba Campaign, May 1873]. Pacific Manuscripts Bureau, The Research School of Pacific Studies, The Australian National University, Canberra, Australia. Microfilm.
said, and the storekeepers said, it was nothing, cotton would soon “rise” again, alas it never “rose”, but continued to fall until it would not pay to grow at all.93

It was the obituary of the cotton industry in Fiji. In the final analysis, Fiji never produced a significant amount of cotton. At its peak, annual production probably did not exceed 1 million pounds. That was less than half of England’s needs for one day, and it did not come to market until after the cotton crisis had passed. Within a year or two of Young’s visit to Fiji, the cotton fields lay abandoned, the untended cotton plants growing wild.

The cotton boom caused by the American Civil War brought about profound changes in Fijian society and had a lasting affect on its future, however. Faced with growing hostility from the financially distressed British and American settler-planters, Cakobau appealed in desperation to the British government for protection in the spring of 1874. This time, the government headed by Prime Minister Benjamin Disraeli agreed. In a ceremony held on October 10, 1874, Cakobau formally surrendered his war club, the symbol of his chiefly power and authority to Sir Hercules G. R. Robinson, who accepted it on behalf of Queen Victoria. Sailors of the Royal Navy then raised the Union Jack over Fiji, where it flew for ninety-six years, until Queen Elizabeth II formally restored Fiji’s independence on October 10, 1970.94 At the time Britain assumed her protectorate over Fiji, hopes were still high that the islands would become a major source of cotton.95 Those hopes never materialized


94 Derrick, A History of Fiji, 249.

95 James Herman De Ricci, Fiji: Our New Province in the South Seas (London: Edward Stanford, 1875), 129-130.
despite repeated attempts by the British colonial government to encourage cotton growing.\textsuperscript{96}

\textsuperscript{96} Todd, \textit{The World’s Cotton Crops}, 337.
Chapter 12
The Restoration of King Cotton

On the sunny, pleasantly warm afternoon of Sunday, April 23, 1865, a seagoing steam launch intercepted the Cunard Line’s paddlewheel packet steamer R.M.S. Asia as she was passing Cape Clear, the bleak, rocky promontory at the southwestern extremity of Ireland. The fast, iron hulled Asia was nearing the end of a thirteen-day Atlantic crossing from New York to Liverpool with the American mails. As the speeding packet passed the hove-to launch, a sailor on the fantail of the Asia dropped a special waterproof metal message canister into the sea. A crewman aboard the launch retrieved the buoy-like canister from the water with a boathook, and then the boat turned northwest and sped 8½ miles toward the white lighthouse that marked the two rocky headlands between which lay the narrow inlet that served as harbor for the tiny fishing village of Crookhaven, Ireland. Upon arrival at Crookhaven, the message canister was rushed to the British and Irish Magnetic Telegraph office.¹ Inside the canister was an urgent dispatch to The Times from its correspondent in New York dated April 10. The Crookhaven telegrapher immediately sent the message over the wires to London. The telegram’s header read, “Surrender of Lee.”²

News that General Lee had surrendered was not initially taken to mean that the Civil War was over. As had been the case at its beginning, realization that the

¹ George Saward, The Trans-Atlantic Submarine Telegraph: A Brief Narrative of the Principal Incidents in the History of the Atlantic Telegraph Company (London: Printed for Private Circulation, 1878), 5-6; John William Norie, Sailing Directions for the South, West, and North Coasts of Ireland (London: C. Wilson, 1854), 20; Times (London), April 24, 1865. Royal Mail ships dropped high priority telegrams from New York for European addressees at Cape Clear for transmission from Crookhaven from 1862 until the trans-Atlantic telegraph cable came into operation. The method speeded delivery by about 24 hours.

² Times (London), April 24, 1865.
Civil War was over was slow to dawn in Britain. On the Monday following the arrival of the Asia with the news that Lee had surrendered, the price of American cotton on the Liverpool Exchange rose slightly, from the previous Friday’s 13 d., the lowest price during all of 1865, to 14¼. Convincing news that the Civil War was over came on May 12, 1865, when the Cunard packet Persia brought news that General Edmund Kirby Smith, commander of Confederate forces in Arkansas and Texas, the last Confederate army in the field, had notified Union commanders of his intention to surrender if permitted to do so on the same terms as Lee and Johnston. No one knew what the war’s end would bring, nor what it meant for the cotton supply situation. Many feared that an enormous quantity of American cotton grown during the war and stored would now swamp the market. The price of American cotton remained static at fractionally over 14 d. until May 26, when speculators bid up the price to 15¼ d. after reports arrived that large amounts of cotton had been burned during the last weeks of the war.

There were doubts about whether or not the independence from American cotton that Britain had achieved during the war could be maintained. In its first issue after news that the Civil War was definitely over arrived in England, The Cotton Supply Reporter said:

The war is over, it has come to an end rapidly and suddenly, like the breaking of a winter’s frost. With its termination comes also the critical period long expected for all new cotton growing countries. During its process the most strenuous efforts have been made

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4 Times (London), May 13, 1865. Gen. Kirby Smith formally surrendered at Galveston, Texas, on June 2, 1865.

everywhere to meet the emergency which had arisen; are these efforts now to be paralysed, and must we, as regards our future cotton supplies, return to the *status quo ante bellum*?\(^6\)

Cotton prices from June 1865 until the end of the year reflected the uncertainty about future supplies. Prices reached 19¾ \(d\). on June 30, and then stagnated until August 11, when they dropped to 18¾ \(d\.\) and remained unchanged for five weeks. A brief flurry by speculators pushed the price to 24½ \(d\.\) on October 13, and then reports that large amounts of cotton had been grown and hidden during the war triggered an erratic decline that ended the year with the price at 20¾ \(d\.\) per pound.\(^7\) The Cotton Supply Association began the year 1866 with the observation:

> The year opens upon us with still much uncertainty as to what are to be our future supplies of cotton. Prophets have appeared, and prognostications, cheering and gloomy as interest or prejudice dictated, have been published, but the vexed question yet awaits a satisfactory solution.\(^8\)

About the only thing that virtually everyone agreed on was that the American cotton plantation system was dead. The “no slaves, no cotton” premise remained very much alive. It was therefore assumed that the new normal for cotton prices would be considerably higher than it was before the war. There were several reasons for this assumption.

Within weeks of the end of the Civil War, the British Foreign Office sent Captain W. Hickens of the Royal Engineers on a reconnaissance through the Southern cotton belt states in an effort to discover the potential for recovery. Misled by the

\(^6\) *Cotton Supply Reporter* (June 1, 1865): 1657.


\(^8\) *Cotton Supply Reporter* (Jan. 1, 1866): 1769.
horrible conditions of chaos, destitution, disease, and death among newly freed slaves that he saw in the South, Hickens concluded that wartime mortality among blacks was far higher than it really was. He reported to London that one-fourth of the pre-war black population had died.\(^9\) Hickens went on to lament, “I very much fear that we must look forward to a still further decrease year by year, and ultimately to the almost total extinction of the race.”\(^10\) Further, Hickens concluded that black labor would be only half as productive as it had been before the war. Hickens doubted that free blacks would work beyond what was necessary for their subsistence. Although Hickens thought that white laborers could work in the cotton fields, he predicted that so long as the South was treated as conquered enemy territory and kept under martial law immigrants would be deterred from going there. As a result, Hickens thought that an American crop of 2 million bales was all that could be expected for years to come. American mills would consume most of it. This combination of factors led Hickens to conclude:

> Whatever the amount of cotton in future produced in America, and I believe that it will eventually be as large each year as before the war; it is not likely that it will ever again be nearly as cheap as in the old days; indeed, the only temptation to white immigrants to undergo the enervating effects of agricultural labour in the South, is the very high money reward promised by the extravagant price of cotton.\(^11\)

Maurice Williams, the Liverpool cotton broker, assumed that the number of African-American laborers had been reduced by one-half, “owing to deaths from

\(^9\) *Cotton Supply Reporter* (Feb. 1, 1866): 1795.

\(^10\) Ibid.

\(^11\) Ibid.
disease, war, and destitution.”\textsuperscript{12} In his estimation of prospects for the future, Williams stated that without forced labor, American cotton production was unlikely to exceed 1 million bales in 1866 and for many years thereafter. With American mills expected to use 750,000 bales of the American harvest, and with stocks of cotton goods exhausted worldwide, Williams expected the supply situation to remain critically tight. He warned that, “until the time arrives when the production of Cotton throughout the world exceeds the manufacturing power in existence, they [spinners and cloth manufacturers] cannot expect to witness a return to a low scale of prices.”\textsuperscript{13}

Americans from North and South shared the beliefs expressed by Hickens and Williams to one degree or another. George M’Henry, a Pennsylvanian living in London, declared, “cotton can only be cultivated extensively in the Southern States by negro labour, and negro labour can only be controlled under the semi-patriarchal system called slavery.”\textsuperscript{14} Unlike Hickens, M’Henry thought that the hot climate of the South precluded employment of white labor in the cotton fields. M’Henry shared Hickens belief that unless employed in the cotton fields, the Negro race was doomed to eventual extinction in North America. M’Henry thought that the United States would soon backtrack on emancipation and put in place some form of compulsory labor.\textsuperscript{15} The alternative was a permanently reduced supply of cotton and continuation

\textsuperscript{12} Williams, “The Cotton Trade of 1865,” in \textit{Seven Years History of the Cotton Trade of Europe, 1861 to 1868}, 19.

\textsuperscript{13} Ibid, 20.


of the high prices then prevailing, a situation that would compel a restructuring of the Western world’s capitalist-industrial economy.\textsuperscript{16}

Other Northerners were more optimistic. They believed that the end of the plantation system would result in redistribution of the land into smaller parcels on the model of midwestern grain farms. Southern landlords would be forced to sell by economics, not by confiscation. In this projected scenario, white farmers would buy the subdivided plantations, hire the freedmen as wage laborers, and mechanize Southern agriculture. Cotton would remain the principal crop. Interestingly, the Boston elite opposed giving land to the freedmen. In a report prepared for the Boston Board of Trade in 1867, a committee composed of Edward Atkinson, E. R. Mudge, George L. Ward, C. W. Freeland, and C. O. Whitmore wrote that doing so ran, “the great risk of ruining the negro population by bestowing land upon them before they have, by earning it, educated themselves to its proper use.”\textsuperscript{17} This committee thought that the system of small farms that they envisioned would soon produce cotton crops of 3 million bales, making the aggregate world supply 6 million bales. The increased supply would bring prices down to somewhere between 10 cents and 13 cents per pound. These prices would be high enough to sustain efficient American cotton farmers, but so low that marginal overseas competitors would be forced out of cotton growing. The United States would then, “regain the monopoly or absolute control of the markets of the world.”\textsuperscript{18}

\textsuperscript{16} M’Henry, \textit{The Cotton Supply of the United States of America}, 41 and 51-52.

\textsuperscript{17} Boston Board of Trade, \textit{Report of a Committee of the Boston Board of Trade upon the Cotton Tax} (Boston: Prentiss & Deland, 1867), 7-8.

\textsuperscript{18} Ibid, 9.
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William J. Barbee, a De Soto County, Mississippi, physician wrote, “What changes may be brought about by the abolition of slavery we are not fully prepared to say. We presume, however, that the arrangements will not be quite so extensive, and the bales will not be piled quite as high.” At the time of Barbee’s writing, a precursor of the sharecropping system was already in place in Mississippi, with the freed slave given one-third to one-half of the crop in return for his labor. Barbee believed that the freedmen’s lack of a work ethic precluded its success, however. He wrote, “when left alone to themselves, they do precisely as all the race have done who have gone before them. They sink down into idleness, filth, disease, and death.”

Provided that the price of cotton remained at 30 cents per pound or above, Barbee foresaw a closely supervised wage labor system in which one man would be able to work 15 acres of land; 10 acres in cotton and 5 acres planted in corn, fodder, and food crops. Cotton farms would be 100-200 acres, each employing six or more black laborers. Barbee scoffed at the notion that cotton farming could be mechanized. In Barbee’s words, advertisements for cotton-picking machines placed in the newspapers by Northern inventors, “remind us of the wonderful virtues of infallible patent medicines.” There was, Barbee declared, “no machine equal to the fingers of a good stout, brisk negro” for picking cotton. Barbee warned that unless a system of


20 Barbee, The Cotton Question, 103.

21 Ibid, 82-83.

22 Ibid, 94.

23 Ibid.
compulsory contract labor was put in place to compel the freedmen to work, “they will degenerate and become extinct.”\textsuperscript{24}

The prices offered for cotton on the Liverpool market reflected the uncertainty about future supplies. The price for “Middling Orleans” grade American cotton peaked at 31\(\frac{3}{4}\) d. on July 22, 1864.\textsuperscript{25} At that point the speculative mania on the Liverpool market had “increased almost to recklessness.”\textsuperscript{26} Many of the speculators were not professional cotton brokers, but amateurs who had been drawn into the market by the phenomenal rise in prices from 1862 until 1864.\textsuperscript{27} When the speculative bubble was at its greatest, cotton was literally too valuable to spin into yarn. In September 1864 the bubble burst in what Maurice Williams called “a complete panic.”\textsuperscript{28} In March 1865 “a continuous panic prevailed amongst Cotton Holders” as fear that the South’s collapse was imminent gripped speculators.\textsuperscript{29} Prices fell to 13\(\frac{1}{2}\) d. on April 28, 1865.\textsuperscript{30} Fortunes were lost as the price of cotton fell. Amateur speculators were hit especially hard, and many of them were financially ruined. By November 1865, the supply of cotton was plentiful enough that the mills

\textsuperscript{24} Barbee, \textit{The Cotton Question}, 105.

\textsuperscript{25} Donnell, History of Cotton, 528-529.

\textsuperscript{26} Williams, “The Cotton Trade of 1864,” in \textit{Seven Years History of the Cotton Trade of Europe, 1861 to 1868}, 68.

\textsuperscript{27} Longmate, \textit{The Hungry Mills}, 272-273.

\textsuperscript{28} Williams, “The Cotton Trade of 1864.” in \textit{Seven Years History of the Cotton Trade of Europe, 1861 to 1868}, 69.

\textsuperscript{29} Williams, “The Cotton Trade of 1865,” in \textit{Seven Years History of the Cotton Trade of Europe, 1861 to 1868}, 13.

were again running at full capacity.\textsuperscript{31} There were worries that the market would collapse amid fears of a deluge of accumulated American cotton suddenly becoming available. News that enormous amounts of cotton had been burned in the last few weeks of the war temporarily restored confidence, however.\textsuperscript{32} Prices rose slowly to 24\textsuperscript{3/8} d. on October 13, 1865 and then began a slow decline to end the year at 20\textsuperscript{3/4}. Prices held near 20 d. until mid-March 1866.\textsuperscript{33}

In his prospectus for the upcoming 1866 American crop written on December 30, 1865, Maurice Williams advised his customers, “We cannot expect, I think, a crop in America in 1866 to supply their own and afterwards the consumption of the world for 1867, of more than 1,000,000 bales.”\textsuperscript{34}

News about the American crop planted in the spring of 1866 seemed to bear out the supposition that the United States was finished as a cotton producer. In January 1866 fears that the freed slaves might rise in a general rebellion were expressed in The Times. A more realistic concern was that planters had no money to pay laborers to plant and harvest a crop.\textsuperscript{35} American newspapers reported concerns that cotton seed that planters had kept stored since 1861 would not germinate. This seemed to be borne out when reports appeared that much of the seed planted in April

\textsuperscript{31} Longmate, The Hungry Mills, 279.

\textsuperscript{32} Williams, “The Cotton Trade of 1865,” in Seven Years History of the Cotton Trade of Europe, 1861 to 1868, 13-14.

\textsuperscript{33} Donnell, History of Cotton, 548-549.

\textsuperscript{34} Williams, “The Cotton Trade of 1865,” in Seven Years History of the Cotton Trade of Europe, 1861 to 1868, 19.

\textsuperscript{35} Times (London), Jan. 15, 1866.
in Louisiana, Mississippi, Florida, Arkansas, and Georgia had failed to germinate.\textsuperscript{36} Floods in June inundated large areas in Alabama and Georgia, drowning the cotton.\textsuperscript{37} A summer drought “unprecedented in our history” then withered crops across the entire Cotton Belt.\textsuperscript{38} An unseasonably early frost on the night of October 31, 1866, cut the growing season short over a large portion of the South.\textsuperscript{39} The \textit{New Orleans Price Current} estimated that the 1866 crop would not exceed 500,000 bales and might be as little as 400,000 bales. American mills were expected to need 750,000 bales, which would leave little for export even if the higher estimates of 800,000 to 1,000,000 bales proved correct.\textsuperscript{40}

For a time in the spring and summer of 1866 it seemed that the U.S. Congress might kill any hope of a recovery of cotton growing in the United States through tax policies. In July 1862, a tax of $\frac{1}{2}$ cent per pound was imposed on cotton. On January 30, 1864, the tax was increased to 2 cents. On March 3, 1865, the tax was increased to 2$\frac{1}{2}$ cents.\textsuperscript{41} In June 1865, Revenue Department official David A. Wells proposed that the tax be raised to 5 cents per pound. Senator Thaddeus Stevens argued for a tax of

\begin{footnotesize}
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\item \textsuperscript{36} \textit{Natchez Daily Courier} (Natchez, MS), Jan. 4, 1866; \textit{Daily National Intelligencer} (Washington, DC), April 28, 1866; \textit{Little Rock Daily Gazette} (Little Rock, AR), May 22, 1866.
\item \textsuperscript{37} \textit{Daily National Intelligencer} (Washington, DC), June 26, 1866.
\item \textsuperscript{38} Williams, “The Present Position of the Cotton Trade,” in \textit{Seven Years History of the Cotton Trade of Europe, 1861 to 1868}, 10.
\item \textsuperscript{39} Donnell, \textit{History of Cotton}, 558.
\item \textsuperscript{40} Ibid, 542.
\item \textsuperscript{41} Walter Lynwood Fleming, \textit{Civil War and Reconstruction in Alabama} (New York: Columbia University Press, 1905), 303.
\end{itemize}
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10 cents per pound, apparently as punitive war reparations from the South.\textsuperscript{42} The tax proposals brought howls of protest not only from the South, but from Northern business interests as well. On May 15, 1866, the New York Chamber of Commerce sent a petition to Congress in which it stated:

At this very time, when [the Southern farmer] is struggling for existence, a tax of five cents per pound is proposed, which being practically an export duty, is equivalent to charging him with that amount for the purpose of paying it over to the cultivators of India, Egypt, and Brazil.\textsuperscript{43}

Despite the protests, Congress raised the tax to 3 cents on July 3, 1866.\textsuperscript{44} On the day that the 3 cents per pound tax was imposed, “middling” grade cotton was selling for 37 cents in New York.\textsuperscript{45} That made the effective tax rate slightly over 8 percent. But because the tax was a fixed amount per pound, the percentage rate increased as the price of cotton fell. A particularly detrimental feature of the tax was that it was not collected at the point of sale, but had to be paid in advance by the planter before cotton could be shipped to market. Small farmers often lacked the money to pay.\textsuperscript{46} Moreover, the tax was a cost that could not be passed on to consumers, since the Liverpool spinners, not the American planters, set the price paid for cotton.


\textsuperscript{44} Fleming, \textit{Civil War and Reconstruction in Alabama}, 303.

\textsuperscript{45} Donnell, \textit{History of Cotton}, 546.

\textsuperscript{46} Boston Board of Trade, \textit{Report of a Committee of the Boston Board of Trade Upon the Cotton Tax} (Boston: Boston Board of Trade, 1867), 8.
This was the situation when the Cotton Supply Association held its ninth annual meeting in the Mayor’s Parlour in Manchester Town Hall on Friday afternoon, June 29, 1866. The tone was one of self-congratulation. Everyone present seemed to think that the American cotton monopoly was no more. During 1865 Britain had imported 2,755,000 bales of cotton, more than in any previous year. Over half of it came from India. Only 462,000 bales, or less than 17 percent, came from the United States. It appeared that Britain would henceforth receive most of her cotton from India, while Egypt, the Ottoman Empire, and Brazil would provide the remainder.47

No one seems to have expected that when the market data was tallied the 1866 American crop would come to 2,154,476 bales, more than double the highest estimate and more than five times the lowest. Debate raged about how much of the cotton that came to market in the 1866-67 selling season was grown in previous years and how much was new crop.48 Despite the quantity of cotton sold, the 1866 crop was regarded as a failure. Northern capitalists who lent money to finance cotton-growing enterprises in the South were disappointed, as were the Northerners who went south and became cotton planters. Most of them failed to turn a profit. In his prospectus for the 1867 crop dated December 31, 1866, Maurice Williams wrote, “The pecuniary loss reported to have been experienced by the great difficulty of obtaining efficient and permanent labor, in addition to the great falling off in their anticipated large crop, will it is thought operate unfavorably as regards planting the coming season.”49

47 Cotton Supply Reporter (July 2, 1866): 1865-1870.
48 Donnell, History of Cotton, 552-553.
49 Williams, “The Cotton Trade of 1866,” in Seven Years History of the Cotton Trade of Europe, 1861 to 1868, 26.
British buyers purchased 1,162,745 bales of American cotton during the 1866-67 marketing season, bringing Britain’s total importation or cotton from all sources to 3,749,000 bales, another record. This put the American share of the market at about one third, India’s share at one half, and the remainder split between Brazil, Egypt, the Ottoman Empire, and numerous smaller suppliers.\textsuperscript{50} The total supply of cotton from all sources was 760,000 bales more than expected. This surplus supply drove a surge in the production of cotton goods similar to those seen before the American war.\textsuperscript{51}

The surge did not bring prosperity to Britain, however. In the summer of 1866, Britain was in the midst of a severe economic convulsion. The obvious reasons for the economic difficulties were paradoxical. One reason was the enormous losses suffered when the cost of cotton fell from its 1864 high. Another reason was that cotton was still too high priced to make into cloth that could be priced low enough to sell on the world’s markets. During the peak delivery season from October 1866 to March 1867, American cotton in Liverpool averaged over 14 d. and sometimes sold for as high as 16 d. per pound. Prices on the New York Cotton Exchange for the 1866-67 marketing season averaged over 32 cents and were occasionally as high as 44 cents.\textsuperscript{52} Yet high as the prices were, they were down nearly one-third from the average of nearly 20 d. in 1865 and were only half the prices seen in 1864.\textsuperscript{53}

\textsuperscript{50} Ibid, 2; E. J. Donnell, \textit{History of Cotton}, 547.
\textsuperscript{51} Williams, “The Cotton Trade of 1866,” in \textit{Seven Years History of the Cotton Trade of Europe, 1861 to 1868}, 2.
\textsuperscript{52} Donnell, \textit{History of Cotton}, 556-560.
\textsuperscript{53} Ibid, 528-529 and 534-535.
Britain’s economy was suffering from deeper problems as well. During the Civil War, at least 263 new limited liability corporations known as “financial companies” were formed. Most of these institutions were brokerages, but the list included 27 banks and 15 discount companies. Their business was to finance risky long-term overseas development projects, mostly railroads that were dependent on revenues from cotton growing in the remote areas that they served, by issuing what in modern terminology might be called “junk” bonds. The companies also issued bonds to finance shipping firms engaged in the highly profitable but risky business of blockade running. These bonds were then discounted (bought at less than face value) by banks as investments. In March 1864, more than £78 million worth of these bonds had been issued.\textsuperscript{54}

With the end of the American Civil War, many of the railroad projects, such as the Euphrates Valley Railway, were cancelled. It was realized that others, such as Egypt’s and India’s railroads, would take many years to be completed and return a profit to investors.\textsuperscript{55} The end of the war also brought a sudden halt to the profitable business of blockade running. Companies that had been formed specifically to engage in it, most of which were limited liability corporations that owned no assets except for their one ship, went out of business almost immediately. Further, new steamships built specifically as blockade-runners sacrificed cargo capacity, seagoing endurance,

\textsuperscript{54} Henry Dunning MacLeod, \textit{The Theory and Practice of Banking}, vol. 2 (London: Longmans, Green, Reader & Dyer, 1866), 156-157.

\textsuperscript{55} Ibid.
and seaworthiness for high speed, characteristics that made them unsuited for use in peacetime trade.\footnote{Longmate, \textit{The Hungry Mills}, 233.}

In January 1866, a cascading collapse of the financial companies began with the failure of the Joint Stock Discount Company. At the end of April 1866, Barred’s Bank failed, with over £3 million in losses. The London firm of Overend, Gurney & Company, one of the largest of the finance companies, went bankrupt shortly thereafter. Overend, Gurney & Company’s liabilities in excess of its assets amounted to over £10 million, and its bankruptcy was called, “the most stupendous failure that ever took place in the City.”\footnote{MacLeod, \textit{The Theory and Practice of Banking}, 158.} Starting on May 13, 1866, the Bank of England advanced over £12 million in five days in an effort to prop up the banking system, but to no avail. Consolidated Bank of London, Oriental Commercial Bank, the Commercial Bank of India, and the New Zealand Bank failed in rapid succession before the end of May. Agra and Masterman Bank failed on June 7. In July, the Bank of Birmingham and the Preston Banking Company failed. In reaction to the banking crisis, the Bank of England raised the discount rate (the interest rate that it charged on loans to other banks) to 10 percent in May and maintained it throughout most of the year.\footnote{Ibid, 159; \textit{Times} (London), June 7, 1866.} The financial crisis forced a massive sell off of cotton by speculators, while at the same time high interest rates and tight credit hampered manufacturers’ ability to buy cotton for production. The outbreak of war between Austria and Prussia in June aroused fears that Europe might become embroiled in a general war. The war scare
caused further disruptions in the financial markets that had an adverse affect on the cotton trade.\textsuperscript{59}

By October 1866 mills were again closing and laying off workers.\textsuperscript{60} The problem was not over production of cotton goods, but the deepening economic crisis. Maurice Williams wrote in his recap for the year that, “the Stocks of Cotton Goods now in Manufacturers’ hands is exceedingly small.”\textsuperscript{61} A poor grain harvest caused food prices to rise sharply, and cloth manufacturers began to worry about the English domestic market. The export market was in trouble as well. A large number of trading companies engaged in the export of goods to India and China failed in November. Their bankruptcies caused severe losses to banks that specialized in financing the Far East trade. The banks, fearing that other trading firms would fail, became increasingly reluctant to finance export shipments. Exporters, anticipating a collapse in prices, became reluctant to place orders for cotton goods.\textsuperscript{62} Maurice Williams described 1866 as the “most disastrous” year in the Liverpool cotton trade’s history.\textsuperscript{63}

By the spring of 1867, expectations about the future of American cotton growing varied so widely as to be meaningless. Maurice Williams reported estimates

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\textsuperscript{59} Williams, “The Cotton Trade of 1866,” in \textit{Seven Years History of the Cotton Trade of Europe, 1861 to 1868}, 16-17.

\textsuperscript{60} Ibid, 22.

\textsuperscript{61} Ibid, 12.

\textsuperscript{62} Williams, “The Cotton Trade of 1866,” in \textit{Seven Years History of the Cotton Trade of Europe, 1861 to 1868}, 22-23; MacLeod, \textit{The Theory and Practice of Banking}, 159.

\textsuperscript{63} Williams, “The Cotton Trade of 1866,” in \textit{Seven Years History of the Cotton Trade of Europe, 1861 to 1868}, 3.
for the next crop of from 2,100,000 bales to 2,800,000 bales. H. P. Walker, the British consul in Charleston, South Carolina, informed the Cotton Supply Association in May 1867 that Charleston would ship only 150,000 bales from that year’s crop, whereas before the war the seaport exported 550,000 bales. There was a shortage of labor. Famine conditions had induced many of the freedmen in South Carolina to take to the road looking for better prospects elsewhere. Draft animals were in short supply. Railroads and other infrastructure was completely wrecked. Walker did not think that there was much if any chance for improvement.

Planters had no money to meet expenses or pay labor. Many had gone heavily into debt to buy slaves before the war, and although the slaves were now free, the debts were still due. Further borrowing to finance the cotton crop was not possible. Credit was tight, and banks were charging interest rates of 1½ percent per month. Reports that army worms were doing great damage to the cotton crop in the Mississippi Valley added further gloom to the dismal outlook.

Had H. P. Walker’s estimate for Charleston been extrapolated to the entire Cotton Belt based on the 1860 crop, the expected American 1867 crop would have been about 1,275,000 bales. The weather that summer was in the words of Columbus, Mississippi, planter A. S. Humphries, “most propitious for the growing crops, and the

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64 Williams, “The Cotton Trade of 1867,” in Seven Years History of the Cotton Trade of Europe, 1861 to 1868, 10.

65 Cotton Supply Reporter (July 1, 1867): 2065.

66 Milwaukee Daily Sentinel (Milwaukee, WI), Oct. 15, 1867.

67 Daily National Intelligencer (Washington, DC), Sept. 16, 1867.
yield of cotton and corn surpassed the expectations of the most sanguine." Almost twice the expected amount of cotton, 2,520,000 bales, actually came to market.  

While the 1867 cotton crop season was in progress, a campaign to repeal the cotton tax was underway by cotton planters, businessmen from both the North and South, and Reconstruction state governments. Many of those who had previously sought to destroy the American cotton monopoly now sought to restore it. A committee of the Boston Board of trade that numbered Edward Atkinson among its members wrote in its petition to Congress, "Your committee urge the repeal of the tax upon cotton, because it indirectly gives too great encouragement to the growth of cotton in other countries." Opposition to the tax in the South came from all classes of people, black and white. Alabama provides some vivid examples. Governor Robert M. Patton, a wealthy planter who had owned 300 slaves before the Civil War, and who, though an anti-secessionist Whig, had supported the Confederacy after the war began and whose two sons were killed while serving in the Confederate army, petitioned Congress to repeal the tax. Benjamin Sterling Turner, a freed slave who was then serving as a city official in Selma and who would be elected to Congress in 1870, denounced the cotton tax, calling it, "unjust, inequitable, and

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70 Boston Board of Trade, Report of a Committee of the Boston Board of Trade upon the Cotton Tax, 5.  
unconstitutional.”\textsuperscript{72} Alabama’s freedmen, including 10,000 who had served in the Union army, and poor white farmers, about 2,500 of whom had also served in the Union army, joined with ex-Confederates to protest against the tax. Congress heeded the protests and enacted legislation that reduced the cotton tax to 2½ cents per pound effective September 1, 1867. The legislation stipulated that the cotton tax was to be abolished effective August 31, 1868.\textsuperscript{73}

In Britain, the ongoing economic crisis and declining prices for raw cotton had a synergistic effect upon one another. Cotton opened the year 1867 in the Liverpool market at 15$\frac{5}{8}$ d. and remained around 15 until the end of February, when it peaked at 16½ d. per pound. A combination of larger than expected supplies of cotton from all sources, but particularly American, and news of slack orders for cotton goods then sent the market into a steady downward trend until mid-April, when prices stabilized at slightly over 11 d. per pound. Prices remained stable until the end of June, when another large arrival of cotton from India caused prices to drop to around 10½ d. These prices held and even showed a slight recovery to the 11 d. range before dropping to 9 d. in the middle of September.\textsuperscript{74}

Then, at ten minutes before 3 o’clock on Monday, October 21, 1867, a disaster struck the British cotton industry. At that moment, the president of the Royal Bank of Liverpool announced that the bank could not meet its obligations and ordered that the bank’s doors be closed. The stated reason was that London banks had refused

\footnotesize{\textsuperscript{72} Stephen Middleton, \textit{Black Congressmen During Reconstruction: A Documentary Sourcebook} (Westport: Greenwood Press, 2002), 353.}

\footnotesize{\textsuperscript{73} Fleming, \textit{Civil War and Reconstruction in Alabama}, 303.}

\footnotesize{\textsuperscript{74} Donnell, \textit{History of Cotton}, 556-557.}
to discount notes held by Royal Bank for loans to shipping companies.\textsuperscript{75} A preliminary report by H. W. Banner, an outside accountant hired by the shareholders, indicated that Royal Bank had assets of £2,470,000 against a projected loss of £770,000.\textsuperscript{76} The losses were in fact far worse.\textsuperscript{77}

Royal Bank’s failure shook popular confidence in banking. An investigation revealed that Royal Bank had operated in “a character compelling the conviction of great and reckless mismanagement.”\textsuperscript{78} It was revealed that insider loans were largely to blame for Royal Bank’s insolvency. In the words of a scathing editorial in \textit{The Times}, “some of the directors are indebted to the Bank far beyond the value of any securities deposited by them, and, indeed, beyond the hope of recovery.”\textsuperscript{79} Favored firms had received loans far in excess of what prudent banking practices allowed. It was alleged that Royal Bank had agreed to finance Messrs. Wilson, Cunningham, and Company, a shipping firm whose balance sheet indicated that it was bankrupt, under terms that virtually guaranteed the proprietors of the company against personal losses.\textsuperscript{80} It was further alleged that Royal Bank’s manager and two paid directors had made the several large, high-risk loans that led to the bank’s collapse without the knowledge or consent of the other members of the board of directors.\textsuperscript{81}

\textsuperscript{75} \textit{Times} (London), Oct. 22, 1867 and Oct. 23, 1867.

\textsuperscript{76} \textit{Times} (London), Oct. 24, 1867.

\textsuperscript{77} \textit{Times} (London), Sept. 23, 1868.

\textsuperscript{78} \textit{Times} (London), Nov. 15, 1867.

\textsuperscript{79} Ibid.

\textsuperscript{80} \textit{Times} (London), Oct. 23, 1868.

\textsuperscript{81} Ibid.
Seddon and Company in Liverpool was one of the firms to which the Royal Bank made questionable loans. According to a letter sent to *The Times* by the management of Seddon and Company, in June 1864 the firm had pledged its entire assets, for which it had paid an actual capital investment of £200,000, to the bank as security for operating loans. The assets included, “first, a cotton factory of nearly 100,000 spindles; secondly, in about 21,000 tons of shipping, nearly all new; and, finally, in a large quantity of cotton, in the import of which the firm had gradually increased their business from the quantity necessary to supply the factory.”

At the time it mortgaged its assets to the bank, Seddon and Company had a surplus of £42,000 cash on hand. When the company went into liquidation, it owed the Royal Bank £250,000 in loans and had overdrawn its revolving operating account £40,000. Seddon and Company’s management told *The Times*, “The times have been too hard for us; losses on operations already entered into in cotton were of necessity realized, and to a serious amount.” The company was forced to sell its mill, described as “a splendid property and economically built,” for half its original cost, an actual capital loss of £45,000. Seddon and Company sold its nearly new ships at a loss of at least £125,000.

Several probabilities can be deduced from Seddon and Company’s statement and the available information. First and foremost, the company’s distress was likely

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83 Ibid.
86 Ibid.
the result of speculative purchases of cotton during the months following June 1864, when cotton was at its highest price. The benchmark “Middling Orleans” grade American cotton peaked at 31¾ d. on July 22, 1864. Indian Surat cotton peaked at 24 d. on the same day. The Bank of England, in an attempt to quell the speculative bubble, tightened credit and raised interest rates from 7 to 9 percent during the summer. By October 1864, as cotton prices declined steadily, rumors were rife that several large Liverpool trading firms were on the verge of failure. On April 28, 1865, Middling Orleans cotton sold for 13½ d. per pound. Indian Surat cotton was 9 d. per pound on that day. The Middling Orleans price recovered to 20¼ d. and Surat to 17¾ d. on December 31, 1865, but still the loss to speculators who had purchased cotton at the height of the bubble was severe. The price of Middling Orleans cotton declined from 21 d. on January 4, 1866 to 12½ d. on May 17. This led to speculators incurring further losses. The market’s recovery to 15¼ d. at the end of the year set the stage for another round of losses in 1867. During 1867, prices for Middling Orleans declined steadily from 15¼ d. to 7 3/8 d. on December 31. Indian Surat type cotton declined from 12¾ d. to 5¼ d. per pound.

Royal Bank was not a limited liability corporation. Under English banking laws of the time, Royal Bank’s shareholders, many of whom were connected with the cotton trade, were personally responsible for the bank’s debts in proportion to the

87 Donnell, History of Cotton, 528-529.
88 Ibid, 534-535.
89 Ibid, 548-549.
90 Ibid, 556-557.
number of shares of stock that they owned.\textsuperscript{91} Depositors and shareholders alike were understandably furious. Subsequent attempts by Royal Bank’s managers to conceal the causes of the bank’s failure only increased the anger.\textsuperscript{92} At a special meeting in Liverpool on November 14, 1867, at which the Lord Mayor, Edward Whitley, was present as an aggrieved depositor, it was agreed after much negotiation and wrangling that the Royal Bank would pay its depositors and creditors in installments at 6, 12, 18, and 24 months.\textsuperscript{93} When the final settlement was made, Royal Bank’s capital, reserve fund, and physical assets were insufficient to cover its liabilities. Shareholders had to make up the shortfall, an amount between £400,000 and £500,000.\textsuperscript{94}

New York cotton broker E. J. Donnell listed the collapse of Royal Bank as the reason for the massive sell off of cotton that began in November, as persons involved with the bank were forced to sell their cotton to raise cash. Prices on the Liverpool Exchange dropped more than 30 percent between November 7 and December 31, 1867. American cotton ended the year at 7 \(\frac{3}{8}\) d. per pound. Surat-type cotton followed a steady downward trend from 12\(\frac{3}{4}\) d. at the beginning of the year to 5\(\frac{1}{4}\) d. on December 31, 1867.\textsuperscript{95} The new Atlantic telegraph cable brought news of Royal Bank’s failure to the United States on the same afternoon, and American newspapers followed the story as it developed, but prices on the American cotton markets were

\textsuperscript{91} Times (London), Nov. 13, 1867.

\textsuperscript{92} Times (London), Sept. 18, 1868.

\textsuperscript{93} Times (London), Nov. 14, 1867 and Nov. 15, 1867.

\textsuperscript{94} Times (London), Sept. 23, 1868.

\textsuperscript{95} Donnell, History of Cotton, 556-557.
Prices on the New York Cotton Exchange remained steady, hovering between 16½ and 18½ cents from November 22 until the end of the year. So confused was the situation at that point that Maurice Williams wrote in his prospectus for 1868, “we decline at the present moment to indulge in any prognostication as to the future of Cotton.”

The prognostications that were made turned out to be wrong. The Times of London, in its “The Trade of 1868” recap, stated that at the beginning of the year, “The demand for yarns and goods had been so small [in 1867] compared to the production, while foreign markets were then fully supplied, that it was not believed to be possible the trade during 1868 would increase their consumption of cotton.”

Demand for goods in fact increased in 1868. Manufacturers ended the year with only a small inventory of goods on hand. There were contradictory indicators in the situation, however. Stocks of unsold goods were accumulating in India and China. Manufacturers in the United States were meeting more of the American demand, with the result that less cloth was imported from Britain. Domestic sales were also weak because of the effects of the financial crisis that began in 1866.

In its front-page New Year’s Day editorial on January 1, 1868, The Cotton Supply Reporter expressed confidence that the cotton supply situation had

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97 Donnell, History of Cotton, 566.

98 Williams, “The Cotton Trade of 1867,” in Seven Years History of the Cotton Trade of Europe, 1861 to 1868, 19.

99 Times (London), Jan. 6, 1869.

100 Ibid.
stabilized. Other observers were less optimistic. David A. Wells, the U.S. Special Commissioner of Revenue, pointed to an ominous portent for the cotton economy’s future trajectory when he wrote, “In short, under the stimulus of high prices, the world has produced more cotton than it can consume at the prices of the day.” The situation did not bode well for the British cotton industry. High prices were disastrous for the industry, but Maurice Williams worried that the decline in prices that had occurred since 1864 might cause countries that had boosted production because of the high prices to abandon or curtail their cotton growing. Low prices and the necessity of paying what Williams described as “high wages” to free laborers in the United States might check the recovery of cotton in America. Williams warned, “we may yet have to witness a repetition of higher prices, should there be, even for one season, any cessation or serious diminution in the growth of Cotton throughout the world.”

Cotton now seemed to conform to the conventional law of supply and demand, but with a new paradox. High prices for the raw material were disastrous for the cotton manufacturing industry, because the price of goods were too high for the markets, but only high prices for raw cotton could assure a large enough supply of cotton to keep the industry operating at full capacity. This new economic paradigm of scarcity and high prices, though bad for the British manufacturers, looked promising for cotton growers, and encouraged them to plant all of the cotton that they possibly

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101 Cotton Supply Reporter 1, no. 168 (Jan. 1, 1868), 2153.
102 Cotton Supply Reporter 1, no. 168 (Jan. 1, 1868), 2156. Italics in original.
103 Williams, “The Cotton Trade of 1867,” in Seven Years History of the Cotton Trade of Europe, 1861 to 1868, 3.
could. In cotton country towns such as Columbus, Mississippi, there was a prevailing sense of recovery, reviving commerce, and returning prosperity.\textsuperscript{104}

The world was receiving conflicting messages, however. John Everitt, the son of Northern businessman and politician Edward Everitt, toured the Mississippi Valley in the winter and early spring of 1868. In a letter to the British \textit{Morning Star} newspaper dated Memphis, Tennessee, March 23, 1868, John Everitt wrote:

The entire system of planting as it was, is utterly at an end. Since the war they [plantation owners] have lost in endeavouring [sic] to keep up the old \textit{régime} six hundred millions of dollars. Every Planter is ruined, and they have pulled down with them every Southern merchant; the machinery of labor as it was, is broken up, and neither the late slaves or their masters are equal to the new situation. … About one-third [of the freed slaves] have died off, and the general leaning of most of them is toward cities. … [T]he children of the colored people, particularly the young ones, suffer most; and multitudes are dying out, and unless some great change takes place, the race seems destined to melt away altogether. … The only course open to the people of this country is to cut up the large plantations into small ones, cultivate all kinds of crops, multiply all kinds of industries, and betake themselves to self-help.\textsuperscript{105}

The American crop that was being planted as John Everitt was writing his letter to the \textit{Morning Star} defied attempts to predict what production would be. At the beginning of picking season, the \textit{New Orleans Price Current} predicted a crop of from 2,750,000 to 3,000,000 bales. A yield greater than 3,000,000 bales was thought to be impossible because of insufficient labor.\textsuperscript{106} The pessimism seemed to be justified when the 1868-69 marketing season saw only 2,260,557 bales of cotton come to

\textsuperscript{104} A. S. Humphries to John Everitt, Feb. 25, 1868, quoted in Maurice Williams, “The Present Position of the Cotton Trade. 1\textsuperscript{st} May, 1868,” in \textit{Seven Years History of the Cotton Trade of Europe, 1861 to 1868}, 10.


\textsuperscript{106} Donnell, \textit{History of Cotton}, 573.
market. This was not only 490,000 bales short of the lowest estimate, but 170,336 bales less than the previous year. The decline was consistent across all the cotton growing states. Louisiana showed a decline of 24,974 bales, Alabama a decline of 135,467 bales, Georgia a decline of 137,752 bales, South Carolina a decline of 41,282 bales, and Tennessee a decline of 52,969 bales.\textsuperscript{107} The American recovery seemed to be faltering. As a result prices for American cotton in Liverpool averaged 10.64 d. during the calendar year 1868, and were at times over 12¾ d. per pound.\textsuperscript{108} It appeared that the new paradigm of scarcity and high prices would be permanent for the foreseeable future.

High prices on the American cotton markets encouraged planters to increase production to the greatest extent possible. On December 12, 1868, 20 cents per pound was being paid for cotton in Columbus, Georgia. Fifty thousand bales were expected to sell in Columbus, for a gross amount of $5 million. From that amount, planters were expected to net a profit of $4 million. The editor of the Columbus \textit{Sun} remarked, “Somebody will have some funds, and a few men will not have it all.”\textsuperscript{109} For the first time, Liverpool buyers ventured into the hinterlands to buy cotton directly from growers. Their presence in the countryside and active buying attracted attention, as was the case in Selma, Alabama, where in late December an English buyer purchased several hundred bales of cotton for shipment to Liverpool.\textsuperscript{110} On December 31, 1868,

\textsuperscript{107} Ibid, 570-571.

\textsuperscript{108} Ibid, 564-565.


\textsuperscript{110} \textit{Charleston Courier, Tri-Weekly} (Charleston, SC), Jan. 5, 1869. Story copied from the Selma, Alabama, \textit{Times}.
cotton was selling at New Orleans for prices ranging from 12¼ cents for the lowest grades to 15½ cents for the best quality. The *New Orleans Commercial Bulletin* told its readers that there was “spirited demand” for cotton, and that the supply was “inadequate to the demand.”¹¹¹

The profitability of the short 1868 cotton crop financed the boost in production that occurred in 1869. In December 1868, a resident of Cleveland, Ohio, wrote to the *Daily Cleveland Herald* from Georgia, “The tendency is to plant everything in cotton another year.”¹¹² The letter writer reported that in many instances widows had taken over operation of their dead husbands’ plantations and were, “discussing the comparative merits of various fertilizers, subsoil plows, & c., with as much interest as the oldest planters.”¹¹³ Northern livestock traders had begun to arrive with horses and mules to replace draft animals lost during the war. The writer reported that the fresh animals were, “selling out rapidly at high prices.”¹¹⁴

The nature of cotton cultivation in the United States was changing. In 1869, David Dixon, a Georgia planter and merchant, began selling Dixon’s Compound, the first commercial fertilizer for cotton. Dixon’s Compound was a blend of nitrogen-rich Peruvian guano and crushed mineral phosphate, enormous deposits of which were discovered buried within a few feet of the surface near Charleston, South Carolina.¹¹⁵ Fertilizer’s potential was demonstrated that same year at Concordia, Louisiana, where

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¹¹² *Daily Cleveland Herald* (Cleveland, OH), Jan. 2, 1869.

¹¹³ Ibid.

¹¹⁴ Ibid.

¹¹⁵ Watkins, *King Cotton*, 113.
a Dr. Alford applied 350 pounds of phosphate per acre to a 2¼-acre test plot described as “poor pine land” and harvested 2,999 pounds of clean cotton, or more than three bales per acre. An adjacent unfertilized test plot yielded less than one bale per acre. A larger demonstration was conducted by M. C. Hammond on his plantation at Beach Island, South Carolina. Hammond achieved yields of over 1,200 pounds of seed cotton per acre on land fertilized with Peruvian guano and phosphate. Neighboring unfertilized fields yielded less than 500 pounds of seed cotton per acre.

New instructional manuals for cotton planters began to appear in the late 1860s that were remarkably different from their antebellum predecessors. One of the first to be published, Cotton Culture coauthored by Joseph B. Lyman, a Louisiana native who had relocated to New York and become a cotton broker some years before the Civil War, and J. R. Sypher, an agricultural scientist, extolled the merits of improved tillage, seed selection, and the use of fertilizers. The lavishly illustrated book described and gave instructions in the use of the latest new implements, including horse drawn mechanical planters, cultivators, and other new equipment from Northern manufacturers especially designed for cotton.

As 1869 began, the Hinds County Gazette of Raymond, Mississippi, reported that a “Revolution in Cotton Planting” was in progress as planters applied science to agriculture. The editor vowed that with the improved cotton growing methods, “we

117 Ibid, 85-86.
shall overcome all competitions and monopolize the cotton producing of the world."  

New York and Liverpool brokers’ estimates of the 1869 crop lagged behind the Mississippi editor’s optimism. A cool, rainy spring that caused a slow start led many to believe that the 1869 crop would be about the size of the 1868 crop. In August 1869, estimates ranged from 2,750,000 to no more than 3,000,000 bales. When the 1869-70 marketing season ended on August 31, 1870, the 1869 crop came to 3,114,592 bales. Prices in Liverpool dropped to as low as 7¾ d. at the end of July 1870, but were in the 11 d. range for most of the year.

An incidental event may have shaped consequences that encouraged American planters to maximize their efforts to increase cotton production in 1869. During the week of September 21 thru 27, 1869, Jay Gould, president of the Erie Railroad, and a group of associates that included the unscrupulous stock broker and alleged wartime cotton smuggler James Fisk, President Ulysses S. Grant’s brother-in-law Abel Rathbone Corbin, stock broker Henry Smith, and British financier James McHenry conspired to manipulate the American gold market. Their attempt resulted in the Black Friday Panic of September 24, 1869. Gould’s scheme was not merely speculation in gold as a commodity. It was an attempt to alter the value of United States currency in international trade. James B. Hodgskin, an official of the Gold Exchange in New York, explained the role of the Gold Exchange in international trade.

119 Hinds County Gazette (Raymond, MS), Jan. 6, 1869.
120 Donnell, History of Cotton, 577-578.
121 Ibid, 580-581.
122 Ibid, 582-583.
trade in testimony before the House Committee on Banking and Currency while it was investigating the Black Friday Panic:

The Liverpool cotton merchant telegraphs to the New York commission house: ‘If you can buy one thousand bales of middling cotton so as not to cost me more than ten-pence, or twenty cents, gold, per pound, laid down here in Liverpool, you can do so.’ The commission merchant finds that the freight, insurance, and other charges will amount to about two cents. He can, therefore, afford to give eighteen cents, gold, for the cotton itself. [Cotton is priced in currency, not in gold.] The commission merchant telegraphs to Charleston, Savannah, Mobile, and New Orleans. From all these places he gets the same answer: Middling cotton is selling for about twenty-seven cents a pound in currency. … [H]e next proceeds to the gold-room to ascertain the price of gold, so as to know how much, in currency, he can afford to pay for the cotton without exceeding the orders of his Liverpool correspondent. He finds gold selling at 150 [meaning gold coins with a face value of $100 can be sold for $150 in greenbacks]; in other words his eighteen cents gold are worth exactly twenty-seven cents in currency, per pound, for his middling cotton, without exceeding his correspondent’s orders. Now if business were all as simple as some people imagine, the proceeding of the commission merchant would be simple enough. He would only have to take as much gold as would pay for the thousand bales of cotton, to sell it at 150, and with the currency pay the cotton dealer, and the whole transaction would be concluded. But, to begin with, he has not got the gold. The Liverpool cotton merchant did not send the gold to pay for the cotton; and if he had sent it, it would not arrive for some time, as the order came by the Atlantic cable, which is not yet arranged for the transportation of specie. The way in which the New York commission merchant expects to get the necessary gold is this: He receives the order by cable on Monday, and concludes the purchase of the cotton the same day. He then has to engage a vessel to take the cotton to Liverpool, the arrangements for which occupy the next day. On Thursday or Friday the vessel is ready to take her cargo on board, a process which is perhaps completed by next Monday. The captain of the vessel signs the receipt for the cotton on a document called a bill of lading; the merchant makes out a bill for the amount of the cotton at the price in gold which his Liverpool correspondent authorized him to pay, attaches the bill of lading to it as evidence that the cotton has been shipped, and takes the bill to one of the foreign banking houses, like Belmont’s or Brown Brothers’, who thereupon pay him in gold the
amount of the bill, less a small commission for forwarding the bill and collecting it from the merchant in Liverpool.\textsuperscript{123}

When the greenback dollar was high in value compared to gold, it was detrimental to foreign buyers of American cotton and other products. That was because when the price of gold in American greenback currency was low, the British pound sterling was worth less in relation to the greenback. The result was that even though the price of cotton on the American markets might remain constant in dollars, as the price of gold fell in relation to the paper dollar, cotton cost more in British pounds sterling.\textsuperscript{124}

Jay Gould later claimed in testimony before Congress that the intent of the scheme, the economic theory of which he attributed to James McHenry, was to bid up the price of gold in order to devalue the dollar in foreign exchange. Devaluation of the paper greenback in relation to gold would have the effect of making a British pound sterling buy more American greenback dollars, and thus make American wheat competitive with Russian wheat in the English market. Jay Gould expected to make a profit from the increased volume of wheat that would pass through grain elevators owned by the Erie Railroad and on freight earned from transporting it. In preparation for executing the scheme, commencing in April 1869, Gould secretly bought $7 million worth of gold on the New York Gold Exchange. When Gould began his purchases, U.S. gold coins with a face value of $100 could be sold for $130.25 in


\textsuperscript{124} Robert Somers, \textit{The Southern States Since the War} (London: Macmillan and Co., 1871), 77.
paper greenback dollars. This was the lowest price for gold in three years, meaning that the dollar was high in value compared to the British pound sterling. In the course of making Gould’s purchases, the three brokers commissioned by Henry Smith to buy the gold, none of who knew that Gould was the real client or that the other two were buying for the same account, bid up the price of $100 gold to $140 in greenbacks. Other brokers and speculators followed the market trend and continued bidding up the price of gold until it peaked at $144.87 on May 20, 1869. The price then declined to 136 and remained in the upper 130s until September. 125

As an unintended consequence of the alteration in paper currency’s value, brokers on the New York Cotton Exchange, whose orders for cotton from overseas buyers expressed in gold were now worth more in paper greenbacks, bid up the price of cotton. Cotton was stable at between 29 and 29¾ cents through March, April, and May. Starting on June 1, the price of cotton rose steadily to 35 cents per pound on July 1. Cotton prices then held steady at between 34 and 35¾ cents until the middle of September, when prices began a steady decline to end the year at slightly over 25 cents per pound. 126

The rise in cotton prices would have had a positive psychological affect on American cotton planters, but they had no detrimental affect on the British mills. Gould’s gold manipulation actually increased the purchasing power of the British pound sterling on the American cotton markets. As the price of gold increased in relation to the U.S. dollar, the pound sterling became worth more in U.S. dollars as

125 Ibid, 1-5.

well. At the same time, cotton deliveries from Brazil and India were at their seasonal peak, and the prices for Indian and Brazilian cotton were not affected by the currency manipulation in the United States.  

The price trend was steadily downward during the marketing season that began on September 1, 1869, but the Black Friday Panic did not devastate the cotton markets. Prices on the New York Cotton Exchange fell from their artificial high of 35 cents at the start of the marketing season, but stabilized at slightly over 25 cents from November 1869 to the end of February 1870, the period when the bulk of the 1869 crop came to market.  

Prices in Liverpool held steady at slightly over 11 d. for that same period.  

The 1870 crop repeated the 1869 crop’s performance in the field, but with an even greater disparity between estimates and actual outcome. Estimates in June 1870 put the crop at slightly over 3,000,000 bales. Above average rainfall in portions of the South in July caused concerns that the crop might fall below the estimates. The July rains had the opposite effect, however. On December 1, 1870, the U.S. Commissioner of Agriculture estimated that the crop then coming to market would be more than 3,500,000 bales, and possibly as much as 3,800,000 bales. To everyone’s surprise, when the 1870 crop marketing season ended on August 31, 1871,

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127 Ibid.
128 Ibid, 584-585.
129 Ibid, 574-575 and 582-583.
130 Ibid, 586.
the tally final came to 4,347,006 bales, only 328,764 bales short of the record set in 1859-60.\footnote{Donnell, History of Cotton, 589.}

As American cotton farmers were plowing their fields in preparation for planting the 1871 crop, rumors were circulating throughout the cotton world that the Cotton Supply Association was about to be dissolved. On April 1, 1871, the editor of The Cotton Supply Reporter denied the rumors. He expressed worries that the opportunity that the Association had been afforded by the American Civil War to make India Britain’s main cotton supplier was about to be lost.\footnote{Cotton Supply Reporter 1, no. 207 (April 1, 1871): 2777. The Cotton Supply Association was dissolved in July 1872.} At that time, Britain was in the midst of another cotton glut. On May 1, 1871, there were 1 million bales of cotton on hand in Liverpool. English mills ran at full capacity for the first half of the year, producing an over supply of cotton goods. In the first nine months of 1871, Britain exported more than 2 ½ billion yards of cotton cloth. Almost half of it went to India and China, where a glut of unsold goods was developing because the price was too high for the market.\footnote{Times (London), Oct. 14, 1871.}

As the 1870 crop was being harvested and sold, it appeared that the supply of cotton and the demand for it had reached equilibrium. Robert Somers, editor of the Glasgow, Scotland, Morning Journal and a recognized expert in trade and commerce, spent several months touring the South during the 1870-71 cotton marketing season. Somers wrote:

\begin{quote}
The British merchants and manufacturers say they can take an indefinitely increasing quantity of American cotton, but it must be
\end{quote}
produced at softening rather than hardening prices, since every substantial advance in value at once checks in all the markets of the world the profitable consumption of cotton goods. If the South cannot meet these conditions, the progress of British manufacturing industry will be so far retarded. If the British manufacturers cannot extend their operations at the price necessary to produce the raw material, the progress of the South, so far as it depends on the growth of cotton, will be retarded also. Such is the equal disability which the question of cotton imposes on both sides, and there does not appear to be the slightest room for any misunderstanding.136

Early predictions put the American 1871 cotton crop at 4 million bales. Prices were expected to be lower than those of the previous year, which was good news for the British manufacturers.137 In the United States, there were complaints that the prices paid to growers for the 1870 crop were barely sufficient to cover the cost of production. There was talk that spring that cotton planters might intentionally limit production in order to sustain the price.138 The Cotton Supply Reporter dismissed such reports, saying, “Efforts to restrict the production of cotton, with a view to enhance the price, will prove about as successful as attempts to prevail upon spinners and manufacturers to stop their machinery because of a glut in the market. The real question is will other crops pay better than cotton?”139 The general consensus was that American planters were not likely to find another crop that could replace cotton.140 But the indicators reaching the cotton trade were contradictory. The U.S. Commissioner of Agriculture’s estimate made in July predicted that the 1871 crop

136 Somers, The Southern States Since the War, 3.
137 Cotton Supply Reporter 1, no. 208 (May 1, 1871): 2791.
138 Times (London), Jan. 10, 1871; Cotton Supply Reporter 1, no. 210 (July 1, 1871): 2825.
139 Cotton Supply Reporter 1, no. 208 (May 1, 1871): 2791.
140 Ibid.
would be 3,885,000 bales. This was 462,000 bales less than the previous year’s crop, and 115,000 bales short of the estimates made at planting time.¹⁴¹

At its meeting held in Louisville, Kentucky, in the spring of 1871, the National Commercial Convention commissioned Robert T. Saunders, a Mobile, Alabama, cotton broker and ex-major in the Confederate army whose firm Saunders & Company had operations Mobile, Memphis, Savannah, and New Orleans, to represent the United States at the Russian trade fair to be held at Novgorod that autumn. Saunders made a stopover in Liverpool on his way to St. Petersburg, and while there delivered a speech to the British Association, the British equivalent to the National Commercial Convention. Saunders brought with him a letter from the Memphis Commercial Convention to the Cotton Supply Association, and read from it in the speech:

Cheap Cotton, then, and in sufficient supply, is what the world requires, and must have. Lancashire and the continent of Europe must obtain cheaper cottons, or their mills must stop. For the past two years they have paid for ‘American Middlings,’ and ‘Fair Egyptians,’ an average price of over 10 d. per pound and many mills are now closed, or working ‘short time’ in consequence of the continued high price of raw cotton. …

One of two things must take place—consumption must continue materially to diminish, or cotton supply must be increased in proportion to the wants of the world. After all, I can but think that the whole future ‘Cotton Supply’ question depends on the production of the Southern States of America. That grown in East India, China, Brazil, Peru, West Indies, Egypt, Turkey, and the Levant, is required to be sent back to those countries, for they all import in the aggregate more cotton in the shape of goods and yarns than they export, thereby showing that they do not raise sufficient collective supply for their own wants. It will be found that cotton growing will be followed steadily only in those countries where it can be made more profitable than other pursuits. Where indigo, coffee, tobacco, sugar, or

breadstuffs will bring better prices, or suit the climate, soil, or conditions of a people better than cotton, cotton-culture may be forced for a few years by the power of high prices, and the necessities of a resolute, intelligent and persistent manufacturing people. But such culture will only be temporary, because in defiance of the laws of true economy. Other nations can and will produce cotton when stimulated by high prices; but what Great Britain and Continental Europe require is a regular supply of cheap cotton.  

Saunders predicted that in thirty years the world would require almost 9 million bales of cotton to meet its needs. The United States would need over 3 million bales to meet its domestic consumption. Saunders expressed the firm opinion that other nations of the world would not be able to meet the demand for cotton. Saunders told his audience that the United States could by utilizing, “improved seeds; with deep ploughing, commercial manures, an enlightened system of cultivation—using all the appliances of improved husbandry, and employing every available means to render the soil increasingly productive—we could easily extend the average yield of the Southern cotton crops again to five millions instead of two million five hundred thousand bales.”

As Robert T. Saunders spoke in Liverpool, the Illinois Central Railroad and the Louisville & Nashville Railroad were engaged in a track-building race toward the Gulf of Mexico that would revolutionize the marketing of American cotton. On August 6, 1866, the L&N opened a new track that ran southwest from Louisville to Memphis through the cotton-growing region of western Tennessee. The next year, the L&N began operating a freight service from Nashville through Meridian, Mississippi,

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143 Ibid, 12.
to Mobile, Alabama, on a new track that ran through prime cotton country about 25 miles west of the Mississippi-Alabama state line. Simultaneously the Illinois Central Railroad was building a parallel track 100 miles to the west that ran south from East Cairo, Kentucky, through Jackson, Mississippi, to New Orleans.144 Another new L&N main line ran south from Nashville through Birmingham and Montgomery, Alabama, to Mobile. Lateral feeder lines to these main tracks brought large areas of Mississippi and Alabama that had previously been too far from the navigable rivers for cotton to be grown profitably into range of the cotton markets. Before 1875, a web of new short line railroads that served as feeder lines for the L&N crisscrossed southwestern Georgia and southeastern Alabama, another area where lack of navigable rivers had in the past inhibited cotton growing, and gave the region an outlet to the world cotton markets at Mobile.145 The L&N’s tracks connected with those of the newly rebuilt Central of Georgia Railroad at Macon, giving access to Savannah as well.146 In 1870, Alabama had 1,157 miles of railroad track. Mississippi had 990 miles of railroad.147

Railroads opened huge new areas for cotton growing. In 1880, the Illinois Central Railroad began extending its feeder lines into the low lying alluvial plain known as the Yazoo Delta in southwestern Mississippi, which had previously been

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147 Watkins, *King Cotton*, 151 and 178.
thought unfit for agriculture. In 1884, the Illinois Central built a cotton handling facility at Yazoo City. Within ten years one tenth of all the cotton grown in the United States came from plantations in the Yazoo Delta.\(^\text{148}\)

Texas developed as a major new source of cotton after the Civil War. On the eve of the Civil War, Texas produced 308,000 bales of cotton. By 1878 the total had risen to more than a million bales. The total reached 1.5 million bales in the decade 1880-90. Despite the ravages of Mexican boll weevils, the Texas crop exceeded 3 million bales before 1900. In 1906 the Texas crop amounted to more than 4 million bales.\(^\text{149}\) By 1890 Texas was growing more cotton than was India.\(^\text{150}\) Texas railroad mileage grew apace with the state’s cotton production. In 1860 the state had 307 miles of railroad track. In 1870 the amount of railroad track in Texas had more than doubled, to 711 miles. Texas had 3,244 miles of railroad in 1880, 8,710 miles in 1890, and 9,722 miles in 1900. Railroads radiated north, west, and southwest from Galveston to the cotton growing regions. Two lines ran eastward, one from Dallas through Shreveport and Vicksburg to Meridian, Mississippi, where it met the Illinois Central, and the other from Houston to New Orleans.\(^\text{151}\)

Great improvements were also made at the seaports from which American cotton was exported. Charleston’s docks, cotton presses, and warehouses, which were burned during the war, were rebuilt before 1871.\(^\text{152}\) The damage inflicted upon


\(^{149}\) Watkins, King Cotton, 213-219.

\(^{150}\) Shepperson, Cotton Facts, 117.

\(^{151}\) Watkins, King Cotton, 219-232.

\(^{152}\) Somers, The Southern States Since the War, 38.
Savannah, Georgia, was repaired in a remarkably short time. Mobile was constricted by the shallow bar of sediment at the mouth of the Tensaw River, which prevented large ships from reaching the docks, but by 1870 an efficient system of large steam barges was in operation to ferry cotton from the railroad terminal to ships anchored in Mobile Bay.

New Orleans suffered almost no physical damage from the Civil War, and the seaport was back in business even before the war ended. In 1870 the city’s cotton merchants organized the Cotton Exchange Board to regulate and standardize trading and cotton handling practices. The New Orleans Cotton Exchange opened the following year. The New Orleans Cotton Exchange was more than a regional cotton market. It was a brokerage with global reach. The New Orleans Cotton Exchange operated its own commercial intelligence service that collected information via telegraph from a network of agents in every cotton-growing region and textile-manufacturing center in the world, collated that information on a continuous basis, and disseminated it to its subscriber-members in daily bulletins. At any given time, the members of the New Orleans Cotton Exchange had in their possession timely, precise, and detailed information about the cotton situation everywhere in the world. Ten years after the end of the Civil War, New Orleans boasted sixteen cotton press companies, numerous storage warehouses, street railways for the drayage

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153 Ibid, 74-80.
154 Ibid, 182.
155 Ibid, 196-198.
of cotton, and other facilities. Fees for pressing, warehousing, and handling services was set by the Cotton Exchange Board and published in an annual schedule. Even greater improvements came in 1896, when the Illinois Central Railroad opened Stuyvesant Docks, an enormous new port facility that stretched nearly a mile along the New Orleans waterfront. Stuyvesant Docks included the largest and most modern cotton terminal in the world. Fire totally destroyed Stuyvesant Docks in 1905, and an even more modern facility was quickly rebuilt on its ashes.

Galveston grew from a minor seaport with only the most rudimentary facilities before the Civil War to become a cotton port that rivaled New Orleans in the 1890s. Harbor improvements at Galveston began in 1874, when the U.S. Army Corps of Engineers began dredging to deepen Galveston Bay and building breakwaters to protect the harbor. In 1895 Galveston had more than four miles of wharfare, with berths for 120 ships. Fifty berths were equipped to handle cotton, and the port could load 50,000 bales per day. The entire length of the Galveston waterfront was served by railroad tracks with spurs to every ship berth.

The disparity between transportation infrastructure in the cotton-growing region of the United States and in India was staggering. In 1880 the ten American Cotton Belt states had 15,458 miles of railroad track. The Indian subcontinent had

159 Clarence Ousley, Galveston in Nineteen Hundred (Atlanta: William C. Chase, 1900), 180.
160 Ousley, Galveston in Nineteen Hundred, 150-154.
161 Watkins, King Cotton, passim.
only 8,095 miles of railroad track.162 The Great Indian Peninsular Railway was completed through the center of Berar, which produced about one-quarter of the cotton exported from Bombay, in 1870.163 The total length of track was 366 miles, including two short feeder lines each less than 10 miles in length. This railroad served an area almost as large as the states of Mississippi and Alabama combined. No additional railroad track was built in Berar until after the turn of the twentieth century.164 Cotton grown in Berar had to be hauled as much as 100 miles from the fields to railroad market towns such as Khamgaon in oxcarts.165

The British colonial authorities built a system of wagon roads to bring cotton from the hinterland to the market towns along the railroad. The best of these, called pucca roads, were 10 to 12 feet wide and were surfaced with crushed basalt gravel. In 1884 Berar had about 1,500 miles of pucca roads and another 1,500 miles of wagon tracks of graded dirt.166 British authorities also improved the age-old Indian oxcart by replacing its solid wooden wheels with lighter wooden spoke wheels and using the saving in weight to increase its hauling capacity by 50 percent. More than 25,000 of these improved oxcarts were in use hauling cotton and other freight in Berar by the

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166 Ibid, 149-150.
1890s.\textsuperscript{167} For comparison, in 1880 the states of Alabama and Mississippi had 2,970 miles of railroad track.\textsuperscript{168}

Cotton brought to Bombay by railroad was still being sold and stored on Bombay’s open air Cotton Green in 1912 just as it had been in 1862. At a time when cotton brokers on the floor of the New Orleans Cotton Exchange were in continuous telegraphic communications with buyers in New York, Liverpool, and elsewhere in Europe and Asia, Indian cotton merchants were still renting plots of ground on the Cotton Green, erecting temporary shanties or huts from which to do business, and offering their cotton for sale to foreign buyers just as they had fifty years earlier.\textsuperscript{169} At the same time trains were pulling alongside freighters berthed at New Orleans and Galveston and cranes were hoisting cotton bales directly from boxcars into ships’ cargo holds, an American schoolteacher who visited Bombay in 1912 reported seeing, “All day long an endless string of carts, drawn by zebu oxen and driven by coolies sitting astride the tongue, plod on in a slow gait, hauling cotton to the docks.”\textsuperscript{170}

Indian agricultural technology and practices remained unchanged during the fifty years after the American Civil War. The 1912 edition of Shepperson’s \textit{Cotton Facts} said of cotton culture in India:

The methods of cultivation are very primitive and rude. Everything is done by hand and no commercial fertilizers are used. The only

\begin{itemize}
\item 167 Ibid, 162-163.
\item 168 Watkins, \textit{King Cotton}, 153 and 180.
\item 170 Kahn Foundation for the Foreign Travel of American Teachers, \textit{Reports}, vol. 1, no. 1 (New York: Printed by the Trustees, 1912), 46.
\end{itemize}
fertilizing done is turning under the soil the old cotton plants which have remained in the fields from the previous season. This makes good fertilizer, and is the only kind available. … The average yield is thought to be about 75 to 100 pounds lint cotton per acre. … Plantations are generally small, ranging from 5 to 30 acres in extent, but there are some larger plantations cultivated by hired labor.¹⁷¹

While its competitors’ cotton production increased incrementally as the amount of land and labor devoted to it increased, production in the United States increased through both increased land and labor and, more importantly, improved agricultural methods. The American crop surpassed 4 million bales in 1873, passed 5 million bales in 1878, exceeded 6 million in 1880, was over 7 million in 1887, passed 9 million in 1891, exceeded 10 million in 1897, and passed 11 million bales in 1898. Only twice after 1900, in 1901 and 1903, did the American crop yield less than 10 million bales. In 1911, the first crop to exceed 15 million bales was grown.¹⁷² At that point, the United States was again furnishing 75 percent of the world’s total supply of cotton.¹⁷³

As the size of the American crop grew, prices fell below the level necessary for cotton to be profitable in remote areas with poor transportation. After the small 1872 crop’s 10⁹⁄₁₆ d. average price, cotton prices fell steadily until 1876, when they stabilized at around 6½ d. until 1883, when the price dropped to 5 ¾ d. per pound. Prices rose to 6 d. in 1884, and then settled into a new normal of between 5 ¹/₈ d. and 5 ¹⁵⁄₁₆ d. for the next five years. However, a fortuitous variation in the exchange rate meant that prices in the United States remained nearly constant at between 10.5 and

12 cents from 1876 until 1889. The American crop of 1891 was the first to exceed 9 million bales, and the average price for the year fell to \(4 \frac{11}{16}\) d. in Liverpool, with a corresponding American price of 7.3 cents. Prices remained below 5 d. despite significantly smaller crops in 1892 and 1893. In 1894 American cotton averaged \(3\frac{13}{16}\) d. per pound in Liverpool. At one point, the price of benchmark “Middling American” on the Liverpool Exchange was under 3 d. per pound, the lowest price in history. The average price in the United States dropped to 5.9 cents. That same year also saw the lowest price paid for Indian cotton in history, with an average of \(2\frac{5}{8}\) d. per pound. The average price remained below 4 d. in every year from 1894 until the turn of the century except for 1896, when it reached \(4\frac{11}{32}\) d. per pound. The lowest average price recorded in the United States was in 1898, when the first crop to exceed 11 million bales sold for 4.9 cents per pound. In 1899, the Liverpool market again reached the record low set in 1894, 3 d., and ended the year with an average of \(3\frac{9}{16}\) d. per pound.\(^{174}\)

In 1911 the United States produced 15,553,073 bales of cotton on 37 million acres of land, compared to 3,976,000 bales on 22 million acres in India.\(^{175}\) The second largest competitor, Egypt, produced the equivalent of 1,838,400 bales. Brazil produced only 300,000 bales.\(^{176}\) No one knew how much cotton was being grown in China, but estimates were around 4 million bales. In a new development, China was exporting 750,000 bales of cotton to Japan each year. Quantities of from a few


\(^{175}\) Shepperson, *Cotton Facts*, 117 and 144.

\(^{176}\) Ibid, 58, 60, and 144.
hundred to a few thousand bales were grown in various locations in Russian Central Asia, the Ottoman Empire, Africa, Southeast Asia, Korea, and Latin America.\footnote{Todd, The World’s Cotton Crops, 52.}

Gradually increasing supplies of cotton at progressively lower prices fueled an expansion of exports of cotton goods and the building of new mill capacity during the twenty years after 1875 similar to the expansion during the first rise of the American cotton monopoly after 1815. The prosperity masked deeper structural problems in the cotton economy, however. In the summer of 1894, when cotton was plentiful and prices reached their lowest in history, the Lancashire cotton manufacturing industry was suffering serious difficulties almost identical to the situation in 1861. There were simply too many mills in operation, too many new ones were being built, and they were producing more finished goods than the world’s markets could absorb at the prevailing prices. Labor costs were rising, as industrial unions arose in the 1880s and began demanding higher wages.\footnote{Times (London), Aug. 29, 1894.} In February 1895 British manufacturers formed the Manchester Cotton Association, a cartel with 240 member firms who agreed to cooperate to control production of cotton goods, negotiate collectively with the labor unions, and reduce the price paid for raw cotton.\footnote{Times (London), Feb. 11, 1895.}

The latter goal was impossible to achieve if cotton growing was to be sustained in the United States. The average price paid for cotton in the United States in 1894 was 5.9 cents per pound.\footnote{Todd, The World’s Cotton Crops, 430-434.} Agronomic research conducted by the U. S. Department of Agriculture in 1896 revealed that the cost incurred to grow a pound of
cotton was 5.27 cents. It was thought that no further reductions in production cost could be achieved through greater efficiency or improved cultivation methods, “until a machine is invented that will reduce the cost of gathering the crop.”181

Ironically, the worst pestilence ever to befall American cotton may have helped prevent a collapse of the agricultural sector of the cotton economy in the 1890s. Starting in 1892, Mexican boll weevils devastated the cotton crop in Texas, doing progressively more damage each year as they spread northward. The boll weevils’ ravages reduced the 1895 crop to 7,161,000 bales, 2,740,000 less than in 1894. Prices recovered to 8.2 cents in 1895, but progressively larger crops in 1896, 1897, and 1898 exerted constant downward pressure on the market. In 1898, the average price for American cotton fell to 4.9 cents, which was below the cost of production estimated by the Department of Agriculture.182

After the disastrously low 4.9 cents average price in 1898, American cotton brokers began cooperating with one another in informal cartels called “Bull Pools” in an effort to drive up the price of American cotton. These efforts culminated in 1903-04 when Daniel J. Sully, a New York cotton broker, organized a market manipulation that became known as “Sully’s corner.” Sully made no secret of what he was trying to do. He gave interviews to newspapers in which he framed the effort to form an American cotton cartel in patriotic Populist rhetoric. Sully urged sellers to accept nothing less than 14 cents per pound, the minimum amount that he deemed adequate

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181 Watkins, King Cotton, 38.

to cover the cost of production and return the grower a fair profit.\textsuperscript{183} In the summer of 1904, Sully and the brokers known as “Cotton Bulls” who supported him temporarily drove the price up to 18\(\frac{1}{4}\) cents. British mill owners hastily formed the International Federation of Master Cotton Spinners’ and Manufacturers Associations and broke Sully’s corner by an organized slowdown of the mills and cessation of cotton buying, in essence a lockout of American cotton. American mill owners assisted the British effort by doubling the price of cotton cloth, an action that turned American retailers and consumers against Sully’s effort. Sully fell seriously ill at the critical time and the Cotton Bulls broke ranks, resulting in the collapse of the effort.\textsuperscript{184} Nevertheless, the average price of American cotton in the 1903-04 marketing season was slightly over 14 cents, the highest price since 1874.\textsuperscript{185}

Daniel J. Sully subsequently formed an alliance with Georgia agrarian Populist editor Thomas E. Watson and continued to urge American cotton planters and brokers to organize cooperatives, set minimum prices, and break the British manufacturers’ control over the price of cotton.\textsuperscript{186} For a time it appeared that American cotton growers might be heeding Sully’s advice. A flurry of organizing efforts took place among cotton growers. The 1905 crop of 10 million bales was 3 million bales smaller than the 1904 crop, and the price increased from 8.66 cents to 10.94 cents. American cotton remained nearly double the record low 1898 average of


\textsuperscript{185} Todd, \textit{The World’s Cotton Crops}, 430-434.

4.9 cents in every year after Sully’s Corner, and again exceeded 14 cents in 1909 and 1910. The huge 15 million-bale crop of 1911 saw prices drop to 9.69 cents, but the 1912 crop was 2 million bales smaller, and prices climbed back to slightly over 12 cents.\textsuperscript{187}

From the perspective of the Manchester cotton manufacturers, the record low price of 1894 became a benchmark against which the price of cotton in subsequent years was judged.\textsuperscript{188} Despite a steadily increasing supply of cotton from 1896 to 1913, the price, with minor fluctuations, rose steadily from the idealized normal of 1894 to more than double it in 1909 and 1910. The manufacturers’ remedy, as always, was more cotton. On June 12, 1902, the Manchester Chamber of Commerce resurrected the Cotton Supply Association as the British Cotton Growing Association. Its stated mission was identical to that of the Cotton Supply Association, to promote cotton growing in the British Empire in order to break Britain’s reliance on American cotton. The new Association raised a war chest of £500,000 and began a campaign to promote the growing of American-type cotton in India, Australia, and in the British Empire’s African colonial possessions.\textsuperscript{189}

The British cotton industry’s problems were more than a matter of the cost of raw material. Economist Lars G. Sandberg dated the beginning of the English textile industry’s long, slow decline at around 1880.\textsuperscript{190} From that date, the industry was

\textsuperscript{187} Todd, The World’s Cotton Crops, 430-434.

\textsuperscript{188} Ibid, 1.

\textsuperscript{189} Ibid, 160-161.

\textsuperscript{190} Lars G. Sandberg, Lancashire in Decline, A Study in Entrepreneurship, Technology, and International Trade (Columbus: Ohio State University Press, 1974), 13.
plagued with excess productive capacity, increasing foreign competition, and progressively more obsolescent technology, problems that it never solved. In 1870, American cotton mills began using a new spinning machine called a “ring spindle” that was superior to the “mule spindle” used in British mills. A ring spindle could spin twice as much yarn in a given length of time as a mule spindle. Along with its advantages of greater speed and efficiency, the ring spindle was adjustable, so that it could be used to spin various types of cotton. Almost all American mills built after 1870 used the ring spindle. British spinners were reluctant to adopt the ring spindle, however, largely because it could not be integrated into the other existing machinery in older mills. Of the more than 57 million spindles in operation in British mills in 1913, only slightly more than 10 million were ring spindles.\(^{191}\) The technology in British cloth weaving factories also lagged behind. In 1894 the American mill machinery manufacturing firm of George Draper & Sons in Hopedale, Massachusetts, patented and began selling the Northrup automatic loom. The Northrup loom produced cloth at a rate about 10 percent faster than previous looms and, more importantly, was automated so that one operator could tend up to 16 looms, as opposed to one operator for every 6 power looms like those then in use in British factories. Over the next twenty years, George Draper & Sons sold 286,000 Northrup automatic looms. By the outbreak of the First World War, nearly half of all American textile mills, and all of the newest mills, were equipped with automated Northrup looms. George Draper & Sons attempted to sell their automated looms in Britain, but encountered the same kind of compatibility problems that prevented adoption of the

ring spindle. As a result, of the 157,000 new looms installed in British factories between 1894 and 1914, at most 10,000 were automated Northrup looms.\textsuperscript{192}

The problem of excessive mill capacity and over production was global. In 1912 British mills had over 57 million spindles. There were almost 43 million in continental Europe, over 29 million in the United States, over 6 million in India, and 2 million in Japan. In that year the number increased by 1.6 million. All but 250,000 were outside Britain. The number of bales of cotton consumed in continental Europe, Britain, the United States, India, and Japan increased 1.6 million over the total in 1911. No one seems to have accepted the idea that it was possible to produce too much cotton cloth, however. The old idea that China was a virtually unlimited market for cotton goods remained alive. All that was deemed necessary to maintain constantly increasing production of cotton goods was the preservation of peace and an ever-greater supply of raw cotton at lower cost.\textsuperscript{193}

During the 1913-14 marketing season, British agronomist Dr. John A. Todd, professor of economics and commerce at University College in Nottingham, England, made a fact-finding trip to the cotton growing states of the American South, part of a global survey of cotton undertaken on behalf of the British cotton industry.\textsuperscript{194} It is evident from his writing that Todd left England believing that the price of American cotton was inflated. After observing conditions across the South, Todd came to very different conclusions. The global cotton economy had arrived at what seemed to be

\textsuperscript{192} Sandberg, \textit{Lancashire in Decline}, 68-69.


\textsuperscript{194} Ibid, 18.
another intractable paradox. In Todd’s words, “spinners were being crushed between the upper and nether millstones of high cost of raw material and low selling prices.”\textsuperscript{195} Cotton growers in the United States were being similarly crushed between high costs of production and low prices for their cotton. Todd wrote, “The profits of cotton growing are by no means so large as we were apt to imagine. The position is practically this, that under such conditions cotton cannot be grown at a profit \textit{if all the labour that it requires must be paid for}.\textsuperscript{196}

The situation did not bode well for the future of the cotton industry. Todd noted that among American cotton growers, and especially among small farmers and sharecroppers, there was a widespread feeling that they were being treated unfairly by the cotton textile manufacturers.\textsuperscript{197} Todd expressed concerns that if the prices that American farmers were paid for their cotton did not increase, or especially if prices fell, they would stop growing it. However, manufacturers could not afford to pay higher prices.\textsuperscript{198} In what was intended to be the closing paragraph of his book, Todd wrote:

There is nothing that can happen in the world, from a revolution in China to a bad monsoon in India, the opening up of a new world’s route by the construction of a canal across an isthmus, or the building of a railway across a continent, which does not affect cotton in many ways. It is a fascinating study, and a subject of the most direct economic importance to many millions of the world’s inhabitants. Of no industry is it more true that the one half of the world does not know how the other half lives.\textsuperscript{199}

\textsuperscript{195} Todd, \textit{The World's Cotton Crops}, 370.

\textsuperscript{196} Ibid, 113. Italics in original.

\textsuperscript{197} Ibid, 136-137.

\textsuperscript{198} Ibid, 114.

\textsuperscript{199} Ibid, 365.
John A. Todd signed and dated the manuscript of *The World’s Cotton Crops* in Nottingham on July 22, 1914. Twenty-four hours later, in Belgrade, the Austro-Hungarian minister to Serbia handed the ultimatum that set the First World War in motion to the Serbian foreign minister. As Europe slid toward war, the system of international banking and monetary exchange upon which trade depended ceased to function. As a result, on Friday, July 31, 1914, every cotton exchange in the world closed. The global cotton economy was paralyzed until the exchanges reopened in November after a special arrangement was made between the Bank of England and the U.S. Federal Reserve.\(^\text{200}\) As the war progressed, the British government decreed several reductions in cotton imports in order to free space on ships for materials more vital to the war effort. Textile workers were conscripted into the armed forces or to work in munitions factories. By June 1918, the cotton mills were operating at less than 50 percent of their pre-war level.\(^\text{201}\) When the First World War ended in November, King Cotton was among the many monarchs that had been toppled from his throne.

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\(^{200}\) Ibid, 370-371. John A. Todd added another chapter to *The World’s Cotton Crops* dealing with the effects of the war on the cotton industry before it was published in February 1915.

Conclusion

Success of the Cotton Supply Association’s attempt to globalize the growing of cotton during the Civil War did not cause the destruction of local economies, indebtedness and impoverishment of people and nations, and the loss of personal and national independence. The Cotton Supply Association’s attempt to spread cotton production widely around the world and break the American cotton monopoly succeeded only temporarily. It ultimately failed. The things blamed on the effort’s success were in reality the consequences of its failure.

When the 1861-71 decade is viewed in isolation, it appears that British efforts to increase the amount of cotton grown in India, Egypt, the Ottoman Empire, and elsewhere were phenomenally successful. This can be seen in Sven Beckert’s charting of the increase in cotton exports from India, Egypt, and Brazil in the period 1860-66.¹ It can also be seen in Laxman D. Satya’s case study of Berar. The same pattern appears in the Ottoman Empire. Only in the case of Egypt is this picture accurate, however.

When one views the global history of the cotton economy over the span of the century from 1815 to 1915 the picture that emerges is of two macro-economic cycles or curves, each about fifty years in length. Each cycle was characterized by ever-increasing cotton production in the United States and steadily declining prices that drove less efficient cotton producers in remote regions without access to the most modern means of transportation out of the world market. Each cycle was also characterized by over-production of cotton goods near its end that threatened the

¹ Beckert, “Emancipation and Empire: Reconstructing the Worldwide Web of Cotton Production in the Age of the American Civil War,” 1415.
cotton economy with a potentially catastrophic crisis. The first cycle began around 1815 and was nearing its culminating point when the American Civil War intervened. Fantastically high prices for cotton during the interruption of supplies from the United States led to a dramatic resurgence of cotton growing in countries where it had declined as the American monopoly arose and prices fell during the first half of the nineteenth century. The second cycle began in 1865 and was essentially a repetition of the first. The second cycle was nearing its climax when the First World War intervened in 1914.

Numerical statistics viewed in isolation contribute to the illusion that the effort to globalize cotton growing succeeded. India did export more than double the quantity of cotton in 1866 than it did in 1860. India’s bale count is numerically large as well, rising from 865,000 in 1860 to over 2 million in 1866. Seen in isolation from the global context, it seems impressive that in the thirty years after 1870 India doubled its cotton production to 4 million bales. However, 4 million bales is not as significant when measured against the world’s total supply of 20 million bales in 1910 as 2 million was when measured against the world’s total supply of 5 million bales in 1860.\(^2\) India actually lost market share, going from 40 percent in 1866 to less than 20 percent in 1910. This indicates that the problem of indebtedness that Satya and Beckert blamed on the fact that the ryots were growing more cotton after 1860 than they were before really resulted from their struggling to maintain a dwindling market share against American competition that caused prices to decline steadily from 1865 until 1894. Cotton exports from Bombay, the port through which most of

\(^2\) Todd, *The World’s Cotton Crops*, 2 and 419.
India’s cotton passed, remained virtually static at about 1,100,000 bales per year from 1865 until 1891. Exports then began a steady decline to 500,000 bales in 1899. This decline coincided with the period of very low prices from 1894 to 1900. The sharp rise in Indian exports that Beckert cites beginning in 1901 was a response to the rise in prices of American cotton that occurred between 1900 and 1913. The nearly doubling of Bombay’s exports from about 550,000 bales to 950,000 in 1903 and 1904 coincided with Sully’s corner, when British manufacturers were engaged in their deliberate effort to reduce purchases of American cotton and the comparatively low price of Indian cotton compared to American made it more attractive to Japanese buyers. What appears to be an increase in Indian exports from 1900 to 1913 was really a recovery from the losses incurred from 1892 to 1900. Bombay’s exports in 1910 were slightly over 1,100,000 bales, the same as in almost every year from 1869 until 1891.

The same statistical fluke holds true for Brazil, where exports increased 373 percent between 1860 and 1866. The weight of cotton is also impressive if viewed in isolation. Brazil increased its exports from 24.4 million pounds in 1860 to 102.3 million in 1866. The numbers become less impressive when it is considered that 102.3 million pounds only amounts to 255,750 American-size 400 pound bales.

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3 Shepperson, Cotton Facts, 140. Exports of 232,000 bales from Bombay in 1900 were abnormally low because of the drought and famine in Berar and the Central Provinces. Exports were 560,000 bales in 1901 and climbed incrementally thereafter, reaching 1,100,000 bales in 1907.


5 Shepperson, Cotton Facts, 140.

6 Beckert, “Emancipation and Empire: Reconstructing the Worldwide Web of Cotton Production in the Age of the American Civil War,” 1415.
Beckert’s inference that Brazilian farmers became enslaved to cotton collapses when it is realized that cotton shrank to insignificance in Brazil not long after the Civil War ended. Brazil’s economy became synonymous with coffee, not cotton.

A case study focused on a single discreet region taken in isolation from the larger global picture can also lead to misleading conclusions about the impact of cotton. This can be seen from Laxman D. Satya’s statement concerning the railroad in Berar, “The colonial state constantly struggled to achieve maximum efficiency from its instruments of exploitation. The railway was one such crucial instrument.” This type of mistaken conclusion can be picked up and incorporated into the thinking of subsequent historians, skewing their conclusions. This phenomenon can be seen in this statement, which Sven Beckert drew from Satya:

The annihilation of both space and time was at the core of Berar’s transformation. Before the 1850s, cotton sent to Bombay was transported on bullocks in journeys taking weeks. During the Civil War years, however, railroads began dissecting Berar, enabling merchants to ship cotton rapidly and cheaply. … Market integration advanced rapidly and once telegraphic communication with England had become possible in 1868 and the Suez Canal opened in 1869, a Liverpool merchant could wire an order for cotton to Berar and receive it on the shores of the Mersey just six weeks later.

It would be accurate to say that by 1880 the Illinois Central and Louisville & Nashville Railroads had “dissected” Mississippi and Alabama with 2,970 miles of railroad track, but the Great Indian Peninsular Railway merely bisected Berar with one 366-mile track and for feeder lines relied upon 3,000 miles of wagon roads, half of them mere dirt tracks, and 25,000 oxcarts. India was not integrated into the world

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7 Satya, *Cotton and Famine in Berar 1850-1900*, 146.

8 Beckert, “Emancipation and Empire: Reconstructing the Worldwide Web of Cotton Production in the Age of the American Civil War,” 1415.
cotton economy, but remained on its periphery. The premise that mobilizing the maximum amount of labor was the key to maximizing cotton production proved false in India. Fifty years after the end of the American Civil War, India, with nearly as much land and vastly more labor devoted to growing cotton, could produce only a quarter as much cotton as the United States. The reason was that India never achieved, nor did the British colonial power ever seriously try to achieve, the synergy between labor, land, agricultural science, and transportation and communications technology that characterized American cotton production in the second half of the nineteenth century.

The case of the Ottoman Empire most clearly demolishes the premise that “infusing European capital into peasant production” would automatically lead to a system of indebtedness that guaranteed that they would become serf-like cotton producers. When the price of cotton fell after the war, peasants in Anatolia, Syria, Palestine, Mesopotamia, Cyprus, and Macedonia quickly abandoned cotton in favor of crops that were more profitable and less difficult to transport. Internal improvements built by the Ottoman state in the hope of becoming a cotton supplier led to its bankruptcy, but the railroads and other facilities did not bring the desired cotton to Europe.

Egypt was an aberrant situation. Muhammad Ali and his successors had already reduced Egypt’s rural cultivators to a state of serfdom and partially integrated Egypt into the global cotton economy before the American Civil War began. The tremendous infusion of European capital into Egypt, in the form of railroads and other infrastructure, greatly enhanced Egypt’s ability to get cotton to market. The steep

9 Ibid.
decline of cotton prices that prevented Egypt from paying the resultant national debt enabled Europeans to supplant Egypt’s ruling elite, most of whom were themselves not Egyptians. Under British control, Egypt was prevented from either growing cash crops other than cotton or industrializing. Further, Egyptian cotton did not compete directly with American cotton. This enabled the British to develop Egypt exclusively as a cotton plantation.

Fiji is representative of the effect of the cotton crisis of the 1860s in locations on the extreme periphery of the world economy. The cotton boom brought a wave of European settlers to Fiji, and cost the Fijians their independence, but despite the fact that Fiji was incorporated into the British Empire, the islands never became a cotton plantation. Attempts to establish cotton as a cash crop during the first fifty years of British rule were notable for their failure. Fiji added to Great Britain’s cost of empire, but the islands did not add any cotton to Lancashire’s supply.

From the strategic perspective of the United States, the effort to spread commercial cotton growing around the world during the Civil War was fantastically successful. Cotton grown in India, the Ottoman Empire, Brazil, and numerous other locations averted the crisis in Europe that Senator Hammond had predicted would happen if no American cotton were furnished for three years. Supplying the necessary cotton seeds cost the United States very little. The Cotton Supply Association did the work overseas and paid the bill. And in the end the British effort to end the American cotton monopoly came to naught. The United States regained its position as supplier of three-quarters of the world’s cotton within a decade after the end of the Civil War. American cotton would maintain that position until the last quarter of the twentieth
century, long after petroleum had replaced cotton as the dominant commodity in the
world’s industrial economy.
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