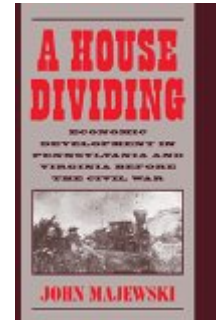


John Majewski. *A House Dividing: Economic Development in Pennsylvania and Virginia before the Civil War.* Cambridge: Cambridge University Press, 2000. xx + 214 pp. \$49.95, cloth, ISBN 978-0-521-59023-5.



Reviewed by Donna Rilling

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In this concisely and well written work, Majewski compares Pennsylvania and Virginia to elucidate the "roots of regional divergence" that divided the United States economically and thence politically by the mid-nineteenth century (p. 2). The author focuses principally on internal improvements--e.g., turnpikes, toll bridges, canals, railroads--to test how each state approached the problem of building links to markets and facilitating transportation across each region. On the state level, Majewski offers a close read of the political exigencies behind legislative funding (or denial of funding) for internal improvement corporations and banks.

Coming down to the local level for Cumberland County, Pennsylvania and Albemarle County, Virginia, Majewski connects transportation and banking projects with the investors who funded them. He justifies the choice of these particular counties by noting their similar geography and distance from market. At the start of the 1800s, Cumberland supported grain farms that "vaguely resembled" Albemarle's tobacco, wheat and livestock mix (p. 4).

Mountains proved obstacles for both areas in attempts to link western producers with eastern markets, and manufacturers with farm and plantation households. Majewski maintains that the similarities of these counties places slavery--the critical difference between the two areas--and its impact on economic development in sharp relief.

The author focuses on economic issues between 1800 and 1850. He offers greater chronological scope, however, to demonstrate that paths charted early on in Pennsylvania's and Virginia's past affected the success of nineteenth-century internal improvement strategies. Hence the title, he explains, which acknowledges the long and dynamic process of economic change.

This long-term perspective also enables Majewski to emphasize the gradual and cumulative process of market development and avoid the misleading cataclysmic concept of market revolution. Market development, Majewski demonstrates, was a goal that few historical participants rejected, even while they vigorously contested its specifics. It is on this latter point that Majewski

makes his most significant contribution to the historiography of capitalism in the early republic.

The author exploits stockholder lists and corporate records for transportation companies and banks. He links investors to census and tax records in a sampling process that he demystifies in a short appendix. (With only one brief explicit use of regression analysis in the text, this is political economy accessible to a general academic readership.) Complementing the quantitative research is a range of letters, periodicals and legislative materials. These diverse sources enable Majewski to explore not only how contemporaries invested their money, but also their motivations for supporting internal improvements, their ideological justifications for doing so, and the ramifications these projects had on the welfare of Cumberland and Albemarle residents.

In both Albemarle and Cumberland counties, early turnpike companies, toll bridges, canals and navigation companies attracted widespread local support from individuals. Few investors expected these "development corporations," as Majewski denotes them, to return dividends or for shares to appreciate. And, Majewski demonstrates, returns were usually poor. Shareholders focused instead on the indirect benefits they hoped would arise from better market connections. Expanded trade, higher real estate values and elevated political prominence of their town whetted the appetite of investors. Looking closely at property values in the two rival towns of Charlottesville and Scottsville, for example, Majewski shows that developments undertaken by improvement companies contributed to the prosperity of these towns and the value of town lots, and to higher property values in rural areas near improvements. He finds a close correlation between investors in development corporations and the location of their real estate, strengthening his argument that stockholders were motivated by the benefits they would reap indirectly.

Prominent local planters comprised the majority of investors and provided the largest portion of capital in Albemarle developmental enterprises, but smaller shareholders from the county's towns bought shares as well. If the prospect of indirect benefits was insufficient to entice men (and women?) to throw money into shares, then fear and arm-twisting might. Majewski ably demonstrates that in the early nineteenth century white residents of Virginia's Piedmont were obsessed with the decline of community they read in the trail of kin moving west. Political power on the state and national level was also endangered. Soil exhaustion, white out-migration and stagnant land values epitomized nothing less than the eventual demise of plantation society. To combat this decline, gentlemen planters in Albemarle County preached the gospel of agricultural reform; they linked it to the transportation improvements requisite for bringing in cheap manure and sending out agricultural surplus. Albemarle planters were anything but complacent and traditional, Majewski demonstrates; rather, they were driven by a "sense of desperation" to bring progress to their communities (p. 36). With appeals to kinship, honor and status, local elites found themselves compelled and coerced into funding the county's transportation projects. Majewski thus portrays the process of market development as an enterprise requiring cooperation among local residents. Competition, at this juncture, focused on beating out rival towns for charters and funds from Virginia's legislature.

In Cumberland County, too, development corporations offered poor returns, but local residents were again drawn to invest by the prospect of indirect gains. Compared to Albemarle, investors in Cumberland comprised a wider range of occupations and economic status, and shares were concentrated in fewer hands. The contrast stemmed from the character of Cumberland's economy, which featured numerous small farms dependent on household labor and not, as in Albemarle, large plantations run with slaves. The proximity

of Cumberland County farmers to two large cities, Philadelphia and Baltimore, gave the region a market for diversified agricultural production and a motive for supporting developmental corporations. Once again this quest for better transportation took the form of entrepreneurship in the context of community; in the northern instance, a large pool of "middling" investors shared the risks of development. Pitching developmental corporations in republican language of the public good also enabled Americans in the early republic to mesh the self interested prospects of gain with communal standards of appropriate economic behavior. Actors in the market economy, consequently, are not caricatured as possessive individualists or as watchdogs of community values, but are understood for the ways they reconciled these presumed contrary behaviors.

Railroad building presented an even bigger challenge. Virginia's projects were seriously plagued by intra-town rivalry, which ultimately constrained the flow of legislative funding and led to a disjointed and inefficient network of tracks. As was the case in the county's development corporations, private citizens bought shares in the Virginia Central motivated by boosterism and indirect returns. By the time the company really got off the ground in the 1840s, Albemarle County was home to a group of professionals, merchants and artisans who joined wealthy planters in a still skewed, yet more egalitarian distribution of shareholders. Their investment did pay off indirectly, Majewski demonstrates, through the rise in real property values and increased commerce for "most citizens" (p. 70). And for non-citizens? On this question Majewski is much more tentative, suggesting that, while slaves did not share in better living standards, they might at least have avoided sale and forced migration when circumstances of the county's planters improved.

In Pennsylvania, the Cumberland Valley Rail Road (CVRR) attracted eastern capital. Motivated by expectations of dividends as well as long-term

returns, a small group of Philadelphia capitalists bought up the majority of shares in the road. Urban financiers became active managers of the company, serving on its board, lobbying for political privileges and monitoring operations. The CVRR promised to connect Cumberland's fertile valley with Philadelphia markets, securing the region's trade away from Baltimore merchants. Majewski suggests that access to eastern markets strengthened agricultural diversification, increased crop production, and enabled Cumberland's residents to purchase more manufactured goods. Using Carlisle tax lists (1838) and census returns (1850), he argues that the CVRR brought increased wealth to the town's middling taxpayers. The pie was getting bigger, even though Carlisle residents at the top were getting proportionally bigger slices.

Cumberland investors in the CVRR were often local professionals with links to Philadelphia capitalists. Their status placed them on the front lines when Cumberland County voters and other Pennsylvanians criticized the political and economic influence of monied interests; Democratic tempers flared, for instance, over the close overlap of major stockholders of the CVRR and the Bank of the United States of Pennsylvania. But even Pennsylvania Democrats, Majewski asserts, joined a "widespread consensus in favor of commercial expansion" (p. 109). In Pennsylvania and in Virginia, voters disputed particulars, exploiting the malleable language of republicanism to support their positions, and yet "nobody seriously questioned the desirability of commercial progress" (p. 110).

Despite enthusiasm for "economic modernization" (p. 113) in both Pennsylvania and Virginia, the northern state was clearly more successful in building a viable and profitable rail network. Virginia's small cities spread capital and political sway among fairly evenly matched towns that put local interests ahead of a critical trunk line. Although the Virginia legislature out-spent that of Pennsylvania, the money was dispersed

and inadequate overall for expensive transportation projects. Virginia's basic problem, Majewski argues, was that the state lacked centers of population to produce urban wealth and concentrate political clout. Pennsylvania, however, had two large and increasingly powerful cities--Philadelphia and Pittsburgh--which negated such difficulties. The aggressive lobby of Pennsylvania Railroad's large, mostly Philadelphia-based, shareholders, for example, "resulted in a more efficient and reliable trunk line" between Philadelphia and Pittsburgh (p. 122).

Ultimately, Majewski asks, why did antebellum Virginia (and by extension, the slave South) fail to develop a large commercial center? Here his explanation neither solves the chicken-and-egg problem, nor charts new ground. Slavery, plantations, and staple crops were to blame, he proposes, because the agricultural regime that developed spread population sparsely throughout the region. Majewski rejects the notion that Southern fears of concentrated slave populations deterred urban and industrial growth, citing evidence of Richmond's modest manufacturing success. By the antebellum era, he resolves, plantation slavery simply continued to make "better sense" (p. 166). The "absence of large, nearby markets"--a situation that grew out of policies and decisions made in Virginia's colonial past--"doused the economic incentives to move resources out of agriculture and into manufacturing" (p. 167). In contrast, the "root cause of Philadelphia's economic success was a densely populated hinterland that provided the city's entrepreneurs with a large market for manufactured goods in the nineteenth century" (p. 171). Readers can excuse the author for painting comparative economic development with a broad brush. This chapter, however, might have served better as an introduction to the economic development of the two regions than as a final statement on the contributions of an otherwise fine study.

A House Dividing, despite its ambitious title, works best as two contrasting case studies of the role of farmers, townsmen and elites in fighting for and financing market development. Majewski is at his finest when developing nuanced portraits of seemingly irrational or conflicting economic group behavior. He has crafted a compelling case for the pro commercial orientation of economically, regionally and politically diverse Americans. His focus on property values and aggregate production convincingly documents the positive wealth effects of internal improvements for many taxpayers. But what other measures of well being did free and bonded labor apply to assess the changes in their societies? Readers might crave a closer look on the micro level--into individual households, gender dynamics and labor allocation, or at individual plantations and slaves--to understand additional consequences of market access. These criticisms, however, merely demonstrate that Majewski's study has laid an important foundation for future understanding of the nation's early economic development.

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