

Episode 141: Debunking the 1619 Project with Phil Magness

- Speaker 1: Welcome to the Bill Walton Show featuring conversations with leaders, entrepreneurs, artists, and thinkers. Fresh perspectives on money, culture, politics, and human flourishing. Interesting people, interesting things.
- William Walton: Welcome to the Bill Walton Show. I'm Bill Walton. [00:00:30] Listen to this. One of the primary reasons American colonists decided to declare their independence from Britain was because they wanted to protect the institution of slavery. And this, the founding of the United States of America did not begin with the Declaration of Independence in 1776, instead, the actual founding of America occurred in 1619 the year 20 or so African slaves [00:01:00] were brought to Jamestown, Virginia. I don't believe these statements are true and I bet you don't either.
- But these are some of the arguments being made to support the charges of systematic racism in America and critical race theory. So to dig into these statements and why they are not true, and more importantly what is true, I've asked Phillip Magness an economic historian specializing in the 19th century United States history to join me [00:01:30] today, Phil.
- Senior search fellow at the American Institute for Economic Research, Phil's written extensively on the political and economic dimensions of slavery and is the author of *The 1619 Project: A Critique*. Phil, great to have you here.
- Phil Magness: Happy to be here.
- William Walton: So how long have you been working on the ... 1619 came out first a couple years ago in New York Times. We're all sort of astounded that they would be putting [00:02:00] this out there but they were quite serious about it. Now, this has evolved into what's being taught in schools and is now being part of the critical race theory movement. Give me some context here. Where's this come from?
- Phil Magness: Right. So 1619 Project when it burst onto the scene of the New York Times magazine, that was August of 2019, it initially struck me as something that was actually exciting to read because I'm a [00:02:30] historian that primarily works in the area of slavery. I've written several academic articles and books, I think I've counted over two dozen works on the Civil War era and 19th century slavery and the economic dimensions of it, been working on this for decades. And I saw that they were actually running a feature on, I get excited on what was supposed to be my area, and then I started reading it.
- And as I started reading it, it struck me immediately as politicized history [00:03:00] that was actually arguing from a 21st century perspective of progressive politics and trying to project that onto the past. And I thought this was odd because just a few years before the New York Times ran *The 1619 Project*, they did a very prominent feature that was on the 150th anniversary of

the Civil War called This Union and it was very professionally edited, had academic scholars contributed from across the political spectrum, from [00:03:30] across the historical fields that work on that, I wrote several pieces for it. It was a good vibrant debate and it met the standards for what I thought was high-quality journalism. And here we were just five years later, the New York Times is putting out what struck me as almost political propaganda to make an argument for why 21st century politics should be interpretive wins that we use for the entire past of the United States. And really first and foremost, they seem to be making an argument to discredit [00:04:00] two major institutions that are responsible for our wealth, our prosperity, our success as a nation and that is free market capitalism and the United States Constitution.

So it seemed like an almost all-out assault on these dimensions of American life from this perspective of that they needed to be overturned or toppled or critiqued on the grounds that they were connected to slavery and they were irreparably tainted by slavery.

William Walton: Was Howard Zinn a source [00:04:30] for this?

Phil Magness: I don't believe he was directly.

William Walton: He's dead. He's been dead for a long time. His book, History of the American People, is being taught in all the schools now and the basic premise is America is, was, and will be a terrible place and the world would be better without us.

Phil Magness: Yeah. That's the thinking that went into some of this. I think there's a milieu of the historical profession that was captured there. And not directly Zinn, but I'd say the biggest [00:05:00] source, Nikole Hannah-Jones and some of the other writers for that-

William Walton: She was the principle author or editor of it.

Phil Magness: She's the person that wrote the lead essay and there are really two essays out of the dozen or so that contributed that I thought were particularly egregious. The rest they delved into civil rights history, literature, had interesting conversations but her lead essay and then a second essay by Matthew Desmond who's a sociologist at Princeton, she tackled the American founding, Desmond tackled [00:05:30] American capitalism. And the big argument on both of them is that they're tainted by slavery.

William Walton: Well, also in there didn't one of the authors make a point that just before the Civil War, no I guess it's 1836, 600 million of American GDP, almost half of the GDP was directly related to cotton which of course involved a million slaves. So they set the big lie [00:06:00] up that half of the economy was based on slave labor. And then they take it from there and I think we're going to talk about how they think that slavery's infused capitalism ever since. So what was the actual number? What was the economy in 1836?

Phil Magness: Yeah. So a good reputable-

William Walton: Because you're going to set the record straight here. This is a real historian with real history.

Phil Magness: Yeah. So a good reputable, economic assessment of the percentage of GDP, so total output for the economy in a given year in say the 1830s [00:06:30] is probably about five or six percent is connected to plantation-produced cotton slavery. So it's a very small number. What several of the authors that go into The 1619 Project, it's a much bigger literature than just this, this is kind of like the journalistic face of a movement in the history profession, but there was a guy by the name of Ed Baptist that in 2014 he wrote a book called The Half Has Never Been Told. You can tell just from the title he's obsessed [00:07:00] with his own novelty. His claim was that the true story of slavery had never been presented, slavery's connection to capitalism had never been presented before and he was there to tell it.

And what he did is he basically misread the evidence. This is borderline academic incompetence. That even goes so far as to say-

William Walton: He misread or he deliberately distorted? As I read what he wrote, he deliberately distorted it.

Phil Magness: Right. So what he does is he invents his own new way of calculating GDP. [00:07:30] I spent a decade teaching economics in the university system. This is something we covered in Macro Economics 101, how do you calculate GDP? So any undergraduate freshman-

William Walton: That's supposed to be the first semester.

Phil Magness: Exactly.

William Walton: Okay, like in the first month.

Phil Magness: Right, right. This is basic stuff. And here's this guy that styles himself as a historian of capitalism and he doesn't know how GDP is calculated. So what he does is he adds up all the different components [00:08:00] of the economy that are either [inaudible 00:08:04] connected to slavery. So it's not just the value of the cotton that's produced, it's the intermediate steps of shipping the cotton to the warehouse, shipping it from the warehouse to the textile mill, it's the financial firms that are marketing it, it's the railroads that even just touch upon carrying cotton.

William Walton: So as I remember, GDP calculates the final goods and services and not all the stuff [00:08:30] you buy in between.

Phil Magness: Exactly.

William Walton: If you added up all the stuff you buy in between, and come up with a very big number.

Phil Magness: Right. That's the whole thing. GDP by definition is only the final good and the idea is that the selling price at the market incorporates all those steps that have been taken.

William Walton: So the central argument you'll hear people say slavery was the source for modern capitalism and half the economy is just flat wrong.

Phil Magness: It is flat out wrong. And yet this claim is taking off like wildfire.

William Walton: So we're [00:09:00] going to refute all these claims.

Phil Magness: Yep.

William Walton: The other related thing is that the cotton planters themselves in the south have common cause with Ed Baptist in that they hated capitalism. They're making common cause with the revisionists today in that they've brought back the idea of King Cotton. And that one of the reasons the south claim that you couldn't do anything what they were doing is they're responsible for King Cotton, cotton was the source of true wealth [00:09:30] in America.

Phil Magness: Right. This was a famous claim that was made on the eve of the Civil War. There were several prominent southerners that bought into what was called King Cotton ideology. And the most famous iteration of it one of the senators from South Carolina stood on the floor of Congress and announced, "Cotton is king and cotton waves his scepter over the entire world economy. If you make war upon cotton, the entire economic order of the world will collapse."

William Walton: And this was just before the Civil War?

Phil Magness: This was right before the Civil War and they actually believed [00:10:00] it because the Confederacy during the Civil War structures its entire diplomatic approach to trying to get recognition out of Europe as using cotton as both the carrot and the stick to try and bring Britain and France into the war on the southern side. And they think that, "Aha, we have a trump card here. This is such an important crop. If we use it as the lure to bring them in, they have no choice but to respond or else their textile industries collapse."

William Walton: So they were trying to hold us up.

Phil Magness: [00:10:30] Exactly.

William Walton: If you declare war on us, all of Europe's going to come in on our side because they depend on our cotton.

Phil Magness: That is exactly it.

William Walton: So what happened?

Phil Magness: So what happened? Britain and France looked to other countries to get their cotton from.

William Walton: It's a world market.

Phil Magness: Turns out there's a world market.

William Walton: So this was bogus.

Phil Magness: It's a catastrophic, diplomatic failure by the Confederacy. It turned out that their economic theory, the entire basis that they organized the southern economy around was based on a fallacy, [00:11:00] was based on an error. And yet this was prominent before the Civil War and you can read all the southern pro slavery pamphlets they think that cotton is king is such a centerpiece of the American and world economy that if you do anything to disrupt it, you're going to cause chaos, you're going to cause a global depression, and you're going to induce anyone that's interested in that industry to come to the help of the people that produced the cotton, i.e., plantation owners. And it didn't happen, it didn't play out that way. The Civil War itself [00:11:30] is a reputation of this economic theory.

William Walton: Well, and there's something else you write about which is where, these are the modern authors making the claims that they want to make about evils of slavery and evil it certainly was, but the cotton production became a lot more productive in the 50 years before the Civil War. I think it went up almost 400%.

Phil Magness: Right, right.

William Walton: So for any given acre, you're getting [00:12:00] four times as much cotton as you were in 1858 as you were maybe in 1820. Is that about the right math?

Phil Magness: That's roughly. So over the course of about half a century. And what's going on there-

William Walton: And what they claimed was that the plantation overlords had become, how did you write this here? They become more efficient in what?

Phil Magness: Basically extracting labor out of slaves by beating them.

William Walton: Whipping and torture. [00:12:30] The whipping machine became four times more efficient.

Phil Magness: That's the claim. And this is the major thesis of the book by Ed Baptist, the same guy that makes the GDP error. And he is the major source of Matthew Desmond's essay in The 1619 Project.

William Walton: It's important to point out that Ed Baptist, his ideas became pervasive. Everybody locked onto it and so that's sort of conventional wisdom among people on that side of the argument. It's just flat wrong.

Phil Magness: Right.

William Walton: So what was [00:13:00] the increase in productivity due to?

Phil Magness: Yeah. So Ed Baptist hits this number, the 400% growth out of a study by two economic historians, Paul Rhode and Alan Olmstead. This was published a little over a decade ago. And what they did is they traced the origins of the boom of the American cotton industry. Olmstead and Rhode are very serious scholars, they certainly recognized the horror of slavery but their investigation founded very different cause than what Baptist [00:13:30] had claimed here. They found the improvements in the seed technology of cotton, improvements in cultivation were the real reason why the cotton crop yielded more. It says basically farmers experimented with blending strains of cotton together and they got more of a yield of their product.

William Walton: They were crossbreeding, I guess they would call it.

Phil Magness: Absolutely. They get more disease resistant, easier to cultivate. And yes, it's under a horrible system of slavery that this is taking place but it's a clear [00:14:00] unambiguous technological growth. And what Ed Baptist did is he read their numbers, he got their statistic and he misrepresented all of the reasons that they had documented in this study even to the point of supplanting them with his own reasons. So he basically ignored the explanation, used the statistic, and came up with this alternative basically made up out of thin air claim that it's actually improvements in the whipping system that caused the growth in cotton.

And it became [00:14:30] so pronounced that after Ed Baptist's book came out, the authors of the study, Olmstead and Rhode, wrote a rebuttal to him and said, "Hey, wait a minute. You're misrepresenting our work. You're misusing our statistics. This is wrong, here's the evidence." And Baptist just basically wooed them off and ignored them.

William Walton: Well, is he part of the New History of Capitalism group?

Phil Magness: He is the central figure, one of the probably two or three major figures of the New History of Capitalism group.

William Walton: I've learned all this in the last since you and I talked. The New History of Capitalism group, who are they and what are they [00:15:00] about?

Phil Magness: Yes. New History of Capitalism's a self-designated moniker for a group of historians that popped up I'd say in the late 2000s, early 2010s, and what they did is they purported to reinvestigate commonly known events of history through the lens of capitalism, through the lens of economics. It's a very kind of head in the clouds fluffy definition that they use, they actually even avoid defining the term capitalism. And in practice it becomes [00:15:30] stuff that I don't like and they're all the progressive lefts so capitalism is anything from the past that has some economic dimension to it that they don't like.

William Walton: You're watching the Bill Walton Show and I'm here with Phil Magness and we're getting into the fact that a lot of history from the left is basically stuff they don't like. We're going to get in more what's real and what isn't real. So continue.

Phil Magness: So what was basically happening with New History of Capitalism is they, of [00:16:00] course, focus on slavery is the dominant theme of 19th century economic life and political life and basically everything that happened before the Civil War. So they focus in on slavery and what they try to do is reinvent it as a capitalistic institution. This is where the old King Cotton piece comes out. I would go so far as to say the New History of Capitalism is an unintentional rehabilitation of the King Cotton thesis minus the southern enthusiasm [00:16:30] for slavery.

William Walton: Well, and the southerners hated capitalism.

Phil Magness: That's the fascinating thing.

William Walton: And you write about a guy George Fitzhugh who wrote Sociology for the South in 1854.

Phil Magness: Yeah. So George Fitzhugh is probably the preeminent light antebellum theorist of slavery in the United States. This is a guy that had a national audience. He debated famous abolitionists. He was seen as the other side's equivalent of what William Lloyd Garrison or Frederick Douglass would be more familiar today. He was the [00:17:00] pro slavery guy that argued against them and wrote magazine articles, two major books defending this thesis. Fitzhugh is also an avowed anti capitalist. He is so anti capitalist that the opening chapter of his book, the first book A Sociology for the South, which is a pro slavery creed doesn't start on slavery. It starts with an attack on free trade and free economics on a laissez [00:17:30] faire theory.

William Walton: I have your quote here. "Slavery's greatest threat came from the free market economic doctrines of Europe which were tainted with abolition."

Phil Magness: Right. This is a prominent theme in this time. It's not just Fitzhugh who's making this claim.

William Walton: All the planters hated free market capitalism.

Phil Magness: All the planters. Yeah, yeah. This is a transatlantic conversation. So the anti capitalists in Europe and Fitzhugh's intellectual mentor, he picks up on a guy the Scottish historian [00:18:00] Thomas Carlyle who is a bit more of a well-known figure today.

William Walton: Well-known but he's still sort of a crank.

Phil Magness: Yeah, very much a crank. But he wrote an essay in 1849 where he blamed the economic woes of the British Caribbean which was in a malaise or a depression, he blamed it on the abolition of slavery. And he said, it's a horrible racist essay but it was very famous in this time, he says that the abolition of slavery has made a partnership with what he called the [00:18:30] dismal science, the dismal science of supply and demand.

William Walton: Free market.

Phil Magness: Free market economics.

William Walton: So let's go back a few decades because a claim was made that we didn't declare our independence because we wanted to preserve liberty, because the British were taxing, all the other standard textbook reasons and I think real reasons but instead we want to preserve slavery and that Britain was somehow a threat in 1776 to slavery in the United [00:19:00] States. True or false?

Phil Magness: Absolutely absurd.

William Walton: Okay.

Phil Magness: And the evidence here, look at the debates in British Parliament. See where the factions line up. There are pro slavery and anti slavery factions in British Parliament in 1776 and for several decades after. The anti slavery guys, the abolitionists, are in the clear minority until at least about 1807 is when they finally get an upper hand and are able to turn some votes against slavery. But by 1776, the abolitionists are [00:19:30] clearly outside of the halls of power in Britain proper.

The other fascinating thing if you look at the abolitionists, who were they? They're people like Charles James Fox who's the great liberal Whig leader at the time. Edmund Burke we know today as a thinker of conservative philosopher but he's also an anti slavery guy and you read their speeches, they're also generally the pro American independence or pro colonists side of the debate. So it's kind of a head scratcher [00:20:00] here. Why are the figures of British

Parliament who spoke out against slavery and fought this battle against slavery later in their careers also pro American in the debate over the American Revolution? It doesn't line up with this thesis that Nikole Hannah-Jones and The 1619 Project's pushing.

William Walton: So Britain didn't actually get rid of slavery for another 50 years?

Phil Magness: No.

William Walton: And so this is an anachronism-

Phil Magness: It is an absolute anachronism.

William Walton: And also you mentioned that [00:20:30] while this was going on, it was thriving in the West Indies.

Phil Magness: Absolutely.

William Walton: And the planters of Jamaica, Barbados, and other Caribbean islands consider their institutions of slavery secure under the British crown and that they didn't think that, that's why they didn't make cause with the colonists because they wanted Britain to protect their slave holdings.

Phil Magness: Yeah. They considered it so secure that there were people that fought on the royalist side of the American Revolution that came over from Britain because [00:21:00] they thought this was an opportunity to maybe claim some property or set up their homestead in South Carolina where they too could partake in plantation slavery if the British had won the war.

William Walton: One thing you write about that I was a little surprised, the question is was slavery profitable?

Phil Magness: Right.

William Walton: We're talking about markets, competition, price mechanisms. They had none of that. There's no price of labor. Was it profitable? Did it make [00:21:30] sense? There's an argument among abolitionists that this thing was going to die under its own weight anyway.

Phil Magness: This is one of the great historical debates in economic history that's completely missed and omitted by the New History of Capitalism. Is there empirical evidence that slavery was profitable? And the related question, is slavery efficient? And I see it's a mixed bag. So my caveat answer, my very careful answer to this question is that yes-

William Walton: This is where the academic in you comes [00:22:00] out.

Phil Magness: It's the academic coming in me. And this is built on over half a century of empirical literature of heavy, intense, what they call cliometric research using stats to understand the past. So my answer to that is yes, slavery is profitable but it's only profitable because it was basically a subsidized industry that had the full support of colonial governments of the British Empire, of agents of the state that took on the costs of [00:22:30] making slavery operative.

William Walton: And so the planters controlled the government and they voted themselves subsidies?

Phil Magness: That's entirely the case.

William Walton: Gee, it sounds like that's still going on, different industries.

Phil Magness: Different industry but-

William Walton: We've got ethanol.

Phil Magness: Right, right. This is like an evil version, a much more evil version of the ethanol industry.

William Walton: So planters captured the government, voted themselves subsidies, and those subsidies made it work?

Phil Magness: That's exactly it. And you get things like the Fugitive Slave Act. This is a state sponsored subsidy to basically [00:23:00] hire enforcers that track down escaped slaves. You have military installations that are put in place specifically because they know that's the place where the slave revolt is most likely. There are all sorts of expenditures on the post office on censoring the mail, on preventing abolitionist's literature from being sent through the mail. It's a huge-

William Walton: So we had social media censorship even then?

Phil Magness: Entirely. Entirely. It's coming out of the federal government, it's coming out of state governments, and [00:23:30] it's all aimed at propping up the industry [inaudible 00:23:33].

William Walton: Contrary to what, and we might get to this one too, our friend Ibram Kendi had to be an anti racist, one of the leading proponents of critical race theory, contrary to his view there are a lot of Americans, a lot of white Americans, that around even the time of the Declaration thought slavery was a moral wrong.

Phil Magness: Absolutely.

William Walton: It had to be gotten rid of that they didn't and the Constitution was a product of negotiation.

Phil Magness: [00:24:00] Sure.

William Walton: You can argue whether that was ... Well, it was of the time.

Phil Magness: Yeah.

William Walton: How do those forces converge after say 1800 to end up in 1860 that the wagons were circled and we aimed at getting rid of slavery? Is that pervasive? Is that a minority? Where was the United States at the point of 1860?

Phil Magness: Well, the argument I've made, let's just again back to the economics of it, is back to that regulatory capture that slavery is secured [00:24:30] from the federal government. And we know this regulatory capture not just from hindsight, Adam Smith of the Wealth of Nations fame pointed this out in the lecture that he gave in the 1760s. He said that slavery has captured the government and basically bowed itself appropriations. What's happening in 1860 with the election of Abraham Lincoln is the south is seeing not a threat to slavery itself immediately because Lincoln promises, he says, "I'm not going to interfere [00:25:00] with the institution where it already exists." Now, that changes over the course of the Civil War but he promised coming into office, he said, "You don't have to fear abolition from me. I simply don't want it to expand to the territories and expand abroad." That was his argument.

But what the southerners were so incensed about was the loss of the subsidy. They thought that Lincoln was going to take away the funding to enforce the Fugitive Slave Act. They thought he was going to take away the funding for the military to put down revolts like John [00:25:30] Brown's attempt at rebellion. They thought that all of the gravy train was going away because now a northern government controlled the resources of the United States, controlled where tax dollars were spent, and if they do that they have to actually start paying for sustaining the slave system themselves.

William Walton: I knew you would be an interesting guest.

Phil Magness: Right.

William Walton: You're watching the Bill Walton Show. I'm here with Phil Magness, economic historian extraordinaire. And we're talking about the fact that the biggest [00:26:00] issue with the south was not necessarily just slavery per se but all their subsidies were being taken away and maybe there's a cautionary tale for us all there, right?

Phil Magness: Right.

William Walton: One of my favorites because I taught accounting, I worked my way through business school teaching accounting, then I taught accounting to accounting majors. So I inflicted it on them five mornings a week so I knew a lot about

accounting and its history. One of the claims made by one of these history of capitalism people [00:26:30] is the double-entry bookkeeping, accounting [inaudible 00:26:34] from plantation ledger books. How wrong can you get?

Phil Magness: Yeah. You want to talk about anachronism and projecting absurdities on the past, this is the Matthew Desmond essay in The 1619 Project. Keep in mind this guy's a sociologist, he had no background in the study or economics of slavery, he works on 20th century racial relations [00:27:00] and yet the New York Times tasks him to write the main article on economics.

William Walton: So one of the things you mentioned Matthew's part of what you call this group's white guy problem or [inaudible 00:27:13] problem, all these historians are white.

Phil Magness: Right, right. So they're mostly white male which is quite ironic because Nikole Hannah-Jones one of her main attacks on her critics is to point out that they're all white males even though that's not necessarily true but she tries to blast [00:27:30] even prominent historians like Gordon Wood and James McPherson. She says, "Those are just a bunch of old white guys so I don't have to pay attention to them." And I'm sitting here thinking, "Wait a minute. Look at your own contributors here. Aren't they susceptible to the same claim?" But you got this guy Matthew Desmond, and back to the accounting thing, double-entry accounting, this is a practice that's invented at least in the earliest modern origins and 14th century Italy.

William Walton: It was invented by an Italian in Florence.

Phil Magness: Exactly. It's the banking families of Florence.

William Walton: One of the reasons I love [00:28:00] Florence, they invented accounting.

Phil Magness: Yeah, exactly, exactly. So for the economists that's the reason to go to Florence, not the art but because of the economic history.

William Walton: I'm going to get back to my roots.

Phil Magness: Yeah, exactly.

William Walton: Well, the thing about Matthew Desmond, he's very aggressive about slavery and its role in the economy. He says it's the primary driver of American economic growth in the 19th century.

Phil Magness: Yeah.

William Walton: And that slavery infused brutality [00:28:30] into the American capitalism that is pervasive today.

Phil Magness: Yeah.

William Walton: Okay. Your story's from 19th century. What was true?

Phil Magness: Well, this is quite a stretch of a claim that he's making in error and it comes from a misreading of the evidence, it comes from repetition of the Ed Baptist style claims about the reason that slavery and the cotton industry grew. So he's misrepresenting evidence and he's doing so in a very superficial way that's not well-read [00:29:00] in any of the literature outside of the New History of Capitalism. So he's taking all their claims at face value.

William Walton: What were the drivers of growth in the 19th century?

Phil Magness: There's no single driver. That's the key lesson to take away from economic history is all these single product explanations for economic growth they fail under scrutiny. There was a time when historians and even some economists believed that the railroad industry was the thing that brought America prosperity in the 19th century. [00:29:30] They think that the reason that America succeeded is because we built railroads and railroads are certainly a contributor to that but if you look into the evidence, economists operate with this principle called opportunity cost as compared to the next best thing. What's the alternative? And we ask the question, the counterfactual, what would happen if America had never built the railroad industry?

Well, they probably still would've shipped goods. They would've used other means. They would've carried them on the waterways or maybe built more canals [00:30:00] which was the previous technology railroads supplanted. And when you start thinking on this, now the story's no longer just the railroads drove capitalism or drove economic wealth, it's railroads plus canals, maybe it's railroads plus canals plus inter coastal shipping. It starts to multiply in the different causes here and what it becomes a case of is that there's no single reducible product or unit or component of the economy which everything could be attributed to.

William Walton: Well, you [00:30:30] write about Deirdre McCloskey and I love how she frames this. She talks about the institutional arrangements, the rule of law, our culture valued trade. And actually business people were considered the highest rank of Americans, Connecticut and King Arthur's court. It was a very American thing to be involved in trade and building business and also we had, I guess, [00:31:00] in 19th century because of the telegraph, because of other kinds of things, knowledge got more widely disseminated and innovation happened faster because of, I guess, the telegraph might've been pre internet. I don't know.

Phil Magness: Right.

William Walton: Is that essentially all-

Phil Magness: That's the story. And this brings back people like Fitzhugh that we mentioned earlier, the pro slavery side.

William Walton: It's not very colorful just to say we had rule of law and people behave like good [foreign 00:31:28] citizens [00:31:30] but that's not colorful.

Phil Magness: Yeah. So it's a story of modernity and it's a story of just people living their basic lives, people finding the small innovations in life that they can improve upon, making new discoveries. It's entrepreneurship. It's no grand heroic narrative and this is what incenses the slave owners, it incenses people like Fitzhugh and Carlyle and some of these theorists is they see slavery as being at odds with the intrusions, [00:32:00] the corrupting intrusions of modernity. And by modernity, they mean free market capitalism, they mean business, they mean people pursuing private enterprise.

Back to Fitzhugh's book, one of the other lines he says in there he says, "Laissez faire that the doctrine of laissez faire is at war with all kinds of slavery," because it's intruding with the corruption of markets onto something that he saw was a superior system, a pre capitalistic system and almost feudal system [00:32:30] that he was trying to uphold and therefore his prescription to sustaining slavery, and he says this in a quote, he says, "We should toss all the books of Adam Smith and Jean-Baptiste Say and the free market economists into the fire and that will preserve slavery."

William Walton: Well, he made common cause with the Marxists.

Phil Magness: Absolutely. There's the oddity of it. Fitzhugh has a line in one of his books where he declares that slavery is the truest form of socialism to ever exist and the problem with the socialists [00:33:00] is they don't realize it yet.

William Walton: So the slaveholders were not only evil in their slave holding but they were stupid.

Phil Magness: That's one of the takeaways. I argue that Fitzhugh, and there's a credible case here, he discovers the doctrine that the Marxists all use, the doctrine of surplus value. This is the idea that the capitalists, the owner of the factory, takes away what belongs to the worker [00:33:30] and exploits it. The worker basically uses the product of his labor to enrich himself. And Marx calls this surplus value and it's the whole mechanism of why the Marxist system's supposed to work. Well Fitzhugh discovers the same concept, discovers I guess, invents the same concept almost a decade before Karl Marx does.

William Walton: Yeah, at least.

Phil Magness: Yeah. So it's there in his writings and none of the Marxists want to talk about this because it's an embarrassing association. But what Fitzhugh says as rather than this dictatorship of the proletariat [00:34:00] that the Marxists want is we

just need a slave system. A slave system eliminates the middle man, it eliminates the capitalists, and instead the slave system operates with a paternalistic slave owner, the master, who sustains and provides for his property, almost like a feudal lord. But he says that's true socialism because it's eliminated the market mechanism of labor exploitation and wage slavery that he sees is taking place in the capitalistic north.

William Walton: Yeah. One of the things, it [00:34:30] seems to me that an ideal is just simply free people engaged in voluntary exchange. Free people in voluntary exchange with each other with great outcomes.

Phil Magness: Turns out that people actually [crosstalk 00:34:46].

William Walton: But it's not very, there's no big label for it. I don't know what ism we've got for that but I think we need to create one. Abraham Lincoln.

Phil Magness: Yeah.

William Walton: You write about his role in this and [00:35:00] whether he was interested in creating colonies for slaves once they became ex slaves and whether that was a political ruse, I think, I don't know what your name was, anyway he was engaging in deception. He was saying, "Look, don't worry about emancipation. We're not going to keep them here. We're going to put them some place else."

Phil Magness: Right, right. So there's a deep debate [00:35:30] in the historical literature and this is one of the areas that I've done most of my academic work on was what was the colonization policy of the United States government during the Civil War and what was Lincoln's relation to this?

So my first book, it was a coauthor book, it's Colonization After Emancipation: Lincoln and the Movement for Black Resettlement came out in 2011 and was probably the first academic study of this subject, relied on deep archival work. I think I got [00:36:00] material myself, my coauthor got material off of three different continents of documenting the plans that were afoot during the Civil War to voluntarily, but with subsidy, colonize the freed slaves abroad. So it was very much a part of the U.S. government's approach, it's kind of a retrograde, weird thing looking backward because it seems completely unfeasible. Yet in the 19th century context, this is something that not only Abraham Lincoln believes in, Thomas Jefferson had tossed around the idea, and [00:36:30] James Madison was President of the American Colonization Society responsible for basically setting up Liberia as a colony for ex slaves. So this was a very prominent 19th century idea and it's kind of a moderate anti slavery side.

The problem with some historians have become intentionally embarrassed by what our government did in this paternalistic so-called solution to the problem of slavery in the 19th century and have [00:37:00] reinvented modern history to interpret that as they weren't really serious about it, maybe it was just a ruse,

maybe it was a political point to sell the greater goal of emancipation. But the oddity here, this is the one area The 1619 Project where I give them some credit because even though it's not a perfect narrative in the way it's framed, even though Nikole Hannah-Jones in making this argument has other goals in mind, she does at least have the history correct [00:37:30] that-

William Walton: But then we got to get in Lincoln's motive.

Phil Magness: Exactly.

William Walton: You're watching the Bill Walton Show and I'm here talking with Phil Magness, economic historian and we're talking about Lincoln's views about what to do after the slaves are emancipated and whether he was encouraging colonization out of, what his motives were. And Phil, what you wrote, I want to just get you to answer this. Lincoln may have been wanting to [00:38:00] do that simply because not because he wanted the slaves to move to another country particularly, but he wanted to protect them from the slave owners, the ex slave owners that are likely to come back after them.

Phil Magness: Yeah.

William Walton: What's that? Is that-

Phil Magness: So Lincoln is horrified by the racial violence he sees already playing out over the course of emancipation, over the Civil War. And there's several famous events of this. Probably the most well-known is the New York City draft riots in 1863 [00:38:30] and this is when the Union Army starts drafting poor, white laborers into its ranks to fight the war. It's a horrible policy in its own right but rather than take their ire out on the federal government or the people that made the policy, the laborers in New York City turned on the African Americans of the city, the freed black community and basically turned into a lynch mob.

And as the riot breaks out, they are just attacking random African Americans on the street, [00:39:00] burning their houses, murdering them. Lincoln sees this, he's horrified by it. And there's several other instances like this so he is starting to really seriously think, "We've ended slavery, we've already issued the Emancipation Proclamation. This is the new policy of the United States. But what's a post slavery society look like?" And he looks out across the horizon and I think correctly sees racial violence mostly perpetrated by white people against [00:39:30] former slaves, against African Americans is going to be a serious even endemic problem. He's basically predicting the rise of the Ku Klux Klan.

And he says, "One of the solutions that he wants to offer here," and he frames it as a safety valve, "we need to give African Americans an opportunity to set out abroad to make a life for themselves that's going to be free from this political oppression," that he sees already taking form [00:40:00] in the southern states

and even in some parts of the north where African Americans are attacked and blamed.

William Walton: I like that explanation but you give Nikole Hannah-Jones more credit than I do. I think she was just leveling a charge of racism. She was not attributing those good motives to Lincoln.

Phil Magness: Right, right. She's using the historical fact there that he was involved in the colonization movement as just another way to bludgeon or discredit. And I think there are [00:40:30] serious interpretive problems with what she does there. The historical evidence, this is one of the places where it does align with the account she's telling, maybe not the interpretation that she's telling.

William Walton: Of course, we're looking backward.

Phil Magness: Right.

William Walton: When you're Lincoln in 1864, '65 before he was assassinated, we really don't know what was in his mind.

Phil Magness: That's exactly it. He doesn't have the luxury of hindsight. He is acting in the moment. He's venturing [00:41:00] into uncharted territory. Emancipation is now a thing. Emancipation through his actions has been achieved. And he doesn't know what the future's going to bring. He sees foreboding in racial violence so he's casting about looking for almost anything.

William Walton: So we've achieved this really good thing, we've ended slavery. Now what on earth are we going to do?

Phil Magness: That's the great question and we know his successors stumbled.

William Walton: They blew it. They blew it big time. Deconstruction was a catastrophe. [00:41:30] We've got just a couple minutes left. Let's bring this forward to where we are with critical race theory. How does this all, does this all inform maybe what Ibram Kendi's right now? By the way, he's sort of the leading, don't buy this book, I bought it so I could use it as a prop but you really don't need to read this book. You can count on Phil to tell you what's in it.

Phil Magness: Well, it's more of the same. He has an entire chapter in there that's [00:42:00] basically devoted to declaring capitalism as inherently racist.

William Walton: Okay. So this is [crosstalk 00:42:05].

Phil Magness: Same argument. And the idea here is to discredit institutions, to discredit things that are disliked by the far progressive left. And I'm not just talking about your typical center left Bill Clinton style liberal. This is the far, far left. People that

tend to think of economics is anything to the right of Karl Marx is evil and capitalistic. And [00:42:30] you see this in the literature.

So critical race theory it's a subfield of the academy that emerged probably over the last four decades or so mostly out of legal scholars. It builds on a broader tradition that's called the critical theory. So there's critical race theory, there's critical gender theory, there's a theory about-

William Walton: We had James Lindsay on talking about critical theory.

Phil Magness: Yeah. It's a broad range of approaches but the whole idea [00:43:00] here is they're creating narratives to tear down what they see as power disparities in society and tear down institutions that they think have incorporated the ism, they're going in for racism. They think that racism is endemic to capitalism and rather than analyze capitalism, rather than analyze human behavior they see it as the goal of scholars to basically be political activists, to be agents of political change [00:43:30] and upheaval.

And you see this in the original text of critical race theory. So Kimberle Crenshaw is one of the figures that Kendi draws on very heavily, she's the lady that invented what we call intersectionality theory. So it's a key doctrine of critical race theory. Her opening essays, when she frames this out, she says, "The critical race theorists, the intersectionality theorists is not just like an objective scholar interpreting these events. They have to be an activist. They have to be an agent [00:44:00] for social justice and social change." And I'm paraphrasing her here. And then you start probing what is the activism that she wants? What's the social justice, social change she wants? And it's a litany of far left progressive probes.

We draw on an upheaval of capitalism that we learned from the traditions of Karl Marx. It's everything you'd expect from that end of the political spectrum.

William Walton: Well, what I bring to this is, I'm not a scholar particularly, [00:44:30] I'm a Wall Street guy, I'm the CEO type and when I look at this I don't see anything more than just a demand for money and power. I don't see any ideals beyond money and power.

Phil Magness: Yeah. So I read books like this and I read some of the literature like-

William Walton: Thank you, so I don't have to.

Phil Magness: It's a slog to get through them.

William Walton: Okay. Is there higher ideal that ... People would be demanded to get out of the way because they're racist but if you just want money [00:45:00] and power.

Phil Magness: And that's what astounds me in this work. The first thing that hits you of this literature, it's full of factual errors, it's full of interpretations that are very ideological but the number one problem I see with this literature, the thing that always hits you over the head when you're reading the book is just how superficial and non rigorous the scholarship is. It's a very banal approach to interpreting the past and they always start with a very simplistic aphorism. [00:45:30] Slavery was an oppressive institution and it definitely injected itself into other institutions of society. It definitely had a legacy after it. I can agree with that.

We just talked about how slave owners captured the government and appropriated all sorts of subsidies to themselves and there are many, many other instance of this. There's New Deal programs that basically institutionalized redlining housing discrimination. This runs throughout the last two centuries [00:46:00] of basically government malfeasance and institutionalized discrimination.

So they start with this basic observation but then they appropriate it. They claim it as their own. They say the only way we can interpret this observation is through this lens of critical race theory. So they start with a simple observation and they use that as a way to import through the back door all this heavy Marxian and left-wing ideology and say like, "Okay. We recognize that slavery has [00:46:30] horrific institutional legacies that extend to today, therefore, we must overturn capitalism."

William Walton: You're an economic historian, you're also a historian of ideas. How long does this run its course? Where's this going?

Phil Magness: Right, right. Well, it's certainly a fashionable thing in the academy today.

William Walton: It's beyond that. It's requirement for a job.

Phil Magness: And it's spilled over into the mainstream but we see this in waves. The academy is not [00:47:00] this stable institution of a preserver of knowledge and a mechanism of discourse that likes to present itself as. It's not high-minded ideas in the Ivory Tower. It's a very politicized institution and it goes through fads, it goes through fashionable theories. Many of these theories from the past we now look back on in horror.

Give you an example. The academy in say the 1920s was obsessed with eugenics, the idea that you can manipulate [00:47:30] heredity and certain unfit people.

William Walton: The progressives were.

Phil Magness: The progressives and the progressives they've always been the dominant-

William Walton: Planned Parenthood.

Phil Magness: Yeah. It's Margaret Sanger's ideas behind some of the original abortion arguments or African Americans are having too many babies with respect to other races. And this is going to have bad eugenic implications for society. And this is out in the open in some of the progressive literature. They buried it, they shoved it behind.

William Walton: They won that argument [00:48:00] that we've murdered 50 million babies in the last-

Phil Magness: They reinvent themselves and their motives. But this was a fashionable thing in the academy for decades, basically until the end of World War II and it shaped policy. It shaped state and federal government, it shaped international policy but the fad was there so I consider it as a classic example of a bad idea in the academy that spilled over in horrific ways into society. Unfortunately, the academy still [00:48:30] does that kind of thing. And I'm not saying that the critical race theory is the next eugenics but I am saying it is an idea that's become a fad in academia for heavy political reasons and fads tend to come in waves.

Right now, the stat is on the ascendants. One thing I point out about the academy, you can see this in the data, even though it's always going to bid on the political left, it has taken a very far sharp leftward turn in just the past 15 years. So [00:49:00] the academy from say the 1950s to about 2000 was a poor reality of their center left. You say maybe people on the left are about 45% of the professors and then moderates, conservatives, libertarians they split the remainder. That changed.

William Walton: Well, you say fad, you're too young for this but did you ever hear of a Hula Hoop?

Phil Magness: Mm-hmm (affirmative).

William Walton: They burst onto the scene in the '60s and I hope this has the half [00:49:30] life of a Hula Hoop fad.

Phil Magness: Right.

William Walton: It lasted a couple of years. Well Phil, this is fantastically interesting. Thanks for coming on.

Phil Magness: Thank you for having me.

William Walton: To be continued. We didn't explore all the things that we know we could explore. You've been watching the Bill Walton Show and I've been here with Phil Magness, economic historian extraordinaire and we've been talking about the

economics of slavery and the dynamics of the racism arguments that have led to today's critical race theory. [00:50:00] So I hope you enjoyed it. Stay tuned for our next show and we'll see you soon.

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