Introduction

Upon his arrival at the Port of New Orleans in late 1845, nineteen-year-old Jewish immigrant Julius Weis boarded a Mississippi River steamship bound for the region at the heart of the United States’ cotton production. There, he peddled throughout the countryside, later operating a storefront in the bustling Mississippi River port city of Natchez and then opening what would become one of the most successful cotton commission houses in postbellum New Orleans. For Weis, and most others in the cotton economy, economic success was predicated upon credit. While he had the option of fronting cash to furnish his own stock, he could offer far more variety to his customers if he could acquire credit himself, take delivery of goods before the start of the growing season, and sell staples and luxury goods to his customers.

But extending credit was risky business in an era before scientific credit reporting. To mitigate risk, entrepreneurs relied on trust; indeed, John Pierpont “J. P.” Morgan considered trust “the fundamental basis of business.” Credit reporters, however, did not trust Jews. They were suspicious of Jewish immigrants like Julius Weis and often advised against extending credit to them. In need of the trust necessary to acquire credit and conduct business, Weis and his fellow Jewish merchants turned to each other. For them, trust generally boiled down to shared ethnicity—a term that I use to emphasize the cultural solidarity and sense of shared past (and future) that bound Jews together. Jews, much like other ethnic minorities, trusted one another more than they trusted strangers with whom they had no connections. Such was the case for Weis, and it was also the case for the prominent Jewish banking house of Lehman Brothers, which relied on ethnic trust networks to conduct business, bringing European investment to the scores of Jewish merchants who fanned out across the cotton-producing regions of the Gulf South. Leveraging these ethnic networks, Jewish merchants created a niche economy in the nation’s most important industry—cotton. In so doing, they positioned
themselves at the forefront of global capitalist expansion for much of the second half of the nineteenth century.¹

In many ways, the Jewish economic niche in the cotton industry reflects the quintessential Jewish immigrant experience. As Jews did elsewhere,² these cotton capitalists peddled on geographic and economic frontiers and graduated from peddlers to shopkeepers. A visible cohort reached the pinnacle of success. Exploring the Jewish niche in this industry reveals the myriad ways in which economic forces defined the contours of the American Jewish experience as a whole. The golden age for American Jewry that grew out of the cotton industry dictated the ways in which Jews shaped, and were shaped by, the communities in which they lived. Their role in the cotton industry redrew the American Jewish map, changing the internal dynamics of American Jewish communities, redefining Jews’ levels of integration in the cities and towns in which they lived, and reshaping the growth and development of the towns themselves.

But this is more than a book about Jews. The story of these American Jewish entrepreneurs also acts as a case study to explore the role of ethnicity in the development of global capitalism more broadly. Ethnic minorities frequently stood at the forefront of entrepreneurship, clustering in narrow sectors of the economy.³ Yet despite the universality of these minority economic niches,⁴ very little scholarship has asked how they emerge and function. This book, at its core, asks how such niche economies come to be.⁵

In the case of the Jewish niche economy in the cotton industry, some would quickly offer a recipe for success highlighted by ingenuity, an enterprising spirit, and an abiding business acumen. But the ingredients are in fact far more complex. This book argues that Jewish entrepreneurs created a thriving niche economy in the cotton industry because of two interrelated forces: first, structural factors unique to this place and time. Certainly timing mattered, alongside a host of often overlooked forces, that created the conditions that allowed Jewish merchants to succeed in the cotton industry.⁶ Second, this book also argues that, within this milieu, ethnic networks of trust served as the key force that fueled this niche economy and provided Jews with a competitive advantage.⁷ In the face of suspicions that limited access to traditional sources of credit,
shared ethnicity and the trust that it instilled provided the glue essential for Jewish success within the cotton industry.

How did these two interrelated forces operate? When Julius Weis stepped off his steamship, he entered a cotton region where structural factors nurtured a Jewish niche economy. Cotton stood at the heart of the global economy. It fostered industrialization, furthered the emergence of global capitalism, and it stood behind many of the world’s labor battles. It linked farmers and merchants across the globe to wealthy financiers, bringing rural cotton-growing areas to the forefront of the modern world. Because of these connections, cotton, argues Sven Beckert, “provides the key to understanding the modern world, the great inequalities that characterize it, the long history of globalization, and the ever-changing political economy of capitalism.”

Nowhere was cotton production more important in the nineteenth century than in the United States, where the fiber dominated exports between 1803 and 1937. And within the United States, no region was more important in the mid-nineteenth century than the Gulf South, which I define here as Louisiana, Mississippi, Alabama, and parts of Arkansas. The former three states saw their share of the cotton crop grow from 22.7 percent in 1821 to 63.5 percent in 1859, and cotton receipts in New Orleans increased from under 40,000 bales in 1816 to nearly 1 million bales by 1840. Cotton from this region provided the raw materials for New York’s garment industry and for textile factories across the world.

While cotton fueled factories, its growth and production was inextricably linked to slavery. The internal slave trade in the mid-nineteenth century forcibly shifted as many as a million slaves to the region, most of whom were compelled to labor upon cotton lands that had been largely expropriated from Native Americans. One nineteenth-century observer noted that “the expanding geographical distribution of slaves and of cotton cultivation affords the most striking evidence of the close connection of the two institutions that can be had.” Cotton production was so dependent upon slave labor that slave market prices fluctuated in harmony with cotton prices.

Cotton and slavery came together to make the Gulf South an incredibly important region within the United States’ economy, and of particular importance were the towns within it along the Mississippi River in
an area contemporaries termed “Vicksburg and the Bends,” named for the bends in the river between Greenville, Mississippi in the north and the twin towns of Bayou Sara and St. Francisville, Louisiana in the south. This region, where Julius Weis settled, was inclusive of the Mississippi towns of Natchez, Vicksburg, and the twin towns of Grand Gulf and Port Gibson, as well as small towns and landings alongside the river’s banks. These towns were situated in what U.S. internal commerce reports declared to be “the richest and most productive cotton country in the world” and the Gulf South’s most fertile cotton land, based on yield per acre. Although there was some other agricultural production in this area, the staple was cotton, and Mississippi River traffic in this region consisted almost entirely of bringing cotton and cottonseed to market or in bringing plantation supplies into the region.10

While Vicksburg and the Bends, and the Gulf South more broadly, offered fertile soil for cotton production, the need to bring that cotton to market provided an opening for Jewish merchants. Cotton was a credit-based crop, and farmers and landowners needed supplies and foodstuffs to survive from the beginning to the end of the growing cycle. Farmers were not paid until after harvest, and thus only once the crop was harvested could they repay their debts. In the antebellum years, cotton factors, or brokers, most of whom operated on a larger scale and who were located in port cities, provided credit to planters.11 In the wake of the Civil War and its concomitant bank failures, however, the importance of cotton factors declined as port cities became less central to the industry. New technologies such as the telegraph and railroad moved the center of cotton marketing to interior towns.12 Yet the need for credit remained strong.13 Meanwhile, new labor arrangements replaced slavery,14 and while the various forms of tenancy and sharecropping did not provide anywhere near the liberties for which freedmen had longed and deserved, they did provide a modicum of economic sovereignty for freedmen, who became an important customer base for interior merchants. Jewish merchants had a history selling across the color line around the globe,15 and it made good business sense for them to sell to freedmen in postbellum America.16

All of this meant that interior merchants, who as a group were on the margins of the antebellum cotton industry, moved to the mainstream in the postbellum years. Many, including Julius Weis, had already scattered
Map 1.1. Cotton production in the Gulf South, 1880.

Note: Black circles representing cities and towns are sized by their total 1880 population. Shaded gray dots represent 100 bales of cotton produced in 1880, distributed randomly throughout county and parish borders. Railroads depict extent of tracks in 1880.
throughout the market towns of the region and were in the right place at the right time. Some had peddled before the war and had already established relationships with farmers and plantation owners. Some had previously opened storefronts where they could sell goods. Some owned warehouses where they could store cotton until prices rose. Other new merchants in search of opportunity came to these towns as New Orleans and Vicksburg fell to federal troops. Together, these interior merchants and shopkeepers filled the void left by Southern banks and cotton factors, and in the postbellum years, they provided the credit necessary to operate the economy.17

While these structural forces may have paved the way for Jewish cotton capitalists, ethnic credit networks made their niche economy possible. Merchants and shopkeepers could only thrive in this milieu if they themselves had access to what fueled the economy—credit or capital. Some merchants had stockpiled capital during the war, some by speculating in cotton or currency, many by selling whatever goods they could wherever they could, and still others by blockade-running or smuggling. But for those who did not amass wealth during the conflict, the other primary way to succeed as a postbellum merchant was to find access to credit. And for this, merchants relied on networks that placed them as the intermediaries between the cotton growers of the region and the international markets and financiers of global capitalism. Some merchants rebuilt those networks in the final years of the war, once trade resumed along the Mississippi River, and others waited until after the war officially came to a close. Then, as now, lenient treatment from creditors during an economic downturn often separated success from failure.

But these networks did not operate as nameless and faceless business transactions dictated solely by the free market and rational business decisions. While collateral was certainly important to credit reporters, trust mitigated some of the risks associated with those transactions. J. P. Morgan, for example, often lent money to those whom he trusted, even if they had no collateral to back the loan. He spoke of “lots of men . . . who can borrow any amount, whose credit is unquestioned,” without the money or property to back them, and he noted that he had given “a good many” people checks “for a million dollars when I knew [they] had not a cent in the world.” When asked why, Morgan pointed to trust:
“A man I do not trust could not get money from me on all the bonds of Christendom.”

Conventional thinking may suggest that trust in the economic sphere builds over time as businesses interact with one another profitably. Yet here the opposite is true—economic interactions were *predicated upon* trust. But because of the separate social spheres in which some minorities operated, the opportunities to build trust between members of minority groups and the larger culture were limited. Jews and Gentiles, for example, operated in separate social spheres in nineteenth-century America. Elite Protestant organizations and establishments often discriminated against Jews; in one of the more notorious incidents, the Grand Union Hotel in Saratoga Springs, New York, turned away the wealthy Jewish banker Joseph Seligman because he was Jewish. Joseph’s nephew Theodore was later denied membership in the Union League Club of New York City, of which J. P. Morgan was a member, and the *Christian Advocate* claimed that “no motive existed for it except the fact that he is a Jew.” All of this is not to say that there were no interethnic business relationships. Although J. P. Morgan operated in a social milieu that confined Jews and Gentiles to largely different social spheres, he nevertheless worked closely with Kuhn, Loeb & Co., which was led by Jacob Schiff. Yet the partners of the firms were not close socially, reflective of the different social spheres that they occupied. The “five o’clock shadow,” where Jews and Christians occupied separate social spheres, was a way of life, and these separate spheres made it difficult to nurture trust through social relationships.

Because of this social separation, Jewish firms often turned to ties of family and ethnicity to create the requisite trust networks upon which capitalism relied. Leadership positions within Jewish firms were frequently limited to family members. Goldman Sachs, for example, employed only family members in leadership until 1915, and the same was true for Lehman Brothers until 1924. All of Kuhn, Loeb & Co.’s partners in 1895 were related to another partner, and the firm did not add a partner from outside the family until 1912. As long as partners in the firms eschewed interreligious marriage, the family dynamic within firms left Jewish and non-Jewish firms largely separate from one another. But while Jewish firms had Jewish partners, the same was true in reverse.
J. P. Morgan & Co., for example, did not share familial ties with any of the German-Jewish banks until 1930. Trust certainly mattered in the composition of firms. It also mattered for the day-to-day, face-to-face interactions between firms that moved capital and credit through the economic system. For example, Marcus Goldman, founder of Goldman Sachs, purchased promissory notes in New York that he would then sell to bankers. Goldman would purportedly take these notes uptown to various commercial banks, where he would meet with bank cashiers or presidents and negotiate, face-to-face, over the value of those notes.

In the case of cotton and the Gulf South, these family and ethnic connections mattered. European banks financed much of America’s cotton industry, and businesses such as Lehman Brothers cultivated overseas ethnic trust networks to access their capital. To facilitate these global transactions, Lehman Brothers moved its flagship branch to New York, which was fast becoming the center of both finance and the cotton industry, and which served as a gateway for European investment. Scores of other Southern Jewish merchants also sent family members or Jewish partners to New York, where they cultivated personal relationships with creditors, and some opened branches there that provided them with direct access to credit and goods. These firms then utilized their Southern branches to extend credit to smaller Jewish firms throughout the interior—again, often through economic networks fostered by trust. In this way, Jewish businesses in the Gulf South developed family and ethnic networks that provided desperately needed credit to the war-torn South in a time of economic collapse, bank failure, and currency devaluation. While some non-Jewish businesses followed a similar model, those that had been reliant upon Southern banks or traditional sources of credit found themselves without the credit needed to rebuild in the wake of the Civil War.

Thus access to Northern credit in the years after the war, when that credit was scarce, allowed Jewish merchants to survive years in which crops were devastated by floods or when other circumstances occurred that prevented farmers from paying their debts to their merchants. Surviving and thriving during the postbellum credit crisis is at the center of the story told in this book, and because Jews were able to access credit through these networks, their early toehold in the cotton industry quickly grew into a larger ethnic economy.
But Jews were not the only group in the cotton industry for whom ethnic networks provided a competitive advantage. Some non-Jews cultivated networks between New York and the Gulf South, and other minority groups in cotton-producing regions elsewhere in the world also used trust networks to connect farmers to the global economy. In western Anatolia, for example, Greek and Christian Arab merchants utilized Mediterranean networks to connect rural farmers to Armenian traders. In the late 1840s and early 1850s, merchants, many of whom were Greek, began to purchase cotton directly from Egyptian peasants. Greek networks brought international capital to cotton growers and provided cotton to manufacturers and textiles to consumers around the world.24

Those Greek networks operated in much the same way as did Jewish networks. One of the key Greek cotton trading firms of the nineteenth century was operated by the Ralli family. Relationships of trust were important within this firm, as most members were family, and those who were not mostly hailed from the same island. The firm was started by two brothers who went to London to trade, and it soon welcomed a third brother who opened an office in Manchester, a fourth who opened a Persian office, and a fifth who opened a branch in Marseille. By the 1860s the firm had stretched its footprint beyond its initial reach and into Liverpool, Odessa, Constantinople, Calcutta, Karachi, Bombay, and the United States. These networks allowed the Rallis to purchase cotton in the United States and send it to Liverpool and then on to Manchester for production, where the goods that were produced would be shipped and sold around the world. Merchants such as the Rallis played an important intermediary role throughout the global cotton trade, linking the European center to the rural cotton growers of Egypt, India, Anatolia, Brazil, and beyond. The example of the Rallis demonstrates that ethnic networks were not a particular Jewish trait but, rather, a means by which minorities across the globe could conduct business in the broader societies in which they lived.25

Greek firms such as the Rallis and Jewish firms such as Lehman Brothers offer prominent examples of ethnic networks in action. But are they anomalies—high-profile firms that played an outsized role in cotton capitalism? Or do they reflect a broader trend in which networks provided opportunities for members of an ethnic group, encouraging a clustering into an economic niche? In the Greek case, twelve Greek
mercantile firms had cornered one-third of Alexandria’s cotton export market by 1839, and the largest Greek firm exported 11 percent of Egypt’s cotton on its own. The Jewish case, however, has not previously been quantified. Contemporaries and historians certainly believed that Jewish merchants played a significant role in the Gulf South’s cotton industry, but these assumptions are rooted primarily in anecdotes and micro studies. “In the cotton states, after the war,” Mark Twain wrote in 1897 in his Concerning the Jews, “the Jew came down in force, set up shop on the plantation, supplied all the negro’s wants on credit.” Moreover, Frederick Law Olmsted also claimed that “a swarm of Jews, within the last ten years, has settled in nearly every southern town, many of them men of no character.”

Others echoed this sentiment. For example, Edward King, a journalist who toured the South and wrote most of his articles in a series in Scribner’s Monthly, maintained that it was “the shrewd Hebrew, who has entered into the commerce of the South in such a manner as almost to preclude Gentile competition,” and suggested that “the Hebrew merchants have large establishments in all the planting districts.” Such sentiments and language—the use of the words “mostly,” “much,” “preclude,” “every,” and “all”—suggest a perception that Jews were becoming so prominent in the cotton industry that they were cornering that sector of the economy at the expense of “natives.”

The Scottish journalist Robert Somers traveled to America in 1870 and in Meridian, Mississippi, observed that “much of the storekeeping business is conducted by sharp, active young men of Jewish aspect, who talk German-English.” In New Orleans, he observed that a “new class of houses are springing up, mostly Jews, who, by establishing stores in the little towns near the plantations, are becoming middlemen through whose hands the cotton passes from the growers into the market of New Orleans, and whose conditions of advance are almost necessarily marked by a degree of rigour that was unknown in former times.”

These comments certainly suggest a contemporary perception of a niche economy for Jews in the Gulf South’s cotton industry, but existing scholarship has told us little about whether this concentration was real or perceived. Roger Ransom and Richard Sutch claim that, “throughout the South, Jews apparently constituted only a small minority of the merchants.” They argue that although the “Mississippi River basin [was]
an area that particularly attracted Jewish immigrants after the war,” they were in no way ubiquitous, as “even in the Mississippi Delta they did not dominate” the business of furnishing supplies. Yet not only do Ransom and Sutch fail to define “small minority” or “did not dominate,” but their statistics are also based only on “a sample of general store operators throughout the cotton region” (italics mine).29

Elliott Ashkenazi closely analyzes several towns and Jewish individuals and convincingly argues that “the story of Jews in Louisiana during the middle of the nineteenth century is best told through their commercial activity.” But the strength of his work is in his close analysis and not in establishing how widespread his observations might be. He limits his study to an important group of people and towns, but he has “not attempted to discuss all the Jews who did business in Louisiana during the period.” He does expect that the patterns he uncovers “will hold true for the many Jews who go unmentioned,” but he has not attempted a quantitative study, although he admits that extant sources “would seemingly make such a presentation attractive from a statistical point of view.”30

Ransom, Sutch, and Ashkenazi are not alone in their inability to quantify just how widespread Jewish merchants actually were. What percentage, for example, of merchants were Jews? Thomas Clark, in his classic 1966 article “The Post–Civil War Economy in the South,” notes of postbellum wholesale mercantile establishments that “many of these houses were operated by Jewish merchants.” Moreover, he suggests that “possibly a major portion” of the dry goods and clothing stores in small Southern towns were run by Jewish merchants. While he is correct in noting that “it would be impossible to consider Southern economic and social history with any degree of thoroughness without also considering the history of the Southern Jewish people,” he does little to quantify the phenomenon that he identifies beyond his use of the terms “possibly” and “many.”31

Looking, therefore, at contemporary comments and historiography yields little in the way of specific, quantitative details that might suggest how widespread Jewish merchants were. How can we sort through the contradictory hunches and vague notions and create an accurate quantification of Jewish mercantile life in the postbellum Gulf South? An excellent source comes from the R.G. Dun & Co. records, housed at the Baker Library at Harvard Business School, which include materials that
meticulously detail U.S. businesses, including but not limited to those in the Gulf South during the second half of the nineteenth century. Dun agents throughout the country lived in or traveled to cities and towns, large and small—and offered written assessment of each business. Businesses were classified by type and location and in *Mercantile Agency Reference Books* were given ratings for their credit and pecuniary strength. The Dun reports also include narrative descriptions, which generally list the partners and employees of a particular firm, creditors, the net worth of the business, other affiliated firms or branch locations, and various notes about credit worthiness.32

While the Dun reports can help us to quantify and understand mercantile life in the region, they cannot always tell us if a particular merchant was Jewish. Jewishness is not always easy to define, and it becomes especially difficult when numbers and percentages matter. It is particularly challenging to account for those who have no synagogue affiliation or those who try to hide their Jewishness. We therefore must recognize at the outset that precision is not possible. Yet we do have several methods through which we can come fairly close to approximating Jewish numbers. First, while the Dun reports do not officially utilize the category of Jewishness, it is clearly indicated in Dun’s narrative description of many businesses, as it was a consideration in determining credit worthiness. Jewish business practices were often considered secretive by Gentiles, and thus Jews were not always trusted by non-Jews. Aware of the stereotypical Shylock image, Dun agents were often hesitant to recommend credit to Jews, and thus their reports frequently mention Jewishness. In addition to the Dun reports, extant synagogue and burial records are helpful, as well as both Jewish and non-Jewish census data. Coupled with various other archival sources, and as a final resort suspicions based on last names, we can come close to determining which merchants may likely have been Jewish. We can then link Jewish merchants back to the businesses they operated to quantify Jewish mercantile life in the region.33

Utilizing sources such as these, we can paint a clearer, though not perfect, demographic profile of Jews in this era using methodologies of the digital humanities—particularly through geographic information system (GIS) maps. These maps clearly demonstrate that the vast majority of Gulf South Jews lived in market towns that were located first in regions of high cotton production and/or marketing. The most im-
important region that stands out is Vicksburg and the Bends, which, as we saw above, was considered to be the most fertile cotton land in the world. A second cotton-rich region that stands out is the Black Belt of central Alabama and northeast Mississippi, named for its rich soil, which provided some of the most productive cotton land in the region.

But in addition to Jewish concentrations in these two dense cotton-growing and cotton-production areas, Jews were concentrated in towns situated along river and/or rail lines that offered easy transportation access for cotton shipments. Vicksburg and the Bends towns had easy transportation along the Mississippi River, and Black Belt towns had access primarily along the Alabama and Tombigbee Rivers. But following transportation routes also broadens the map to include towns along the Mississippi River’s tributaries that were also located in areas of dense cotton production, particularly the Red, Ouachita, Arkansas, and Yazoo Rivers. Moreover, with the expansion of the railroad, the map also indicates Jewish population density in towns in cotton-producing regions alongside railroads such as the Texas Pacific, the Illinois Central, the Tennessee & Virginia, the Louisville, Nashville & Southern, and the Alabama Great Southern.

A closer demographic analysis shows a staggering concentration of Jewish dry goods and general store merchants in these towns, revealing a Jewish niche economy within the Gulf South’s cotton industry. As we have seen, these stores were critically important because they provided the goods and credit that fueled the postbellum cotton-based economy. With cotton at the center of the global economy, and as owners of the stores that fueled that vital industry, Jewish merchants in these towns were at the heart of the local and global economies.

When we piece all this information together, and incorporate these data into maps, we uncover a clear economic niche for postbellum Jewry in the Gulf South. Map I.2 demonstrates how, in cotton towns along river and rail lines, Jews operated an inordinate number of general and dry goods stores. The size of each pie chart represents the total number of these stores, and the dark section of the circle represents the best estimate of Jewish-owned stores. These high concentrations are in the towns of the cotton regions, which were located along rivers and rail lines. Percentages in the especially fertile Vicksburg and the Bends are particularly compelling, showing that Jews owned upward of half of these stores.
Map I.3 reveals another pattern to display this niche economy, in which Jews in these cotton towns constituted a larger percentage of the population than their statewide average, owned a larger percentage of the stores in a particular town than their percentage of the population in those towns, and owned an even larger share of general and dry goods stores than their overall share of store ownership. The size of the black circle on the map represents the percentage of Jewish-owned dry goods and general stores in a particular town—not the actual number of these stores. The larger the black circle, the greater the percentage. The gray circle indicates the percentage of all businesses in that town that were owned by Jews, and the white circle indicates the Jewish percentage of the town’s population. In nearly every town in the region, although Jews...
constituted only about 0.32 percent of the Gulf South states included in our study, their representation in businesses, and particularly in this sector of the economy, vastly outpaced their numbers in the broader population.34

The impact of niche economies, however, is not limited to the economic sphere, as economic success begat communal, civic, and social integration for the merchants and communities at the heart of the industry. There is already a very robust literature on Jewish success, communal life, and integration in the Gulf South, and the impact of their success, while important, is not the subject of this book. Yet it is worth

Map 1.3. Jewish percentages of the population, store ownership, and general and dry goods store ownership, 1880.

Note: Size of circles represent percentages, not total numbers. Size of white dot represents percentage of Jews in the town’s total population. Size of gray circle represents percentage of Jewish-owned businesses among all businesses in the town. Size of black circle represents percentage of Jewish-owned general and dry goods stores among all general and dry goods stores in the town. Shaded gray dots represent 100 bales of cotton produced in 1880, distributed randomly throughout county and parish borders. Railroads depict extent of tracks in 1880.
stepping back briefly to recognize the ways in which this ethnic niche economy led to a “golden era” for Southern Jews during the roughly two decades after the Civil War.

This Jewish renaissance is often overlooked. For some students of American Jewish history, the story only truly begins in the year 1880, which conjures up images of East European immigrants arriving en masse to Ellis Island, eager to begin life anew in the densely packed Lower East Side of Manhattan. Over 2 million Jews poured into America over the ensuing four decades, marking one of the largest demographic shifts in modern Jewish history. Speaking Yiddish, practicing Eastern European traditions, often living in squalid conditions in a densely packed ethnic enclave, working in sweatshops, and clustering in the garment industry, these American Jews lived what many assume is the “quintessential” American Jewish experience.35

But concurrently, a similarly important but oft-overlooked demographic shift was taking place in the Lower Mississippi Valley, as many Southern Jews, who had arrived earlier in the nineteenth century, were beginning to achieve economic success as they fortified their niche in the cotton industry. These Jewish merchants rose to prominence, much as the Sephardic Jews had previously done in America in the seventeenth and eighteenth centuries. The niche economy they created transformed both the Jewish community and the broader Gulf South in several ways. First, it redrew the American Jewish map, so that, as we saw above, it came to resemble the map of the Gulf South’s cotton production. Jews moved to market towns in significant numbers, settling down from their peddling-based lifestyles to open storefronts in cotton towns throughout the Gulf South.36

Second, Jewish mercantile success allowed Jews to achieve economic stability in a remarkably short period of time. The Jews of Bayou Sara, Louisiana, for example, according to the American Israelite in 1876, were “well-to-do, and appear to be liberal in principle and purse.” Jewish sojourner Charles Wessolowsky visited Greenville, Mississippi, in 1878 and “admired the beautiful cottages owned by our co-religionists.”37

Third, the internal dynamics of Jewish communities also changed dramatically. As Jews transitioned from a wandering, peddling-based lifestyle, they built more stable Jewish communities. Successful Jewish merchants throughout the Gulf South invested some of their earnings
in purchasing burial grounds, erecting synagogues, hiring rabbis, operating social organizations, and investing in other forms of Jewish life. In Greenville, Mississippi, Jewish merchants Morris Weiss and Nathan Goldstein sold to the Jewish community land that was intended to be used for building a new synagogue. In Bayou Sara, many of the town’s most prosperous merchants were members and leaders of its B’nai B’rith lodge, and when the time came for a burial ground, the *American Israelite* reported that Bayou Sara’s Jews “went to work in the old Jewish manner, viz: putting their hands in their pockets and pulling out enough to defray all the expenses and retain a handsome balance in hand,” and a local merchant hosted the dedication.38

When it was time to build a synagogue in St. Francisville, Louisiana, one of the town’s leading merchants was elected chairman pro tem of the committee to find a site for the new congregation, and when the congregation opened, its membership rolls included a significant number of the town’s leading merchants. When Charles Wessolowsky visited Natchez, Mississippi, he called its grand house of worship a “gorgeous and handsome temple” that “seems to prosper very much.” In Meridian, Mississippi, Wessolowsky noted how twenty-two families and about one hundred fifty people in all “have by determination, adequate will and energetic works, erected a structure which today stands with its majestic towers, in grandeur and splendor, as an honor to our people and a pride to the citizens of Meridian.” In Vicksburg, he observed that the synagogue building was “handsome and neatly fitted up inside, but it is very much in want of improvement on external appearance,” noting however that its members planned to fundraise to “give it a brushing sometime this winter.”39 Jewish merchants thus embraced and nurtured communal life in these cotton towns, creating the institutions of Jewish community where there had been none.

Fourth, this niche affected Jews’ general level of integration in their broader societies. Jewish mercantile success facilitated Jewish integration into the towns in which they lived, and that integration is illustrated by their philanthropy toward the community’s broader causes. One newspaper noted in Bayou Sara “the generosity and great charity for which our Jewish fellow-citizens are proverbial.” The *True Democrat* of West Feliciana Parish declared that, “for over a third of a century,” Jewish merchant Julius Freyhan “was closely identified with the rehabilitation of West
Feliciana parish [sic], in which he played no unimportant part.” One article claimed that, during a time in which flood relief was necessary, “J. Freyhan and Company shipped 10,000 lbs. of meat, filling an order for that amount.” Later, Freyhan donated the chandelier for the West Feliciana Parish courthouse, and he also donated to the construction of levees, roads, and public facilities. A bequest after his death helped to build a public school that was named in his memory—the Julius Freyhan High School.40

The same was true elsewhere. In Pine Bluff, Arkansas, as a testament to his stature in the community, townspeople named the local elementary school after Jewish merchant Gabe Meyer—the school was largely demolished in 2014, but a successful crowd sourcing campaign saved the facade. In Greenville, Mississippi, when Jewish merchant Leopold Wilczinski and his kin arrived in town, claimed one 1891 publication, “it was a hamlet of perhaps five hundred people, and no one has done more in various ways to advance and develop her resources than the members of this family.”41

The Jews’ level of integration is also illustrated by their election to important political offices. Merchant Adolph Meyer represented Louisiana in the U.S. House of Representatives from 1891 to 1908, and in the major towns in Vicksburg and the Bends, Jews served as mayors in all but one. By 1891 Port Gibson had a Jewish mayor—Simon Unger. In Greenville, merchants Leopold Wilczinski, Julius Lengsfield, Jacob Alexander, and Nathan Goldstein all served terms as mayor in the 1870s alone. In Natchez, Isaac Lowenburg was elected mayor in 1882 and 1884, and at least thirteen Jews, including cotton merchants Aaron and Albert Jacobs, served as aldermen. E. W. Whitman worked at the Bayou Sara store of his father, who may have been Jewish, and he later served two stints as the town’s mayor. Jews were also elected as mayors elsewhere in the Gulf South. In Montgomery, Jewish Mayor Mordecai Moses, “with his zeal and energy works for the welfare of the city, and his ability as a financier has succeeded in establishing the credit of the city equally as good as that of any other in the Union,” Wesselowsky claimed. In 1887, Selma elected a Jewish mayor, Simon Maas, and Ed Weil served as mayor of Alexandria, Louisiana.42

The Jews’ level of integration is also evidenced by the significant amount of social integration, at least on the surface, between Jews
and Gentiles. Natchez’s Jews “stand high in the social scale,” noted the *American Israelite*, and social columns in Natchez’s newspapers reveal that social events were hosted by the now thriving merchant class—most of the members of the merchant class who hosted these social events were Jewish. At Bayou Sara’s Jewish weddings, “among the guests were numbered many Christian friends,” and at St. Francisville’s synagogue dedication, “the sacred building was filled prior to the hour for the services,” noted the *True Democrat*, “by a large congregation composed of Jews and Gentiles. It was an hour of rejoicing,” the account continued, “and Christian friends, fully sympathetic, rejoiced too.” In Greenville, a reverend gave a benediction at a Hebrew Union Congregation event to honor the hundredth birthday of Moses Montefiore. Also in Greenville, non-Jewish children attended Purim parties while Jewish children gave tableaus as benefits for churches, and in 1882, the local Episcopal, Methodist, and Presbyterian clergy joined a local rabbi in condemning anti-Jewish pogroms as “contrary to the spirit of Christianity.”

However, despite that significant degree of integration in the communities in which they lived, Jews still in many ways remained “integrated outsiders” and were not treated as full equals by the society around them. Even in the small Southern towns of the region, where Jewish merchants had reached the pinnacle of success, social stigmas, such as those in New York that affected the Seligmans, never quite disappeared.

But this is not a book about Jewish success. Rather, it analyzes the niche economy in the cotton industry that laid the foundations for this communal, civic, and social success and that ushered Jews into the world of global capitalism. The first chapter begins in the decade prior to the Civil War and argues that while Jews did not play a major role in the antebellum cotton industry, three particular developments in these years set the stage for postbellum mercantile success. First, Jewish merchants, who often started by peddling throughout the countryside, began to open general and dry goods stores in the interior towns of the Gulf South. When the old factorage system broke down and general stores became the primary creditors of the region, Jewish merchants were in the right place at the right time and found themselves at the center of global capitalism. Second, many of the antebellum general stores accumulated capital, and their proprietors invested wisely to grow their businesses. Thus, on the eve of the Civil War, a number of Jewish-owned
stores were poised to become major players in the postbellum economy. But a third and important antebellum factor that set the stage for postbellum success was the development of family and ethnic networks that linked partners within firms, brought global capital and credit to Southern Jewish firms, and then allowed those firms to offer credit to other Jewish firms throughout the Gulf South. While these networks did not lead to widespread success for Jewish cotton merchants in the antebellum years, they facilitated the later transformation of their toehold in the cotton industry into a much larger niche economy. Antebellum networks were closely tied to postbellum success.

Chapter 2 focuses on the Civil War years, which threatened to undermine the Jews’ early presence in the cotton industry. In the early years of the war, a Union blockade brought legal trade to a standstill, and for merchants who relied on trade networks between the North and the South, the blockade appeared catastrophic. But with soaring demand for cotton around the globe, as well as strong demand for goods in the South, opportunities abounded for merchants to engage in clandestine smuggling and blockade-running, and many acquired capital in this fashion. Merchants also conducted legal trade throughout the South in whichever ways they could. Some stockpiled cotton, and some wisely avoided Confederate currency, which would turn out to be worthless after the war. But once Ulysses S. Grant’s troops declared victory after the bloody battle of Vicksburg, which opened the Mississippi River for commerce, the landscape changed, and new opportunities emerged. With New Orleans and the Mississippi River in Union hands, legal cotton trade resumed between North and South, and merchants flocked to the interior towns that facilitated this commerce. They also established or reestablished trade networks that closely resembled those that emerged in the antebellum years. But the resumption of trade was slowed by a plethora of factors, including the death and destruction left in the wake of the war and the Confederates’ quest to burn cotton rather than see it fall into Union hands. Nonetheless, by the end of the Civil War, firms that had saved capital, reestablished North-South networks, or both, stood on sound footing, prepared to face the vicissitudes of the postbellum economy.45

Chapter 3 examines the aftermath of the war and the new environment in which merchants operated. It argues that a myriad of structural
forces aligned to position interior general store merchants at the forefront of the cotton economy. Of particular importance was the collapse of traditional financing structures, which could no longer provide the credit necessary to fuel the cotton economy. Instead, interior general store owners, with capital saved from the war years or with credit networks linking them to centers such as New York and Liverpool, became the lifeblood of the Southern economy. But despite the cotton economy moving toward them, success was not guaranteed, nor was it linear. Rather, three distinct periods shaped mercantile life after the war, and the ebbs and flows of these eras very much dictated both when and how businesses could succeed. Businesses that had saved capital from the war had the reserves to draw upon when crop failures hit in 1866 and 1867, but new businesses often did not. In some of the towns most important to the industry, these new businesses were predominantly operated by non-Jews. These non-Jewish merchants found themselves in the wrong place at the wrong time, as they chased opportunity in the industry during a period where success was doomed by forces beyond their control. The fortunes of the region ticked upward between 1868 and 1873, as crop yields improved, the economy strengthened, and laws passed in response to the downturn greatly benefited merchants. Jewish merchants in particular, who either survived the war or who settled in the region in greater numbers than they had during the downturn, now found themselves in the right place at the right time. These merchants grew their customer bases by working with freedmen, which made logical business sense. But the Panic of 1873 ushered in a period of uncertainty that lasted until 1879 and was accompanied by violence, political instability, disease outbreaks, and other challenges.

While skill, luck, and steady access to capital helped businesses to survive the downturns that were endemic to the postbellum years, survival also required credit. The fourth and fifth chapters closely analyze how two primary tiers of ethnic networks brought that credit from global financiers to the merchants and farmers of the Gulf South. Through the lens of Lehman Brothers, chapter 4 examines the top tier, exploring how networks carried global investment to the Gulf South. This occurred in an era where, as we have seen, business transactions relied upon trust, which was often fostered by shared ethnicity—largely confining Jewish and non-Jewish networks to separate spheres. Lehman Brothers, for
example, worked closely with Jewish-owned banking houses such as Lazard Frères, J. W. Seligman & Co., and Kuhn, Loeb & Co., in much the same way that Anglo-American banks such as J. P. Morgan & Co. cultivated networks with other non-Jewish businesses. Utilizing these ethnic networks, Lehman Brothers brought international investment to America, and continuing to rely on ethnicity to build trust, the firm loaned money to scores of cotton businesses in the Gulf South, many of which were also operated by Jews. With access to this credit via ethnic networks, these businesses could survive downturns in the economy and thrive in the postbellum milieu.

Chapter 5 examines the bottom tier of this network, exploring how the Southern firms with which Lehman Brothers worked dispersed this global investment throughout local economies. In some instances, Lehman Brothers’ customers sold directly to rural farmers and plantation owners, providing them with the credit necessary to purchase their farming supplies, to put food on their tables, and to purchase luxury goods if they were in a position to do so. But in other instances, firms with which Lehman Brothers worked, including Julius Weis’s firm, Meyer, Weis & Co., extended credit to smaller shopkeepers, who could then stock their own shelves at the start of the season, sell goods to their customers on credit, and, if all went well, be repaid by their customers after the harvest. For these smaller businesses, this line of credit was the difference between success and failure, particularly when the vicissitudes of the economy necessitated leniency from creditors. But this leniency was risky for lenders, and to mitigate risk, firms such as Meyer, Weis & Co. utilized trust-based economic networks that were often fostered by shared ethnicity. In this way, Jewish merchants created an ethnic niche in the cotton industry, securing global investment, funneling it to the South, and dispersing it throughout local economies.

Finally, chapter 6 explores the end of the niche economy. By the late nineteenth century, changes to the cotton industry meant that merchants in the Gulf South were no longer as important as they once were. Structural changes to global capitalism, including the rise of investment banking, changed the nature of credit and lending, as networks of trust, which once provided a competitive advantage for Jews, Greeks, and other minorities, began to lose their importance. Additional global forces also mitigated the Gulf South’s centrality in the cotton industry,
as the world’s thirst for cotton pushed European powers to find cheaper places in the world to produce cotton. Localized factors were also marginalizing the Gulf South and its Jewish merchants, as floods and invasive species ravaged cotton crops and a spate of anti-Jewish violence took direct aim at the Jewish niche economy. All of this meant that, in much the same manner that Jewish merchants had once marginalized cotton factors, Jewish merchants themselves were now marginalized, and their niche economy collapsed.

Yet during the heyday of this Jewish niche economy, Jewish merchants were at the forefront of capitalist expansion. Their story, as we shall see, unfolds as more than just a tale of success and integration. It is, instead, the story of how ethnicity mattered in the development of global capitalism.