A Reality Check of The 1619 Project

by Richard W. Rahn

HOW THE NEW YORK TIMES' POLITICALLY CORRECT VERSION OF HISTORY MISSES THE MARK

This month is the 400th anniversary of the arrival of the first African slaves in Virginia. The New York Times has created what they refer to as The 1619 Project, whose goal "is to reframe American history, making it explicit how slavery is the foundation on which this country is built. For generations, we have not been adequately taught this history. Our hope is to paint a fuller picture of the institution that shaped our nation."

Americans know too little about their own history, including of course slavery. Slavery was a horror for those who experienced it — but there is no American alive today who either was a slave or slaveholder. The same cannot be said for parts of Africa and the Middle East, where pockets of slavery still exist. The 1619 Project ought to be noble, but unfortunately political correctness has pushed itself ahead of good history — particularly economic history. What should have been a good discussion of the economics of slavery and its lingering effects has been turned into an anti-capitalist screed.

One section begins with the following statement: "In order to understand the brutality of American capitalism you have to start on the plantation." The whole line of argument is false. Capitalism, unlike man-designed economic systems, such as socialism in all its various forms, including communism, fascism and feudalism, emerged from the spontaneous order. Man is a trading animal, and when he runs out of things to trade, he starts producing things that he believes he will be able to trade. It became obvious that rules could make trading more efficient to everyone's benefit, in the same way that sports teams need rules to make the games workable. Capitalism is benign because it relies on voluntary cooperation while socialism is brutal because it relies on coercion.

Much of ancient Roman law dealt with commercial practices. Over time, innovations, such as property rights and their impartial enforcement, and the creation of money, greatly enhanced the development of free markets and private property. By the Middle Ages, Italian and Dutch city-states had developed basic commercial and financial law, which enabled them to become far richer than their neighbors. They quickly learned that civil dispute resolution works far better than violence. By the time of the Industrial Revolution in Britain, basic institutions, such as banks and other financial groups, a commercial court system and money based on gold and/or silver, had been created.

What became the United States adopted these British institutions and practices by the mid-1700s. That, combined with plentiful and inexpensive land, and relatively cheap capital from Europe, ignited the basic takeoff of the United States. What the United States lacked was a plentiful supply of labor. Settlers were attracted by promises of free or nearly free land. Many European poor were willing to sign on as indentured servants — which was close to voluntary slavery — but with at least an exit date. By 1804, all the Northern states had abolished slavery which at one time was legal in all the American colonies.

Only in the Southern states did slavery persist, mainly because the economic system of the South was more akin to feudalism than free-market capitalism. Plantation agriculture — mainly cotton — had considerable economies of scale and required large amounts of unskilled labor. Huge profits went to relatively few large landowners because they were in effect paying less than the free-market price for the labor. Even so, slaves were costly. They had to be fed and housed all year, with basic medical needs being attended to.

Assume for the moment that the United States never had slavery. Would the country be poorer or richer? The productive tasks that slaves did would still have been done, but by more indentured servants and free men and women. For example, the Erie Canal in New York State, the biggest public works project of its time, was hand dug primarily by Irish immigrants. The difference between the hourly cost of the slaves and the cost of unskilled Irish was the real amount of the slave exploitation. Few proceeds of this exploitation benefitted the American people at large, but in turn went to purchase non-productive luxury goods, such as the great plantation houses, owned by the large slaveholders.

Slave labor averaged less than about 15 percent of the American labor supply, and the real labor exploitation was some fraction of that after covering all of the costs of supporting the slaves. It is not correct to say that "slavery is the foundation on which the country is built." America would still be a rich capitalist country even if it never had slavery. The real tragedy of slavery was the loss of liberty. Slaves also largely missed the opportunity to acquire property for themselves and their descendants. That opportunity loss was the real economic exploitation — though not insignificant, but far from the foundation provided in total by all of the various immigrant groups, races and nationalities that built America.

What is telling is the fact that many of the descendants of those who live in the countries that sold their fellow countrymen into slavery are trying to come in to the United States, while few descendants of those who were slaves in the United States are trying to go elsewhere.

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