

there's blindness comes to both, and cures sometimes. And the light of the eyes of my body and the light of the eyes of my soul have come back both at once: and may yours be as bright forever, and bless you all!" says I.

THE SOUTHERN INDUSTRIAL PROSPECT.

HAVING on a recent occasion* spoken hopefully of the "Future of the South," we purpose now to examine more critically the views then advanced. We shall confine ourselves in this article to the industrial aspect of the subject.

It is now conceded as a fact, whatever the cause may have been, that heretofore the South failed to reap annually her due measure of the general progress and prosperity of the country; and it has become a matter of deep interest, therefore, to inquire whether, under her new "social environment," the conditions are more favorable to her material development. We believe that they are; we believe that the South is now in a position to command her full share of progress and prosperity; and we believe that the industrial prospect is brighter to-day than ever before in her history. We expect to demonstrate the soundness of these hopeful views on the following grounds: because hereafter, in addition to other advantages (1), her industries will become more diversified; (2) her people will become more industrious; and (3) her wealth will become more generally diffused. We will now consider these reasons *seriatim*.

I. *Diversified Industries*.—No argument is needed to show that the prosperity of a large section of country can not be as great under a system of industry confined exclusively to agriculture as under one embracing also other occupations; but some reflection is needed to realize fully that a diversified industry is a prerequisite to the normal development of a country's capacities and resources, being as essential to success in the struggle for political power as in the race for material progress. While the principle of the division of labor always operates to advantage as between individuals in the same community, and in some respects as between communities of the same country, yet, as regards the great departments of industry, it can not be applied between different countries, or even between sections of the same country. Although theoretically the law applies as fully in the one case as in the other, yet practically, in the relations between nations and sections, counteracting influences and conditions interpose and supersede or neutralize its action. While no nation could

prudently rely on other countries to supply those staple products and materials which are essential to its existence and defense, so also no section of country, under existing conditions of society, can depend exclusively on any single industry to attain its full productive capacity. Lands of greater or less value represent capital which must not be left unremunerative; and a similar remark applies in some respects to natural facilities for commerce and manufactures. By growing those products, by manufacturing those articles, and by trading in those commodities for which it has respectively the greatest facilities, each community utilizes all its resources and opportunities, while at the same time all of its labor may thus be made available by giving occupation in one branch of industry to many who from age, sex, or natural incapacity might be unfitted for employment in another. As far as the home consumption can be supplied by home production, so far is the community a gainer—other things being equal—to the extent at least of the cost of transportation and the additional mercantile profit; and this margin always exists, unless it is overbalanced by reduced cost of production in the competing community. Until, therefore, further advances are made toward annihilating space as regards both time and cost of transportation, the great law of division of labor can not be fully applied as between nations, states, or large sections of country; but each must have, as far as practicable, diversified industries.

It has been most unfortunate for the material welfare of the South that she has been almost exclusively an agricultural country. Indeed, even in agriculture, by the adoption of a policy fatally wrong in practice, for the reasons we have suggested, although strictly correct in theory, her people followed Adam Smith's great law to its logical extreme. They cultivated only those staple crops for which the soil was best adapted, and with the proceeds of their sales purchased from Northern farmers meat and bread for Southern laborers. Her development in consequence was dwarfed and one-sided, and hence her small annual increase in wealth and population as compared with the North. And yet this system of industry, confined exclusively to agriculture—whether unavoidable or not under the circumstances matters not now—was advocated as most advantageous for the South.

The tendency at the South since the war has been to change from the system of planting only staple crops to that of raising a variety of crops, and it has become an object to produce on the farm as far as practicable what will be needed for the farm. At the same time, a strong disposition is shown in each community to encourage and develop local productions of every kind, and

* Address at the reunion of the Hampton Legion in Columbia, South Carolina, July 21, 1875.

home manufactures begin to some extent to supply the home wants. Before the war the planter ordered directly from the North, through his commission merchant, all the clothing, shoes, and blankets which were needed for his laborers; but there is now a country store at every cross-road, by which the new wants of the freedmen are supplied, and at which his wages are spent. The clothing of the laborer is now, to a great extent at least, manufactured at Southern mills; and while formerly that part of the cost of labor represented by meat and bread was also in many districts paid directly to Northern producers or merchants, at present a large proportion is supplied by Southern production, and this proportion will steadily increase hereafter.

The facts indicate that the tendency is now to a greater diversity of industries, and we would be led, *a priori*, to the same conclusion. The legislation of the South under the old system having been adverse to manufacturing and commercial enterprises, little inducement was offered to capital, foreign or domestic, to invest in either, and agriculture was thus the favored occupation, no other being profitable under the circumstances. The habits and predilections of the whites were unfavorable to commerce and manufactures, while the character and capacity of the laborers were adapted only to agriculture; and as long as slave labor existed, free labor avoided the limits of the South. Other influences will readily suggest themselves which before the war concurred in precluding a diversity of industries in the South, but the opposing causes being removed, the normal and regular development of all her resources and capacities must follow.

II. *The Law of Labor.*—Wherever slavery exists, manual labor is regarded as degrading, and will be avoided by the people as much as practicable. Such was the case in the South. But this influence has been removed, while, on the other hand, commerce and manufactures, accompanying a greater diversity of industries, will now exert their well-known effect of making all labor more respectable; the people of the South under new influences, all tending to encourage and elevate labor, will naturally become more industrious, and with the next generation of whites the proportion of active producers to her population should be increased. Labor, however, must be elevated and honored if the South would have an industrious population, and she must have an industrious population if she expects to prosper.

Our civilization is based on the triumph of man over nature, and labor only, mental and physical, can retain the conquered domain. While from the accumulated knowledge of ages the superiority of mind over matter, of man over nature, is greater than

ever before, the demands of the age and the tendency of civilization loudly proclaim the inexorable law of labor as applying to nationalities and peoples as well as to individuals. With every advance the wants of humanity have increased, so that, notwithstanding the discoveries of science and the accumulated wealth of centuries, it is as essential as ever that man shall labor for his supply of bread, the bread that he finds necessary for his existence having steadily improved in quality as he has advanced in civilization.

The wants and needs of our laborer, including the calls on his time for self-improvement and for domestic and social duties, have increased *pari passu* with the increase of his productive power; and it is true generally of all classes of society that their habits of life to-day render labor as imperative as in previous epochs to provide respectively that mode of living which they severally find requisite for their bearable existence.

With the revolutions of time the sceptre of dominion has passed from the heart to the head. Intellect now commands the forces of the world, and science leads the van. This fact, be it right or be it wrong, can not be ignored. Knowledge, accordingly, is really power; but knowledge can neither be accumulated nor made available without labor, and without a surplus of wealth, the product of labor, to insure bread and shelter. Art, literature, refinement, and morality are to be cultivated, but they can receive attention only after bread is supplied, and on the average they will be cultivated in proportion to the surplus of capital which labor has acquired.

We are no apologists for that materialistic spirit of the age which we often have so deservedly condemned; for we all have something more to live for than to be "dollar hunters and the breeders of dollar hunters." The means must not be confounded with the end. Labor with its fruits is the means; the end is man's advancement. In urging, therefore, the importance of that material prosperity which labor alone can secure, we should not be understood as ignoring man's moral improvement. Material development, however, promotes moral development, and is needed to protect and preserve it. Southern society was overthrown in consequence of the failure to develop its resources; but in rebuilding now the social fabric, this defect can and must be avoided. Bitter experiences have taught the Southern people their weakness; self-preservation now urges them to remove the cause. Stern facts have demonstrated that when, in addition to that moral power which, as the world concedes, the South exhibited in the war between the States, her sons shall insure her, by new habits of industry, a due portion

also of physical power, then and then only will her development proceed on a sound basis; then and then only will her people become really a great people. Labor, then, should be the corner-stone of the new South. It is, indeed, the foundation on which the social fabric must rest, the law of labor being to society the first law of nature.

III. *More Equal Distribution of Wealth.*—It is an axiom of social science that an unequal distribution of wealth will be followed by an unequal distribution of social and political power, and that the effect of such unequal distribution of social and political power will be stagnation and decline, and ultimately decay and ruin. The principle can be readily explained and illustrated by referring to a fact of Roman history which has been noticed by several writers. In Italy, under the Roman republic, the corn laws reduced the price of grain to such an extent that the "small holdings" could not be farmed profitably by the yeomanry of the country, an industrious, frugal, and hitherto prosperous class; and as the growth of grain ceased to be remunerative, pastoral husbandry was introduced in connection with the wine culture. As large land-owners under this system enjoyed advantages over the small farmers, capitalists soon began to purchase and merge together the small farms, and the tendency increased until the lands generally passed under their control. The result of this unequal distribution of landed wealth was the debasement and ruin of the yeoman class, and there followed in consequence deterioration and loss of population. The finally disastrous result is thus depicted by a celebrated historian: "And so desolation advanced with gigantic steps over the flourishing land of Italy, where countless numbers of freemen had lately rejoiced in moderate and merited prosperity." This was the result of a policy which caused a concentration of capital in the place of its general diffusion.

The South furnished no exception to the rule that an unequal distribution of wealth is unfavorable to the material prosperity of a country. In the Northern States, where circumstances favored a diffusion of capital, the yearly increase of population and wealth steadily exceeded that in the Southern States, where circumstances favored a concentration of capital, so that when the irrepressible conflict came, the South was unable to sustain herself, although eminent courage, devotion, and zeal were exhibited by her people, and the highest order of military genius was developed to direct them.

We hope to demonstrate that there will be hereafter a more equal distribution of wealth, not only in the South as between individuals, but also in the country as between sections. The circumstances and influences which formerly in the South pro-

duced a concentration of wealth (being principally those which prevented a diversity of industries) having been removed, we might well argue that the tendency to unequal distribution must have ceased. Indeed, it will be conceded that the capital of the South is already more generally diffused, and it might be sufficient to rest our argument on this recognized fact; but it will aid in making our subject better understood to cite some of those influences which now tend directly to produce a more equal distribution of wealth in the South as between individuals.

As the wants of the agricultural population in the South were formerly supplied by wholesale through the cities, business in the country was extremely limited; but there being at present a general local demand for goods and merchandise, there exists a large class of prosperous and responsible country merchants, who now receive, from the wages of the freedman, a part of what was formerly the profits of the master; and all other classes who supply any wants of the laborers receive in like manner some benefit from their wages. This, of course, tends to promote a more equal distribution of wealth.

Formerly in the South the incentive to industry and energy was small, because, except in the larger cities, their reward was uncertain, and the field for their exercise extremely limited; and even in the cities enterprise was discouraged by adverse legislation. Capital was restricted almost exclusively to agriculture as the favored and profitable employment; but even agriculture was only profitable to those who owned or could purchase slaves. Under existing conditions, however, new influences are at work to develop commerce and manufactures and varied trades and occupations in all the communities of the South, and the greater the diversity of industries, the greater will be the diffusion of wealth. As the labor market, too, is now open to all, agriculture is no longer monopolized by capitalists; and a new field has thus been offered to energy and enterprise, which has not been neglected. The most successful planters and farmers at present in the South are those who have been heretofore accustomed to labor, and the young men who, after the war, at once realized their condition and went to work in earnest. The farmers who had been used to work themselves have invariably prospered since the war, and are accumulating property, while the large land-owners, on the contrary, are becoming poorer every year, except those who happen to have youth, energy, and industry, and as these advantages fully account for their success, the exceptions only "prove the rule." It has become, in fact, a proverb in the South that the times are favoring the poor man.

We will next consider the new influences which are now promoting a more equal distribution of wealth as between the sections. One of the principal sources of the more rapid accumulation of wealth heretofore by the North as compared with the South was the immense immigration, which yearly diffused new life, energy, and vigor through the Northern States. Like the waters of the Nile, this stream annually enriched the land over which it spread; but there was an impassable barrier which prevented its flow southward. Free labor will always avoid competition with slave labor, and hence all this immigration, with its accompanying benefits, was diverted from the South. For obvious reasons the surplus capital of the money centres formerly avoided the South, and accordingly this stream, like that of immigration, flowed exclusively Westward. There was, further, a certain accumulation of wealth to be derived annually from commerce and manufactures, and heretofore the North monopolized it. As commerce and manufactures, however, are developed in the South, a more equal distribution of the wealth from these sources will result.

In addition to these particular influences, and those already cited in other connections, which now tend to equalize the distribution of wealth as between the sections, there are reasons for believing that under this tendency to equalization there will be an increase of population and wealth in the South at even a greater rate temporarily than that in the North.

There is a law in social science by which population and wealth always tend to diffuse themselves, analogous to the law in physical science by which liquids always tend to distribute themselves. Under the operation of this law, whenever a particular section of a country from any special causes is prevented from prospering to the same extent as other sections possessing no greater advantages, there results an effort at equalization as soon as the opposing causes are removed. In such an event there would be the same tendency for population and wealth to diffuse themselves through districts from which their flow had been excluded by the supposed obstacles as there would be for water to seek its level whenever any physical barrier which had obstructed it should be removed. In the physical world, however, every thing can be seen with the natural eye, and when the flow of the liquid ceases, the particular obstructions are apparent; but in the economic world the obstructing causes are secret and obscure, and when the operation of the law is prevented, the opposing influences are hidden from view. Neither population nor wealth, it is true, is equally diffused, concentration being the general rule; but the same may be said of the distribution of water. The law

is not that population and wealth *will be* equally diffused, any more than it is the law that water will be equally distributed over the earth's surface, but the *tendency* is the same in both cases; for population and wealth will be equally distributed whenever the attractions, inducements, and advantages are the same, just as, under the analogous law, water, although generally accumulated by irregularities of the earth's surface, will always spread over level plains.

Under the operation, then, of this economic law, whenever any obstacles or hindrances in the form of opposing influences are removed, a diffusion should follow to the extent of the obstructions they caused, and population and wealth should accordingly commence flowing through those channels which had been previously closed or choked. Now the causes and influences heretofore cited as having retarded her material progress presented just such obstacles and barriers to the natural and regular flow of population and wealth into the South, and to that extent the action of this law of equal distribution was obstructed; but these causes and influences having ceased to operate, population and wealth must now flow into the South through the channels so opened, and it will not be unreasonable to expect a comparatively rapid development in the near future.

So far, on this branch of our subject, we have cited those circumstances and influences which formerly retarded the development of the South, presenting as they did obstacles or barriers to the natural course of immigration and capital; and we have explained, on general principles, that the obstructions having been removed, an economic diffusion would follow, tending to equalize the distribution of population and wealth; but now we shall go further, and trace in the present condition of the country certain active influences that are at work, tending also to promote equalization between the sections.

Whenever location, social and political rights and privileges, confidence in the stability of government, and natural advantages are the same—whenever, in short, "other things are equal"—labor and capital will seek employment in those sections of the country in which the demand for them is greatest. They will go wherever wages and profits are highest, and these will be highest wherever competition for labor and capital is greatest.

The South being to-day in a condition in which, as compared with the North, labor and capital are in active demand, there will be a tendency of both to flow Southward until the equilibrium is re-established. It is an admitted fact that the demand for labor and capital at the South is greater than it is at the North, and the reasons are ap-

parent. The staple products of the South command the markets of the world; and the increase of crops, even in the event of an inflow of labor and capital to the South, will not probably exceed the increase of general consumption. Hence there will be an active demand for both labor and capital for many years; and to this extent, after all, cotton is king.

The manufacturing interests of the South, for the reasons already suggested, will also create for many years an active demand for both capital and labor. On the other hand, the foreign markets of the North are comparatively limited, while her Southern market has been greatly curtailed; and, at all events, the North has established thus far no permanent industry which will always insure active and profitable employment for surplus capital and labor.

This comparative condition of the two sections tends directly, of course, to a transfer of both capital and labor from the North to the South; and it illustrates the economic law of equal distribution, and at the same time furnishes the rationale of its operation. The existence of some abnormal condition, some obstacle or obstruction, alone rendered possible such an unequal demand for labor and capital between the two sections. Had there been no obstructing causes, capital and labor would have been attracted, and a larger area in the South would have been placed under cultivation, and manufactures would have been established to the extent certainly of supplying the home demand for all articles that could be produced advantageously in the South.

Under these circumstances, it is not surprising that while capital at the North is lying idle in the banks, it commands in the South the highest rates of interest; and that while at the North labor can not find employment, and the country, in consequence, is filled with tramps and vagrants, at the South the demand for labor can not be supplied, particularly in the cotton districts, and planters are offering the highest premiums for laborers. Hence it is, also, that in comparing the present condition of the two sections, as affected respectively by the existing depression of business, the advantage is decidedly with the South. She is poor and depressed; but that was her condition before the panic of 1873, and therefore the shrinkage of her values and business has been less, proportionately, than it has been in the North.

The South, indeed, presents now unusual attractions to immigrants and to capitalists. With the advantages of a settled country, she offers many of the inducements of a new colony. Her lands represent a very large proportion of her capital, and they are still as cheap as those of new settlements, while at the same time she needs and can sus-

tain manufacturing enterprises of various kinds.

It must be borne in mind that a few years develop small results from even radical changes in the economic conditions of society, and that currents of immigration and capital, in particular, can not be suddenly diverted from old into new channels. In the present case there are many retarding influences, particularly those resulting from the presence of the colored race in the South, and the views we have advanced in this article, therefore, can not yet be fairly tested by a reference to facts; but, while we do not hope to see at once the results expected, there should be some indications that the causes are at work to produce them. It is, accordingly, very satisfactory to find that there are many facts in the present condition of the South which confirm our deductions, and that there are, so far, no facts apparently contradictory which can not be otherwise explained. Besides the confirmatory circumstances heretofore alluded to, there is one which merits special notice.

It is well known, and has frequently been the subject of comment from observant visitors, that the greatest prosperity prevails in those districts of the South in which the small farm system prevails. Mr. Nordhoff, of the New York *Herald*, in his recent letters from the South, referred repeatedly to this fact, and we do not know that it has been questioned. What is the real explanation? It is not that farming on a small scale is profitable while planting on a large scale is necessarily unprofitable, nor is it that the small farmer has abandoned the old system of large areas and poor tillage, and now gives greater care and attention to a smaller acreage. The explanation is, that the small farm system *accompanies and is an evidence of a different social and industrial condition* from that prevailing in other districts. Wherever you find small farms, you find a class of farmers who had been accustomed to work, and hence their prosperity and that of their communities. Owning fewer slaves formerly than the large planters, they worked themselves, and they raised their children to work, while at the same time the wealth of the community was more generally diffused. If this is the correct interpretation, it is apparent that this fact conforms to and confirms much that we have said on this subject.

With such an industrial outlook for the South, it is time that childish despondency makes way for manly energy; it is time that vain lamentations over the past yield to hopeful anticipations of the future; it is time that false forebodings of coming evil give place to honest efforts for the common good.

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