

Section 1

Georgia's Land and Economic Growth

As you read, look for

- changing relations with the Creek,
- problems caused by the Yazoo land fraud,
- methods of granting land,
- increases and improvements in agriculture,
- improvements in transportation,
- terms: **Yazoo land fraud, lottery, cotton gin, subsistence, canal, depression, factor.**

Figure 26
Timeline:
1790 to 1850



The key to Georgia's prosperity was still its land. Acquiring land from the Native Americans and distributing land to settlers became major political and economic issues in the period from the Constitution until 1840. With the exception of the fraudulent efforts of some Georgia leaders in the scandal known as the Yazoo land fraud, most of Georgia's policies gave land to farmers in a fair way. Until 1803, the headright system was the major way the government transferred land to its citizens. In 1803, a new lottery system began, and the lands given up by the Creek and the Cherokee became farms for new settlers to the state.

Georgia remained an agricultural state, but new inventions and new methods of transportation played a major role in making agriculture profitable. While some crops from the colonial and revolutionary periods remained important, cotton was becoming king by the 1800s, especially in the rich fertile belt of soil that ran through the central part of the state. Although most Georgians supported themselves directly from the land, the towns and villages supported craftspeople, professionals, and some early industry.

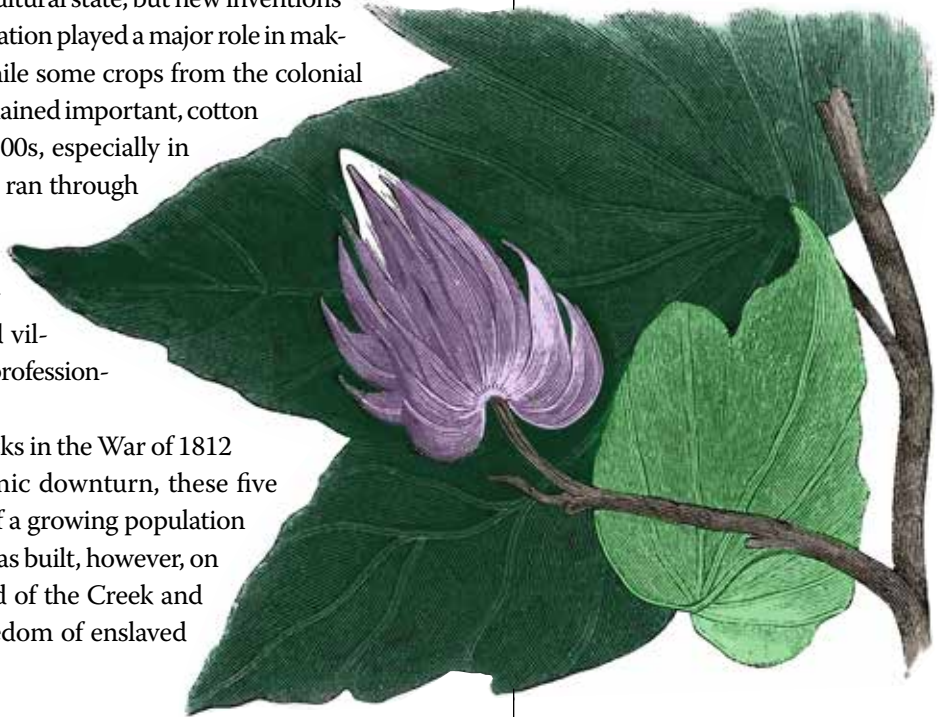
In spite of economic setbacks in the War of 1812 and some periods of economic downturn, these five decades were mainly a time of a growing population and a flowering economy. It was built, however, on two injustices: taking the land of the Creek and Cherokee and taking the freedom of enslaved blacks.

The Creek and Their Land

One of the main reasons that Georgians had supported the new Constitution was their desire for more of the land that Native Americans held inside the state's borders. While they had gotten the Cherokee and some Creek to agree to an additional grant of land to Georgia, Creek Chief Alexander McGillivray had refused to sign any treaties. In 1790, President George Washington invited McGillivray to come for talks in New York City, at that time the capital of the country. New York was impressive, a big and busy port city. In his talks with Washington, McGillivray signed the Treaty of New York, which gave the Georgians the land they wanted between the Ogeechee and Oconee Rivers. This treaty followed a familiar pattern in Indian-white relations, which continued until the Indians were totally gone. The Indians gave up a piece of land, whites filled that up and then wanted more, resulting in another treaty to give up more land. In the early 1800s, the Creek signed two more treaties, Fort Wilkinson (1802) and Washington (1805) by which they ceded all their land between the Oconee and Ocmulgee Rivers.

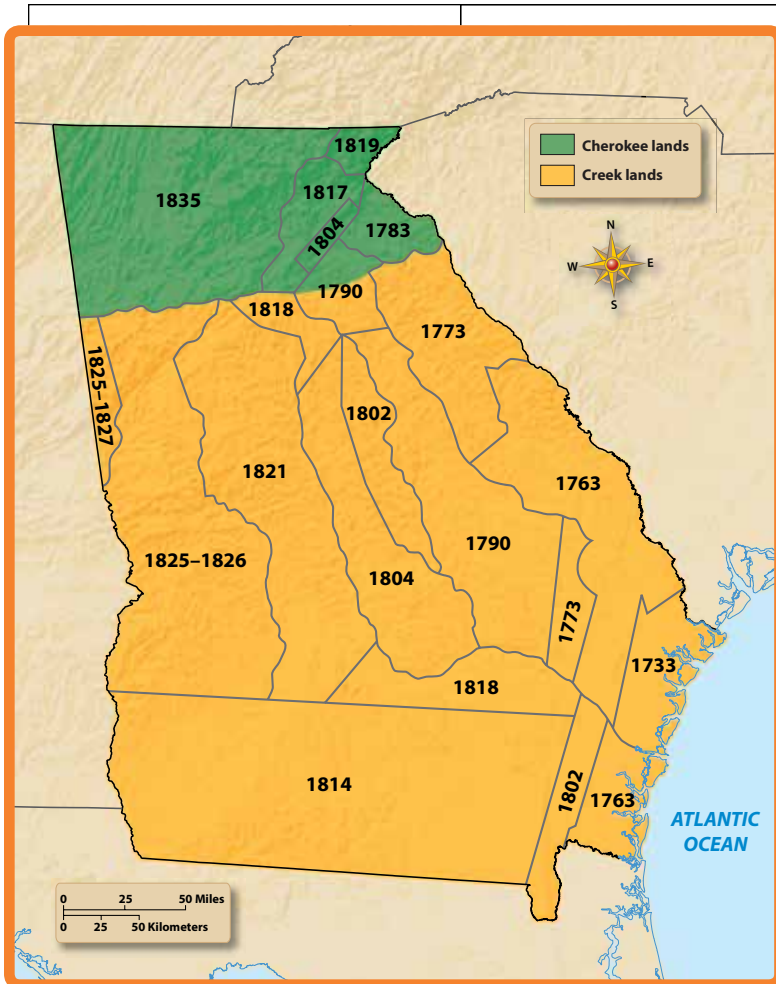
In 1796, George Washington appointed North Carolina Senator Benjamin Hawkins to be the Agent for Indian Affairs in the South. As a senator,

Below: Pictured is a cotton boll before it has bloomed. Cotton became king in the South during the first half of the nineteenth century as the cotton gin made it an economically viable crop. Another new invention, the steamboat, made the large-scale transportation of cotton to its markets much easier.



Something Extra!

As a secret part of the Treaty of New York, Alexander McGillivray was made a brigadier general in the US Army.



Hawkins had been interested in the Indians and had a reputation for being fair. It was his job to carry out a new government policy to “civilize” the Indians. The goal was to make the Indians into farmers who would eventually settle onto individual farms and give up their tribal lands. Hawkins encouraged the men to grow corn and wheat and to raise cattle and pigs; the women were encouraged to spin thread and weave cloth. This was a major cultural change for a society in which women had taken care of the crops. These ideas led to a growing conflict within the Creek Nation between those who were willing to accept the new ways and those who wanted to keep their traditional lifestyle. Hawkins supported this plan of civilization because he feared the alternative was to remove the Indians from their homeland entirely. After the War of 1812, that option became the reality.

The Yazoo Land Fraud

Although the United States government had a policy that required treaties with the Indians before others could move into those lands, eager settlers often crossed the

boundaries into land that still belonged to the natives. In Georgia, the government itself got involved in illegal land dealings in what became known as the **Yazoo land fraud**.

As early as 1789, the year before the Treaty of New York, three land companies had tried to buy a huge piece of Georgia’s land. The land they wanted was in the far western part of the state around the Yazoo River, which today is part of Mississippi. That sale fell through. However, in 1794 and 1795, four new companies bribed members of the Georgia legislature to pass a bill selling them between 35 and 50 million acres of land. They paid the state about \$500,000, or pennies per acre. Governor George Mathews signed this Yazoo Act. Many of the legislators who voted for the sale had stock in the land companies. Voting for something from which they were going to benefit personally is what is known as a *conflict of interest*. It is unethical and illegal.

Many citizens and honest legislators were outraged. Senator James Jackson, who had received the surrender of Savannah from the British, resigned from the US Senate so he could come home to Georgia and fight the Yazoo Act. In the state election of 1795, many of the corrupt state legislators were not reelected, and men such as James Jackson were. When the new Georgia legislature met in 1796, it repealed the Yazoo Act as a fraud. (*Fraud* is the

Map 24 Indian Land Cessions

Map Skill: According to the map, in what year did the Cherokee make the largest land cession?

intentional deception made for personal gain or to damage another person.)

In a dramatic demonstration of their anger over the act, the assembly members burned the act using a magnifying glass to focus the sun's rays and start the fire. They called it a "fire brought down from heaven." The state refunded to the companies all the money they had paid Georgia. They thought that was the end of the Yazoo land issue.

But there was a problem. The companies had already sold some of the land. Some of these buyers would not take a refund, insisting instead on keeping the land. Georgia argued that because the act had been repealed, the buyers had no right to the land. These disputes ended up in the courts.

In 1798, Georgia officials began to negotiate with the national government to do what the other states had all done by this time—give up its western lands. In 1802, Georgia's western land, which eventually became the states of Alabama and Mississippi, became the territory of the United States. In return for giving up the land, Georgia got \$1.25 million and the government's promise to make additional treaties to get the rest of the Indians' land. Georgia's western border was now the Chattahoochee River.



Something Extra!

Jackson County in northeast Georgia is named for James Jackson.

Left: Members of the new state legislature of 1796 gather in front of the state capitol in Louisville to burn the Yazoo Act. **Above:** James Jackson left his seat in the US Senate to come back to Georgia to fight the Yazoo land fraud. Two years later, he was rewarded for his efforts with the governorship.

Something Extra!

The new United States was acquiring land in other ways. In 1803, President Thomas Jefferson bought land from France in what became known as the Louisiana Purchase.



Above: Governor John Milledge devised a land lottery as a better way to distribute land to settlers. The first lottery gave away land acquired from the Creek in the Treaty of New York.

When the US government got Georgia's western land, it inherited the problem of the claims resulting from the Yazoo land fraud. In 1810, the US Supreme Court declared that the repeal of the Yazoo Act was unconstitutional because the citizens who bought the land from the companies had a contract, and contracts could not be swept aside. But since the land was now the US government's property, it had to settle the claims of these buyers.

His fight against the Yazoo Act made a hero of James Jackson, and he remained a major leader in Georgia for several years. From 1798 to 1801, he was governor. In 1798, he led the writing of a new state constitution. It followed the basic outline of the 1789 document, but was twice as long. To prevent another embarrassing event like the Yazoo fraud, the 1798 constitution said that no public land could be sold until the Indians had given up their claims to it and the Georgia government had established counties in it. Although Georgians had lost their western lands, they were eagerly filling up the land already ceded by the Indians and beginning to look at other Indian lands within their borders. Georgia's leaders looked for new ways to give land in smaller grants in order to discourage schemes such as Yazoo.

Land Lotteries

Throughout the 1790s, Georgia continued to grant land to settlers through the headright system. Even though the most one household could receive in headright was one thousand acres, several Georgia governors signed grants for more than that. In the 1790s, Revolutionary War soldiers also continued to get their bounty grants. About two thousand Patriots received these grants. Veterans could also claim headright grants in addition to the bounty grants.

After the Yazoo land fraud, Georgia decided to change the way it granted land. In 1803, Governor John Milledge called the legislature into a special session to pass a new land policy. All new land was to be surveyed (measured) into lots of 202½ acres if it was very good land or 490 acres if it was not as fertile. Each single white male who had lived in Georgia at least a year and every family of orphans under twenty-one years of age got one chance in a lottery. (A **lottery** is a plan to award something—in this case, land—on the basis of chance.) Every family of a husband, wife, and at least one child, as well as every widow with children, got two chances.

Applicants applied to the state; if they met the above requirements, their names were written on sheets of paper. All names went into one drum, and all pieces of paper with the land lot written on them went into another drum. Then a drawing was held. Those with one chance got one land parcel; those with two chances got two parcels. Those lucky enough to get the land they wanted paid a fee of 4 cents an acre.

The first land lottery took place in 1805 for land given away in the new counties of Baldwin, Wilkinson, and Wayne. All three counties were created from the Creek land acquired in the Treaty of New York. By 1833, seven

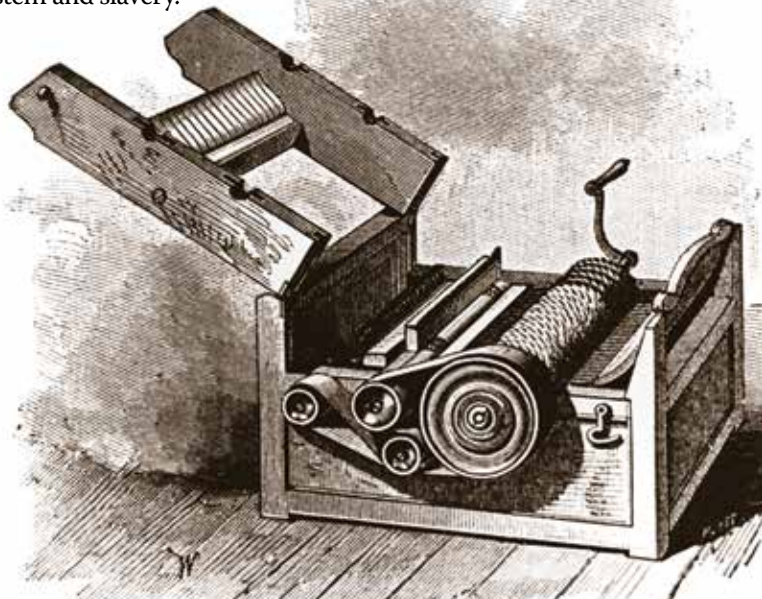
more lotteries had been held, granting away the rest of Georgia's public lands. The land lottery meant that the state lost the money it could have made by selling the land at a market price. But it also resulted in very quick population growth, as people moved into the state so they would be eligible for the lotteries. It also meant that small farmers originally got much of the land in the backcountry. What they grew in the backcountry and how they got that produce to market began to change by the 1800s.

Agriculture

Most Georgians made their living by growing crops. In the 1790s, the backcountry prospered with the production of tobacco, which grew well in the soil of the Piedmont. Small farmers could grow a few acres for extra income, while those with slaves could produce huge quantities as the major source of their income.

Georgia had rewarded General Nathanael Greene with a plantation at the end of the American Revolution. He, his wife Catharine, and their children settled in Georgia at Mulberry Grove plantation outside Savannah. Greene died in 1786 of sunstroke, but Catharine stayed on. In 1792, she hosted a young Connecticut gentleman, Eli Whitney, as a guest in her home. While there, Whitney heard planters discussing the problem of growing upland cotton. The flower of the cotton plant is called the *boll*, and it is a white fiber. In the middle of that flower are the seeds. Removing the seeds from the fiber so it could be made into cotton thread was very difficult because they stuck to the fiber. Having to pick the seeds out by hand took so long that it was not profitable to grow upland cotton.

Whitney had an inventive mind. In 1793 he designed a simple device called a **cotton gin** (short for "engine") to remove the seeds by brushing the fiber through slits too small for the seeds to go through. Fast seed removal made the production of upland cotton profitable and led to its rise as Georgia's major cash crop. His invention put the lower South on the road to becoming the "land of cotton" and ensured the survival of the plantation system and slavery.



Something Extra!

Eli Whitney earned virtually nothing from his invention. Because so much cotton was planted, the planters "pirated" the gin before Whitney could register his patent. He had to appeal to Congress to save him from financial ruin.

Above: A visit to Mulberry Grove plantation near Savannah inspired Eli Whitney to invent the cotton gin.

Left: By making the removal of seeds from upland cotton easy, the cotton gin made a marginally profitable crop into the major cash crop of the South.



Above: Robert Toombs's mansion in Washington is an example of the home of a wealthy planter, who was also a powerful politician before, during, and after the Civil War.

Opposite page: The home of Rufus T. Smith, preserved at the Thomas County Museum of History, is an example of a yeoman farmer's home. Smith owned no slaves; his thirteen children provided labor for the farm.

After the invention of the cotton gin, tobacco production decreased as more and more planters turned to cotton. The white fluffy fiber grew especially well in the rich area of land that ran through the Deep South from South Carolina to east Texas. This "Cotton Belt," as it was called, ran through Georgia below the mountains and above the less fertile pine barrens in the south. Most cotton was grown on plantations.

Rice continued to be grown in the coastal plantations once they recovered from the Revolutionary War and slave labor became available again. Indigo production, however, declined. Great Britain had paid farmers to grow indigo when Georgia was a part of the British Empire, but that disappeared after the war. In some areas of the coast, planters grew sugarcane. Thomas Spalding of Sapelo Island had a thriving sugar plantation. But even though sugarcane grew well, most Georgia coastal planters stuck with rice, and planters on the islands grew some sea island cotton, which has a long fiber. A cotton gin for sea island cotton had already been invented, and an improved model designed by Joseph Eve (who would later move from Nassau, Bahamas, to Augusta) had been in use along Georgia's sea islands since the early 1790s.

Agricultural Class System

These crops—tobacco, cotton, sugarcane, and rice—all required a considerable amount of labor to produce. Those who had slaves could produce large enough quantities of cash crops to become wealthy. At the top of the economic and social ladder were *planters*, those who owned twenty or more slaves. They were a small percentage of the population. However, because their money allowed them to pay overseers to supervise their plantations, planters were the men who could spend their time serving in government. They had much of the political power. Some planters also practiced a profession, such as law or medicine. Below them on the economic scale were



farmers who owned fewer than twenty slaves. Most of these farmers owned one to five slaves. On their farms, the owners worked in the fields with their slaves. This group made up about half of the slave owners in Georgia.

Small farmers and their families, who owned no slaves, made up most of the middle class in Georgia. They produced food crops and, depending on family size, an acre to a few acres of tobacco or cotton. These small farmers owned their own land, built houses for themselves, chopped wood from their land for heating and cooking, and produced most of their own food.

The poorest whites in Georgia were landless. They worked as laborers or settled on poor land that they did not own, where they could raise only a little food and perhaps a few animals.

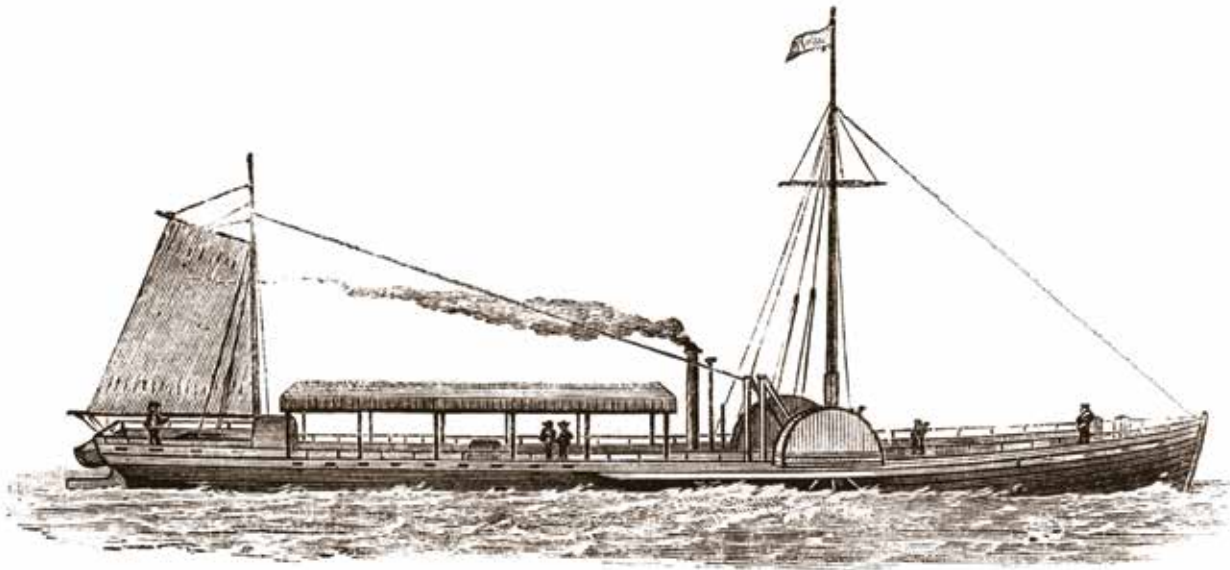
Subsistence Farming

While cotton was the major cash crop in Georgia, corn was an equally important crop for the vast majority of Georgians. It was raised on all middle-class farms, as well as by poor whites, and sometimes by planters. Planters who did not raise their own corn had to buy it from farmers who did. Corn fed Georgia's people and sometimes its farm animals. In the northeast mountains, farmers grew their own food and sometimes produced apples. In the northwest hills, farmers produced mainly corn and some wheat. This northern Georgia area—east and west—had fewer plantations and few slaves. Many of its farmers were living at the **subsistence** level, that is, they were able to produce just enough to survive.

To keep Georgia's land producing, some Georgia farmers began to encourage better farming methods by the 1830s. Many of them formed clubs to talk about new ideas in farming such as changing or rotating crops, using fertilizer, and plowing fields in ways that kept the soil from washing away. The best known of these groups in Georgia was the Planters Club of Hancock County, founded in 1837. An agricultural magazine read throughout the South was the *Southern Cultivator* published in Augusta. These ideas had little effect on subsistence farmers in this time period.

Something Extra!

According to the 1860 census, there were 118,000 white families in Georgia. Of these, only 41,084 families (or 35 percent) owned slaves.



Above: Robert Fulton invented the first practical steamboat, the *Clermont* (top) in 1807. By using a steam engine to power a pair of paddle wheels, Fulton created the first machine-powered boat.

Developments in Transportation

While Georgia's land was the key to Georgia's economy, the state's quick economic growth would not have been possible without new inventions that made transportation faster and easier. The idea of using steam engines to power boats in the water and cars on rails on land revolutionized how goods got to market. These new technologies meant more profit for Georgia's planters and farmers. They could then buy more goods and services from Georgia's artisans, merchants, and professionals.

Steamboats

Whitney's was not the only invention to have a major impact on the economy. Crucial to making money is being able to get goods to market. Until the twentieth century, that was done either by land or by water. Horses and carts were the major methods of transportation by land. The fastest way to move people and goods was on the water—that is, if one was going in the direction the water was flowing. The most valuable land was along rivers and streams deep and wide enough for boats. During the headright system of land granting, this was the land requested first. Towns grew at natural places for water transportation, such as the Fall Line. The Fall Line was as far as a boat could navigate up the river before having to stop because of the rocks in the river.

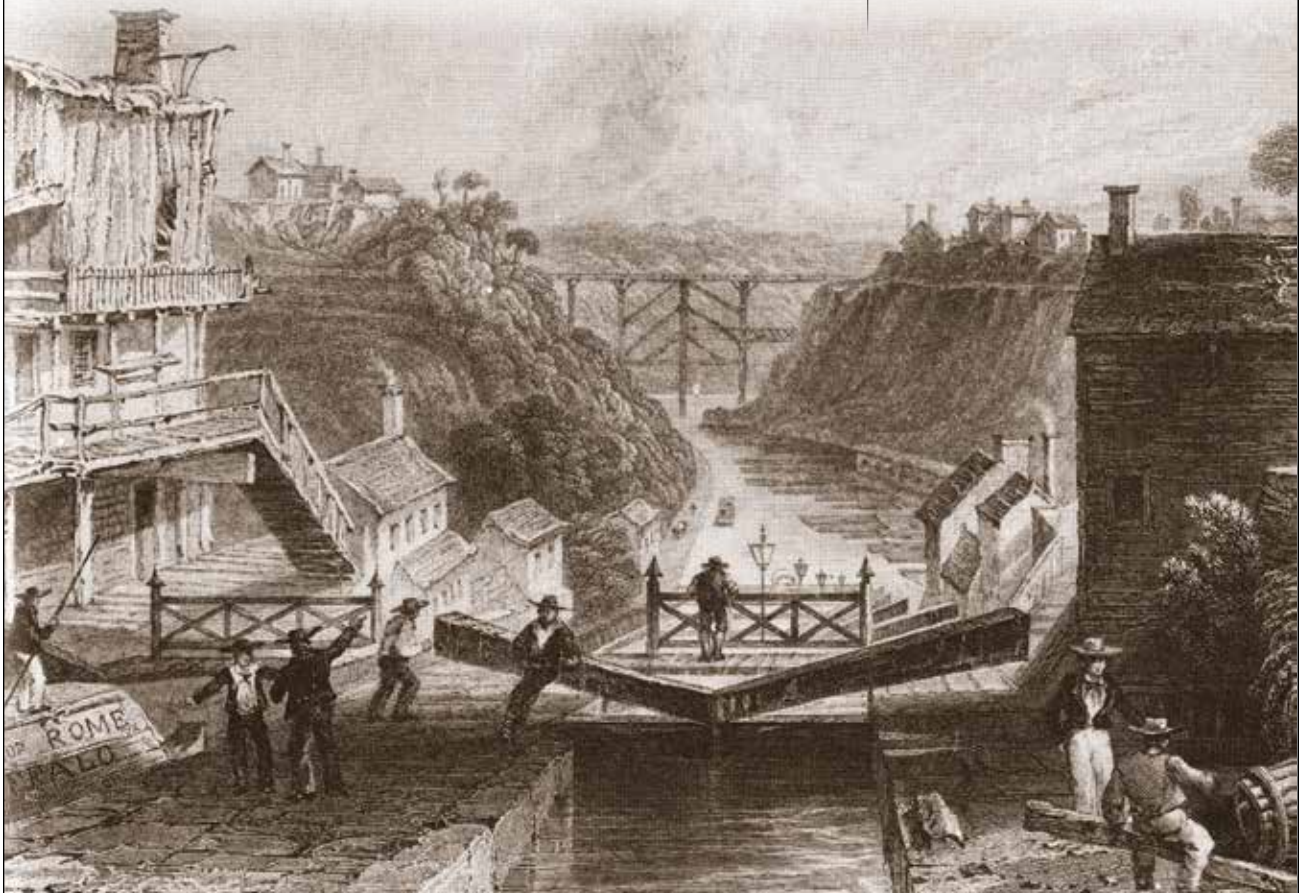
Until the 1800s, river boats were human-powered, with people poling or rowing. In 1807, in New York's Hudson River, inventor Robert Fulton successfully used a steam engine to power paddle wheels on the sides of a boat. A year before, Georgian William Longstreet had experimented with powering a boat by steam on the Savannah River in Augusta. He was familiar with the pole boats on the river and tried to use steam to power

a wheel of poles. Unfortunately for Longstreet, the Fulton paddle wheel was more practical, and it became the new method of river transportation. By 1816, the first steamboats were on the Savannah River. By the 1820s, steamboat transportation grew as did the Fall Line cities, including Augusta, Milledgeville, Macon, and Columbus. Paddle wheel boats could be piled high with farm products going to the ports at the mouths of rivers. From Savannah, they could be put on ocean-going ships to be sold in the northern states or overseas. Manufactured goods and other products from faraway places could be easily shipped upriver under steam power for sale in the Fall Line towns. Being able to carry so much in one trip lowered the cost of transporting goods and, therefore, the prices of those goods.

Canals

Because water transportation was faster and cheaper, many states became interested in building canals. **Canals** are man-made waterways that connect one body of water to another, such as a river to a river or a lake to a lake. In 1825, New York State finished building the first major canal—the Erie Canal—which connected Lake Erie with the Hudson River over three hundred miles away. The Hudson River flows from northern New York down to the port of New York City. Transportation time was cut by two weeks, and shipping costs became much lower. With the success of the Erie, other states including Georgia thought about canals. But a new method of transportation came into being, and it became Georgia's main method of shipping.

Below: The success of the Erie Canal inspired a canal-building boom all over the country in the 1830s and 1840s. The federal and state governments poured millions of dollars into canal networks, many of which were unfinished when a new mode of powered transportation, the railroad, proved cheaper and more versatile.



Something Extra!

Atlanta began as a railroad town because it was where several railroads met.

Below: The small settlement that grew up around the terminal point of the Georgia Railroad was named "Terminus" by Stephen Long, a civil engineer. In 1843, it was renamed Marthasville, then given its current name, Atlanta, in 1845. As the railroads grew, so did Atlanta, which had become an important railroad center by the start of the Civil War.

Railroads

In England, steam power was being used on land to haul cars along rails. In Maryland, the Baltimore and Ohio Railroad (B & O) had begun building a line. With so many goods to get to market, the South immediately began to build railroads. By 1833, South Carolina built a railroad from Charleston to Hamburg, South Carolina, which was right across the Savannah River from Augusta. The owners hoped to get the business of farmers on both sides of the river. Georgians could bring their goods across the river to Hamburg for shipment directly to the major port of Charleston.

Not to be left behind, Savannahians began a company to build a railroad to Macon, which eventually became the Central of Georgia. Athens businessmen got a charter for the Georgia Railroad in 1833 to be built to Augusta. The Georgia Railroad was the first to start building. Small towns sprang up at the places where the railroad stopped such as Harlem, Thomson, and Camak. By 1845, the line extended all the way to Marthasville, the city now called Atlanta. The Georgia and the Central of Georgia both built feeder lines (branches) to other small towns, such as the one from Macon to the state capital at Milledgeville. What began as the Monroe Railroad became the Macon and Western, reaching Atlanta by 1846. The state of Georgia itself chartered a railroad to Tennessee called the Western and Atlantic. It was part of a grand plan to connect the Atlantic with the West as far as the Tennessee River. Other rail lines were built in the southwestern areas, and by 1860 Georgia had one of the best rail systems in the South.



Business and Industry

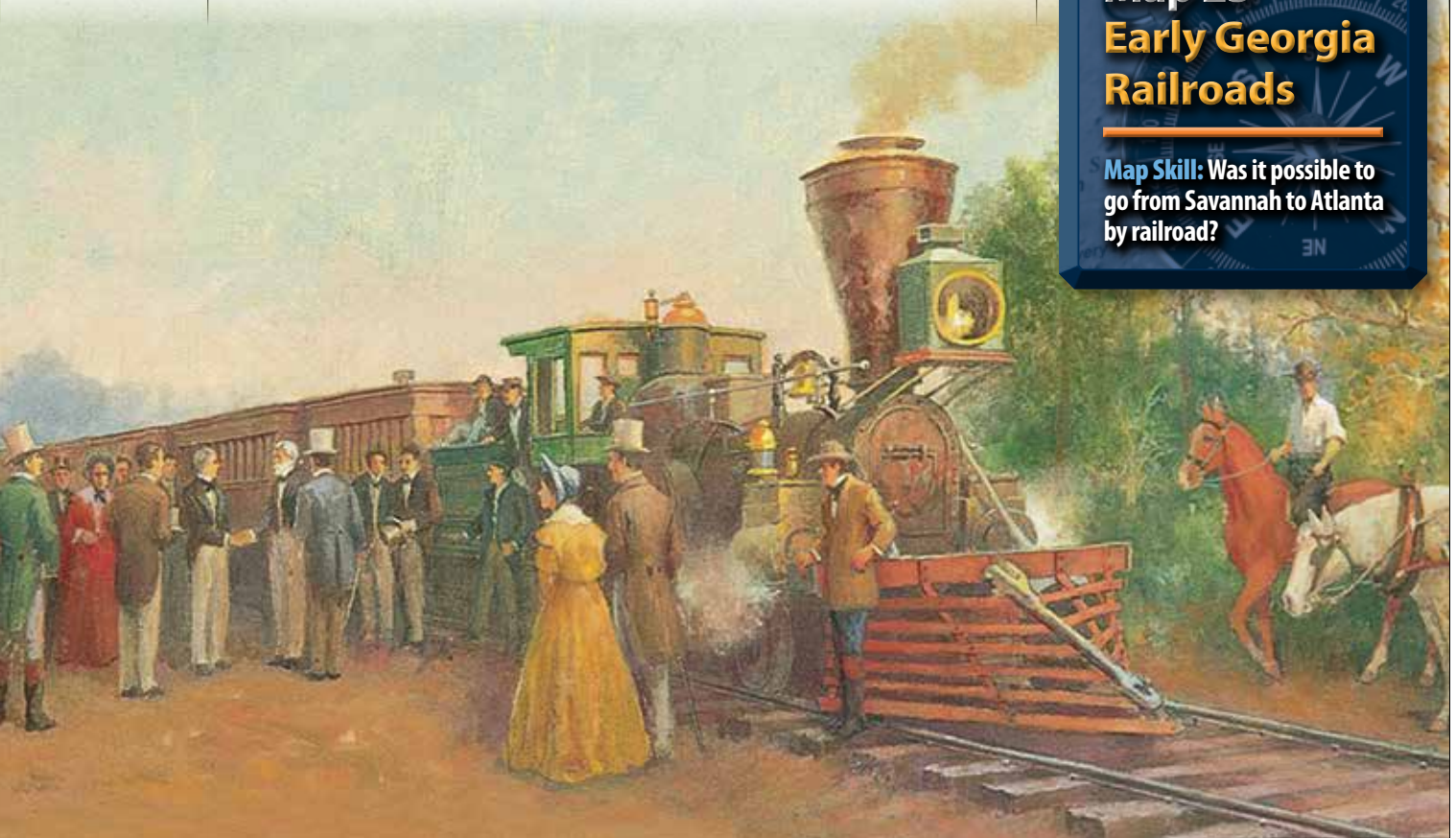
Although farming occupied most Georgians, some industry did develop. Much of it was related to processing the crops that Georgia grew. For example, most communities had flour mills that ground corn into flour and grits. Sawmills cut logs into boards. Tanneries turned animal hides into leather. In north Georgia, mining gold became an industry, and the national government built a mint in Dahlonega in 1838 to turn raw gold into coins.

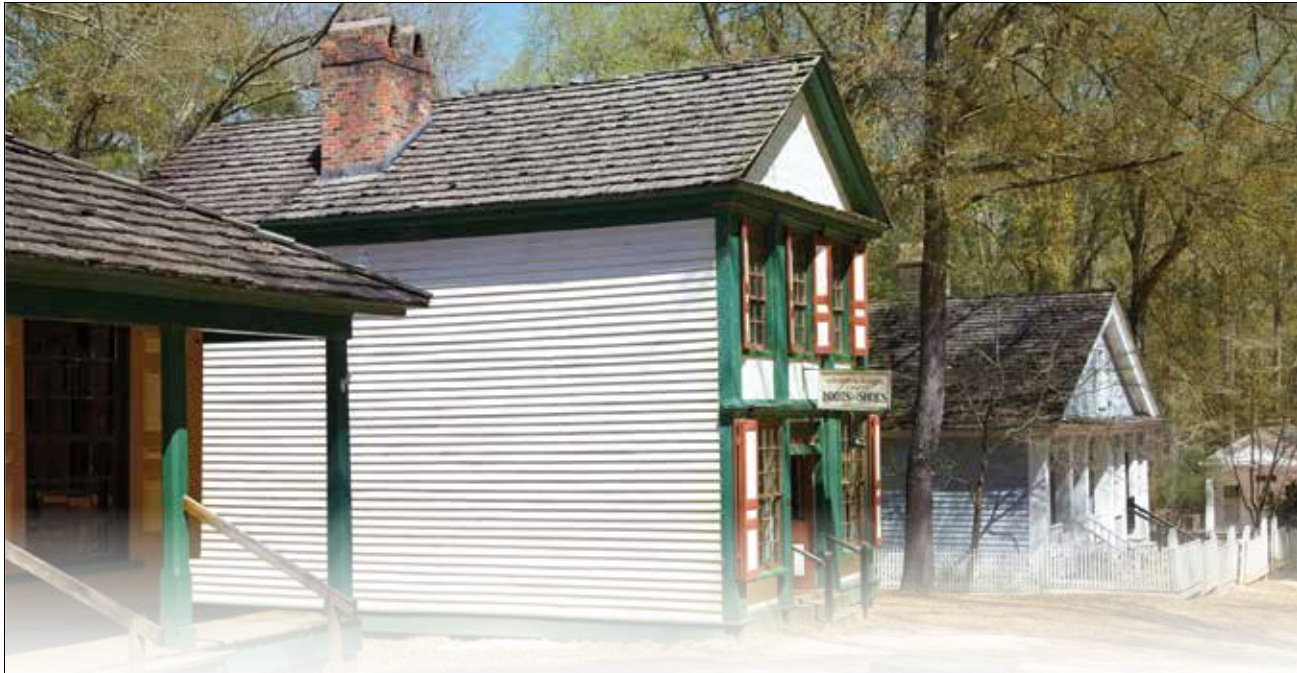
By the 1820s, Georgians Augustin Clayton in Athens and William Schley in Augusta began to process cotton in small textile mills using water power. When the country went through a **depression** (a severe economic downturn) in the late 1830s, others were attracted to building mills to help strengthen the economy. In the 1840s, both Columbus and Augusta built much larger mills using water power from canals. When good times returned, mill building declined as agriculture became profitable again. Even so, throughout this period, Georgia led the Lower South in industry.



Map 25 Early Georgia Railroads

Map Skill: Was it possible to go from Savannah to Atlanta by railroad?





Top: Westville in Stewart County is a collection of historic buildings from around Georgia assembled into a typical town of 1850. The two-story building is the shop of Johann B. Singer Boots and Shoes. **Above:** This interpreter at Westville is reenacting the role of a free black seamstress.

In Georgia's towns, citizens had other ways of making a living as they had in the colonial period. Blacksmiths, carpenters, coopers, brick masons, and bakers were joined by clockmakers, silversmiths, and cabinet makers. Many, but not all, of those in practical crafts such as blacksmithing were free blacks. Because free blacks could not get work in the countryside where planters relied on slave labor, free blacks lived in the small towns and communities where they could find work as laborers on docks and railroads and as craftsmen. Free black women in Georgia's towns often supported themselves as seamstresses, laundresses, housekeepers, and cooks.

The wealthy in towns were professionals and merchants. Sometimes they were owners of plantations that were managed by overseers. Merchants owned various kinds of retail stores, from general stores to stores that sold special items. Some merchants were **factors**, the men who took a farmer's crops and arranged for their shipment to other places. Both New England and British textile mills bought cotton from the South, and Georgia was one of the major producers.

Reviewing the Section

1. Define: Yazoo land fraud, subsistence, depression.
2. What two methods were used in Georgia to distribute land in the late 1700s and early 1800s?
3. What was Eli Whitney's invention? How did it affect agriculture in Georgia?
4. What technological development replaced canals and steamboats?