

Anderson, Aaron D. *Builders of a New South: Merchants, Capital, and the Remaking of Natchez, 1865-1914*. Jackson, MS: University Press of Mississippi, 2013. 279 Pp.

Aaron Anderson delves into a wealth of primary sources to explore the role of ten merchant families in the Natchez area during 1865-1914. Among many sources, he examines court records, records of religious and civic institutions, records of business associations and single companies, memoirs of merchants and freedmen, newspaper advertisements, and R. G. Dun evaluations of merchants' creditworthiness. Most impressively, he explores 13,233 chattel mortgages from four Mississippi counties and two Louisiana parishes. Instead of a picture of a static period, Anderson presents the ongoing changes from frontier outpost and antebellum plantations, through the civil war and reconstruction, to Jim Crow and our more technological and corporate world.

Following emancipation, sharecropping evolved as the main arrangement organizing relations between landowners and freedmen. Cash-poor landowners would not bear the risk of paying fixed wages in case crops failed. Conversely, freedmen abhorred working for their former owners and, even after swapping plantations, many unsurprisingly preferred not being supervised by whites. Thus, landowners (both white and black) rented land to tenant farmers in exchange for a share of the crop. Depending on the chattels that sharecroppers owned, rents ranged between one and two thirds of crops. Thus, landowners avoided paying fixed wages, shared risks with tenants, and aligned their interest in good crops with that of sharecroppers. In turn, sharecroppers could farm without intrusive supervision.

Also being cash poor, sharecroppers purchased supplies on credit from local merchants. Merchants' credit to sharecroppers was secured by future cotton sales and chattels. Under Mississippi's Act for Encouragement of Agriculture of 1867, proceeds from selling cotton (which merchants handled) were applied first toward the balances owed

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on chattel mortgages. Anderson concludes that merchants operated a pernicious system that trapped borrowers in a cycle of debt that “often left freed blacks in an economic position perhaps worse, in terms of their material standard of living, than the one they had known in slavery” (74).

Not every reader may agree with Anderson’s conclusions, but he presents a wealth of evidence impartially, ultimately permitting readers to draw their own conclusions. For instance, while Anderson implies that merchants charged sharecroppers excessively high interest rates, his evidence shows rates varying surprisingly little, both over time and across borrowers with widely different credit risks. Similarly, Anderson criticizes merchants for charging higher prices (typically by 30 percent) on goods sold on credit than on those paid with cash. However, with 90 percent of merchants’ sales made on credit, the difference between credit and cash prices did not quite involve a markup for the cash poor majority, but rather a deep discount for cash sales, which typically took place following the harvest. While large, this discount simply reflected the high premium that all parties placed on cash in a cash poor economy.

Also, rather than blame failed crops for defaults, Anderson blames merchants for the credit system they operated. However, sharecroppers’ debt problems did not benefit merchants. During 1865-1910, more than 50 percent of merchants failed, often as the uncollectable debts they were owed swamped the debts that they themselves owed. While mortgage laws favored merchants, collecting on debts was haphazard. Foreclosing on sharecroppers after a failed crop yielded cents on the dollar. Rather than foreclose, merchants rolled over or renegotiated debts.

Ultimately, Anderson succeeds in both presenting economic activity in Natchez during 1865-1914 as laden with risk, and in presenting life itself as fragile. Anderson vividly describes malaria and yellow fever epidemics, fires, drought, floods, insect infestations, and failed crops (e.g., in 1866-1867). Natchez also suffered extended periods of low cotton prices (e.g., the 1890s), booms and busts in land prices (e.g., respectively in 1865 and the 1870s), national financial panics (e.g., 1873 and 1907), and failed bets through excessive leverage by growers of cotton, investors in railroads, and, eventually, by incorporated banks (e.g., in 1913).

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Exploring the transition to a more technological and corporate world, Anderson highlights Natchez firsts in railroads, the telephone, city railways, running water, sewage, electricity, indoor plumbing, and the automobiles that will eventually largely displace railroads. At the organizational level, Anderson also explores the rise of incorporated companies, from railroads and banking to land management, manufacturing, and retail. These rising corporations increasingly relied on professional managers, instead of relatives, and eventually displaced family-run plantations and merchants from their central roles in the local economy and credit system.

Along with technological and organizational change, Anderson also presents the deterioration in racial relations during this period. Following emancipation and its promise, many freedmen rose in business and politics. Freedmen became not only sharecroppers, but also small landowning farmers, store clerks, and even plantation owners. They participated in many business ventures, from railroads to launching a savings and loan institution. At the state and federal level, Mississippi elected its first black speaker of the state assembly and Hiram Revels served as its first black U.S. Senator. Natchez elected its first black mayor in 1871. Another first followed in 1882 when a Jewish mayor was elected.

However, racial progress unraveled. Anderson reports that immigrant merchants, particularly Jewish ones, had been welcome exceptions in dealing directly with freedmen, treating their business simply as business. Similarly, many freedmen preferred sharecropping at Jewish-owned plantations. However, threats eventually led to outmigration by both Jewish landowners and the sharecroppers on their lands. Following Mississippi's 1890 constitution, most blacks were disenfranchised. Between 1899 and 1901, the number of black registered voters in one ward in Natchez fell from 93 to 9.

Anderson's study closes at a low point in the history of Natchez. Low cotton prices, the 1907 crop devastated by the boll weevil, and institutionalized racism all contributed to Natchez's decline early in the twentieth century. As cotton's reign faltered, many left, some seeking white collar jobs, others work in Northern factories. Ultimately, Anderson's fascinating and in-depth exploration of primary sources

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provides us with an invaluable window into small Southern towns as they transitioned from the world of antebellum plantations into reconstruction, sharecropping, Jim Crow, and, eventually, the early steps toward our more technological and corporate world.

Stephanie O. Crofton
High Point University
United States

Carlen, Joe. *The Einstein of Money: The Life and Timeless Financial Wisdom of Benjamin Graham*. New York: Prometheus Books, 2012. 368 Pp.

The very name “Benjamin Graham” carries with it a certain weight, having become synonymous with conservative, disciplined value investing. Joe Carlen’s book on the investing legend endeavors to animate the person behind the name. As Carlen amply demonstrates, Benjamin Graham was a brilliant Renaissance man who capably pursued many passions, investing just being the one for which he is best remembered. (pp. 12-13) Nevertheless, Carlen devotes most of his book to exploring Graham’s legacy in investing.

One may wonder how much fresh ground Carlen is able to break on the subject, given that there are already several books written about Graham (not to mention Graham’s own recollections, *The Memoirs of the Dean of Wall Street*). Carlen, however, synthesizes material about Graham in new ways, benefitting from conducting myriad interviews with many people connected with “The Einstein of Money.” For example, he interviewed value-fund manager Irving Kahn, who had co-authored an excellent book on Graham in 1977 (*Benjamin Graham: The Father of Financial Analysis*). He also interviewed a host of others, such as two of Graham’s children (Benjamin Graham Jr., MD and Marjorie Graham Janis), Irving Kahn’s son, Thomas, as well as Graham’s most famous student at Columbia University, the legendary “Sage of Omaha,” Warren Buffett. It is interesting to see how, with the passage of time and