

How Slaves Built American Capitalism

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Friday marks the 150th anniversary of the abolition of slavery in America and contrary to popular belief, slavery is not a product of Western capitalism; Western capitalism is a product of slavery.

The expansion of slavery in the first eight decades after American Independence drove the evolution and modernization of the United States.

Historian Edward Baptist illustrates how in the span of a single lifetime, the South grew from a narrow coastal strip of worn-out tobacco plantations to a continental cotton empire, and the United States grew into a modern, industrial, and capitalist economy.

Through torture and punishment slave owners extracted greater efficiencies from slaves which allowed the United States to seize control of the world market for cotton, the key raw material of the Industrial Revolution, and become a prosperous and powerful nation.

Cotton was to the early 19th century, what oil was to the 20th century: the commodity that determined the wealth of nations. Cotton accounted for a staggering 50 percent of US exports and ignited the economic boom that America experienced. America owes its very existence as a first world nation to slavery.

In the abstract, capitalism and slavery are fundamentally counterposed systems. One is based on free labor, and the other, on forced labor. However, in practice, Capitalism itself would have been impossible without slavery.

In the United States, scholars have demonstrated that profit wasn't made just from Southerners selling the cotton that slaves picked or the cane they cut. Slavery was central to the establishment of the industries that today dominate the U.S. economy: real estate, insurance and finance.

Wall Street was founded on slavery. African slaves built the physical wall that gives Wall Street its name, forming the northern boundary of the Dutch colony designed to ward off resisting natives who wanted their land back. To formalize the colossal trade in human beings, in 1711, New York officials established a slave market on Wall Street.

Many prominent American banks including JP Morgan and Wachovia Corp made fortunes from slavery and accepted slaves as "collateral". JP Morgan recently admitted that it "accepted approximately 13,000 enslaved individuals as collateral on loans and took possession of approximately 1,250 enslaved individuals".

The story that American schoolbooks tell of slavery is regional, rather than national, it

portrays slavery as a brutal aberration to the American rule of democracy and freedom. Slavery is recounted as an unfortunate detour from the nation's march to modernity, and certainly not the engine that drove American economic prosperity. Nothing could be further from the truth.

In order to fully appreciate the importance of slavery to American capitalism, one need only look at the torrid history of an antebellum Alabama dry-goods outfit called Lehman Brothers. Warren Buffet is the CEO of Berkshire Hathaway and the richest billionaire in America. Berkshire Hathaway's antecedent firm was a Rhode Island textile manufacturer and slavery profiteer.

In the north, New England was the home of America's cotton textile industry and the hotbed of American abolitionism, which grew rich on the backs of the enslaved people forced to pick cotton in the south. The architects of New England's industrial revolution constantly monitored the price of cotton, for their textile mills would have been silent without the labor of slaves on distant plantations.

The book *Complicity: How the North Promoted, Prolonged, and Profited from Slavery* by Anne Farrow illustrates how the Northern bourgeoisie were connected to the slave system by a million threads: they bought molasses, which was made with slave labor, and sold rum as part of the Triangle Trade; they lent money to Southern planters; and most of the cotton that was sold to Britain was shipped through New England ports.

Despite being turned into a civil rights hero, Abraham Lincoln did not think blacks were the equals of whites. Lincoln's plan was to send the blacks in America back to Africa, and if he had not been assassinated, returning blacks to Africa would likely have been his post-war policy. Lincoln even admitted that the emancipation proclamation, in his own words, was merely "a practical war measure" to convince Britain, that the North was driven by "something more than ambition."

For Blacks, the end of slavery, one hundred and fifty years ago, was just the beginning of the as yet unachieved quest for democratic and economic racial equality.

In the era before WWII, the American elite consensus viewed capitalist civilization as a racial and colonial project. To this day, capitalism in America can only be described as "Racial Capitalism": the legacy of slavery marked by the simultaneous, and intertwined emergence of white supremacy and capitalism in modern America.

Black people in America live in a Racial Capitalist system. Racial Capitalism exercises its authority over the Black minority through an oppressive array of modern day lynchings by the police, increasing for-profit mass incarceration and institutionally driven racial economic inequality. Racial Capitalism is unquestionably a modern day crime against humanity.

Seeing an African American at the pinnacle of power in the land of slavery would be exciting if only black equality indicators were not tumbling. In fact, during Obama's tenure the black-white median household wealth gap is down to seven black cents on the white dollar. The spread between black unemployment and white unemployment has also widened by four points since President Obama took office.

The nation's police historically enforced Racial Capitalism. The first modern police forces in America were Slave Patrols and Night Watches, which were both designed to control the

behaviors of African Americans.

Historical literature is clear that prior to the Civil War a legally sanctioned police force existed for the sole purpose of oppressing the slave population and protecting the property and interests of white slave owners. The glaring similarities between the eighteenth century Slave Patrols and modern American police brutality in the Black community are too salient to dismiss or ignore.

Ever since the first police forces were established in America, lynchings have been the linchpin of racial capitalist law and order. Days after the abolition of slavery, the worst terrorist organization in American history was formed with the US government's blessing: The Klu Klux Klan.

The majority of Americans believe that lynchings are an outdated form of racial terrorism, which blighted American society up until the end of the era of Jim Crow laws; however, America's proclivity towards the unbridled slaughter of African Americans has only worsened over time. The *Guardian* newspaper recently noted that historians believe that during the late nineteenth and early twentieth century on average two African-Americans were lynched every week.

Compare this with incomplete data compiled by the FBI that shows that a Black person is killed by a white police officer more than twice a week, and it's clear that police brutality in Black communities is getting worse, not better.

Lynching does not necessarily mean hanging. It often included humiliation, torture, burning, dismemberment and castration. A lynching was a quintessential American public ritual that often took place in front of large crowds that sometimes numbered in the thousands and children played during the festivities.

Shortly after the abolition of slavery in 1899 the *Springfield Weekly* newspaper described a lynching by the KKK chronicling how, "the Negro was deprived of his ears, fingers and genital parts of his body. He pleaded pitifully for his life while the mutilation was going on...before the body was cool, it was cut to pieces, the bones crushed into small bits...the Negro's heart was cut into several pieces, as was also his liver...small pieces of bones went for 25 cents..."

Central to the perpetuation of Racial Capitalism is racial terrorism, which is why to this day, the US government refuses to designate the KKK as a domestic terrorist organization.

Racially terrorizing Black communities goes hand in hand with the systematic containment and imprisonment of Blacks. Thanks in large part to the racially motivated War on Drugs, the United States right now incarcerates more African-Americans as a percentage than South Africa did at the height of Apartheid.

Private prisons were designed by the rich and for the rich. The for-profit prison system depends on imprisoning Blacks for its survival. Much in the same way the United States was designed. After all, more Black men are in prison or jail, on probation or parole than were enslaved in 1850 before the Civil War began.

America's "take-off" in the 19th century wasn't in spite of slavery; it was largely thanks to it. Capitalism was created by slavery and slavery in turn created the enduring legacy of Racial Capitalism that persists in America today.

There has historically been a sharp contrast between America's lofty ideals, on the one hand, and the seemingly permanent second-class status of African Americans, on the other. The late 19th century irony of a statue named Liberty overseeing the arrival in New York's harbor of millions of foreigners, even as black Southern peasants, not alien, just profoundly alienated, were kept enslaved at the social margins. The hypocrisy of a racist ideology that openly questioned the Negro's human worth surviving America's defeat of the Nazis. To this day, far from being a "post-racial" nation, American racial equality indicators and race relations are at a new low.

The race problem is America's great national dilemma that continues to pose the greatest threat to America's democratic experiment. Simmering discontent in Black communities will continue to rise towards a dangerous boiling point unless and until slavery's greatest legacy of ongoing Racial Capitalism is exposed and completely dismantled.

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