

## Desperate Gamble Transforms Texas: Cotton, Slavery and the Americans



By Richard Alm and Scott Read

**T**exas leads all other states in attracting newcomers, welcoming more than 5 million migrants from 2004 to 2014. So it's somewhat ironic that the biggest early challenge was simply getting settlers to move to Texas.

It was mostly a matter of geography. The state's location in the middle of North America is a great benefit today, but it was a liability when the Spanish and Mexicans held sway over this land. *Tejas*, as the Spanish called the area, was as far as could be from the power and population centers near Mexico City, a thousand miles to the south.

The distance made trade and

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communications costly and cumbersome, and life on the frontier was harsh for the few brave souls willing to make their homes in Texas.

In the early 1800s, the vast lands between the Sabine and Rio Grande rivers were home to just 7,000 Spaniards, plus a half-dozen indigenous tribes. Hunkered down along the San Antonio River, the largest Spanish settlement in Texas agonized over immediate threats—getting enough food and fending off

marauding bands of Indians.

In those early years, sparsely populated settled Texas to defend itself against the Indian threat. The need to populate its northern territories led the Mexican government to a desperate gamble—opening its lands to settlers from the United States.

So settlers finally came—first in a trickle, then in a torrent. The enticement was cheap land and lots of it, perfect for cultivating cotton. Most Americans who migrated to Texas came from the southern states of Alabama, Mississippi and Louisiana, accelerating the rise of King Cotton as Texas' first economic engine. In addition to a cash crop, the Southerners brought their peculiar institution of

slavery, unwittingly condemning a future generation of Texans to fight on the losing side in the American Civil War.

In just a few short years, the influx of thousands of American migrants shifted Texas' demographics and culture, setting in motion a series of events that would in a few decades end Mexican rule and graft Texas onto the United States. By altering the identity and culture of Texas, the early 19<sup>th</sup> Century's settlers in a very real sense laid the foundation for the state's economic success in the 21<sup>st</sup> century.

### Ripples from far away

The Industrial Revolution set in motion economic forces that would in time send settlers stampeding into Texas. A series of English inventions in last decades of the 1700s transformed the textile industry—among them, James Hargreaves' spinning jenny, Richard Arkwright's water frame, Edmund Cartwright's power loom. Weaving

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cloth, traditionally done by hand at home, moved to the new age's factories, where steam-powered machines made it cheaper to produce cotton clothing.

Britain's booming textile mills created an insatiable demand for raw cotton. New strains of cotton and Eli Whitney's cotton gin, a machine to separate seeds from fiber, made the crop profitable in the U.S. South. Seeing riches, Americans poured over the Appalachians, grabbing the land that would in short order become the states of Louisiana (1812), Mississippi (1817) and Alabama (1819). The cotton planters brought slaves with them; and as their acreage expanded, they bought more slaves.

By 1820, the United States had surpassed India as the world's largest cotton grower and supplied nearly half the cotton for Britain's burgeoning textile industry. The mills in Europe and the United States needed still more

cotton; geology and geography blessed Texas with a perfect climate and soil for growing it (see *The Texas Economy*, February 2016).

Watching American settlers move west, reaching the Texas border at the Sabine River, Spanish-ruled Mexico saw new threats to its sparsely populated and weakly defended northern frontier. The initial response was to hunker down and try to keep the onrushing Americans out of Texas. Mexico barred American immigrants, although a few illegals trickled across a porous border. Authorities forbade trade with the United States—a dictate smugglers routinely flouted.

One type of illicit trade proved particularly vexing to the Tejanos. The rapid growth of the cotton industry in the United States created ravenous demand for horses and mules for plowing fields and transporting cotton to market. The Comanche and other tribes were only too willing to meet that demand by raiding Texas settlements and selling the ill-gotten livestock to the Americans over the border.

### Moses Austin's big idea

Indian plundering wreaked havoc on the Texas settlements, forcing some Spanish residents to retreat to the safety of the Spanish territory to the south. The beleaguered authorities in San Antonio decided that the only hope for the survival of Spanish Texas lay in new settlers who could battle the Indians and provide resources needed to support troops.

Texas, a frontier backwater, held no allure for migrants from Mexico, so some *Tejanos* looked across the eastern border to the American South. The global cotton boom had made land there prohibitively expensive. The Spanish authorities believed cheap land could attract enough Americans to give Texas a population big enough to fend off the Indian raids. Cotton farming had been devastating Spanish Texas for a decade or so; now, it would be touted as the region's salvation.

Among those who saw a future for American cotton growers in Texas was Moses Austin, a former Missouri lead miner facing a mountain of debt. In 1820, the 56-year-old Austin crossed into Texas, bound for San Antonio to pitch Spanish authorities on a grandiose scheme for a



Stephen F. Austin

colony of 300 American families in Texas. For his trouble, he'd get title to land and sell it at a handsome profit.

American settlers differed from *Tejanos* in language, religion and customs. Their loyalty was questionable, and their prosperity rested on slavery, then illegal in Mexico. Opening the border to these Americans made sense only as a last resort to stave off the collapse of Spanish Texas. Desperate times call for desperate measures—so authorities approved the deal, which made no mention of slavery.

On the way back home, a traveling companion robbed and abandoned Austin along the Trinity River. The unfortunate Austin walked more than a hundred miles to Louisiana in the dead of winter, arriving weak and sick. He died in June 1821, and Spanish authorities agreed to transfer the colonization grant to his son, Stephen F. Austin.

As the younger Austin started settling families along the Brazos and Colorado rivers, long-simmering grievances sparked a revolt against Spanish rule, and Mexico won its independence in 1821. The country plunged into several years of political turmoil, leaving Austin's land grant and the policy of opening Texas to American settlers in limbo.

Austin traveled to Mexico City and the state capital of Saltillo, relentlessly lobbying for a new colonization law that would allow his colony to survive. Anti-slavery sentiment ran strong in Mexico, threatening the plans of Austin and his

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*Tejano* allies. They knew Texas couldn't lure enough Americans without legal protections for slavery, then the lifeblood of the cotton industry.

In the end, Austin got what he wanted—a colonization law that didn't expressly forbid slavery. The tumult of Mexican politics brought revisions to the laws on colonization and slavery over the next few years, but Texas managed to secure exemptions and keep its slaves. By that time, Cotton was already that important to Texas economy.

With doubts about slavery quelled, the Texas land rush was on, allowing Austin to fill his family's original quota of 300 families by 1825. He received four additional grants over the next five years. Under a succession of colonization laws, other *empresarios* (land agents) followed Austin in securing land grants for their own colonies—Benjamin R. Milam, Green DeWitt, Martín De León, David G. Burnet, Sterling C. Robertson, James Power, James Hewetson, John McMullen, James McGloin and Arthur G. Wavell.

In their efforts to lure American settlers, the *empresarios* spread the word about cheap Texas land. They offered a deal that couldn't be beat. The head of a family could buy up to 4,605 acres for just 4 cents an acre, with the total of \$184 payable over six years. By contrast, the U.S. federal government sold public land for \$1.25 an acre, with a minimum of 80 acres, payable in advance. So a prospective farmer needed \$100 before getting started—a tidy sum in those days.

The *empresario* system no doubt had practical advantages, but it amounted to a 19<sup>th</sup> Century version of crony capitalism. Huge land grants enriched a handful of well-connected businessmen. It wasn't the last time Texas would try to solve economic problems by turning to the heavy hand of government.

### Texas transformed

Mexico's desperate measure achieved its immediate goals. Wagons loaded with new settlers arrived almost daily. The state's population more than tripled to about 25,000 in the 1820s—and it just kept on rising with each passing year. As more settlers arrived, the Indian threat began to diminish, although it would take another

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half-century to pacify the Texas hinterlands.

It wasn't the just number of newcomers; it was also where they came from. By offering large tracts of cheap land, Texas transformed itself into an extension of the American South, fueling the rise of a cotton-based economy.

With cotton, slavery and the Americans, Texas took its place in the world's first true exercise in globalization. Slaves planted, weeded, picked and baled. Their owners sent bulky bales of raw cotton by wagon or barge to the new port of Galveston on the coast, where it was loaded onto ships bound for New Orleans. Brokers bought the Texas cotton and sent it on to Manchester and

other textile-manufacturing centers.

Before cotton, frontier had centered on subsistence farming. Introducing a cash crop with a global market meant developing trade routes to connect a once-isolated region to the rest of the world. It meant money flowing into the economy; the wealth gave a fortunate few the means to buy the world's luxuries and tilted political power toward the interest of the cotton producers.

By 1830, the Texas economy was on its way—but with heavy baggage. In embracing cotton, Texas made a deal with the devil on slavery. No ethical notion of markets or economic freedom can countenance a system that gives

one individual the right to own another and take by force the fruits of his labor. With so much money at stake, Texans followed the lead of the American South and developed a willful blindness to the evils of slavery, which would fester in the decades leading up to the Civil War.

In the first decades of the Texas economy's development, we already began to see themes that will recur as events move forward. In a Schumpeterian way, technology will shape Texas' economy, starting with the Industrial Revolution's textile innovations. What happens outside Texas will matter a lot—the new textile technologies led to the cotton boom in America's South and the onrush of U.S. settlers into Texas..

We see the first of a series of fast-growing industries that will become Texas' economic engines. The state wouldn't see real diversity until the second half of the 20<sup>th</sup> Century. We will see that economic interests will often trump the principles of freedom and markets. In time, Texans would produce cotton without slavery, but it was inconceivable to the new Texans of the 1800s.

Despite the blight of slavery, the great migration to Texas did set the stage for one of the decisive events in developing the Texas model of greater economic freedom. An important milestones will be statehood in 1845—an event we'll cover in the next issue on the state's economic history.

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**Next issue:** *The Texas Economy* will identify the key sectors that have contributed the most to the state's economic growth since 1997. The fastest-growing sector may surprise many Texans. It isn't oil and gas.

## About the Authors



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The center was founded in 2008 with an initial grant from William J. O'Neil, a 1955 SMU business school graduate, and his wife Fay C. O'Neil. Its broad mission is the study of why some economies prosper and others do poorly, focusing on two critical issues for the 21st Century economic environment—globalization and economic freedom.

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