

# DIVERGENT PATHS

How Culture  
and Institutions  
Have Shaped  
North American  
Growth

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MARC EGNAL

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*Marc Egnal*

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## **DIVERGENT PATHS**

*For Judith, Barton, and Benjamin*

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# Preface

Why are some countries or regions economic success stories, while others languish in the doldrums of slow growth? The role of culture and institutions must be placed near the top of any list of reasons. Take Japan, whose rapid development serves as an example for many nations. Abundant natural resources do not explain Japanese prosperity. Japan has little arable land, only limited deposits of coal and iron, and few oil or gas fields. Government policies, it is true, deserve scrutiny. But most extended discussions of Japanese growth look at the structure of the society, and at long-standing traditions that foster co-operation, loyalty, and hard work.

This work takes a similar tack. It is an historical enquiry into the nature of economic growth in North America. It explores the impact of institutions (such as slavery and the seigneurial system) and culture (including religion, literacy, the entrepreneurial spirit, and intellectual activity) on development. The book looks back to European origins, and discusses the course of growth in North America from the eighteenth century to the 1990s. But the greatest emphasis is on the hundred years between the 1750s and 1850s. During this period distinct, regional societies emerged and were sharply defined.

For the most part, *Divergent Paths* concentrates on a limited geographical area: the states and provinces settled by 1750. The analysis compares three regions: French Canada, the eight colonies (later states) of the North, and the five colonies (later states) of the South.

Only occasionally does the account of the years before 1860 treat the territories to the west. In many ways the development of the West paralleled that of the older areas. But fresh land and, at least initially, fewer cities were new factors in the mix. In Canada the territory immediately to the west of French Canada was settled by English-speakers, and has its own distinct course of development. The final three chapters, which carry the story from 1860 to the present, deal with the entire North and South, as well as with Quebec. By this era distinctions between the Northeast and Northwest (or "Midwest"), and between the Southeast and Southwest had lessened.

The book seeks to answer a question: why three societies—early Canada, the North, and the South—whose standard of living was similar in 1750 became so dissimilar in their development. By the mid-nineteenth century the original northern states had surged ahead in their growth. The southern states and French Canada trailed far behind. And the gap continued to widen until well into the twentieth century. The explanation of this pattern lies not with natural resources, the availability of foreign capital, or even government policies.  Rather—and this is the central argument—culture and institutions shaped the divergent paths followed by the North, on the one hand, and the South and French Canada, on the other.

The South and French Canada, for all their obvious differences, were alike in important ways. Studying one sheds light on the other. Both were societies that emphasized hierarchy and social order more than the relentless drive for wealth. In the South this outlook can be traced back to the values of a slave society that placed some whites high above others and kept African Americans in bondage. In French Canada this world view emerged from the importance of the seigneurial system and Catholicism. As the two societies fell behind the Northeast and the leading European countries, their ideologies evolved along parallel roads. Both decried the baneful effects of materialism and condemned the reform movements of the North and Western Europe.

*Divergent Paths* thus brings together the writings on two similar regions—the South and French Canada—that too often have been considered apart. Students of the southern states have looked for parallels in Latin America, Prussia, South Africa, and even Russia.<sup>1</sup> But they rarely have studied a region which shares the same continent, and which experienced the same lengthy evolution from a traditional economy to post-industrial society. Scholars have compared Quebec to France and to Ontario.<sup>2</sup> But such studies miss an important opportunity in not exploring the development of the U.S. South. The slow growth of the South and French Canada contrasts with the steep ascent of the northern states. And both hierarchical areas were markedly affected by the rapid rise of the North.

The crucial era for defining these separate worlds was the century

from the 1750s to the 1850s. Certainly, each of the three regions had its own values and behavior in 1750. Eighteenth-century commentators contrasted the “lazy” southerners, “industrious” northerners, and “vain” Canadians. But in the eighteenth century leading thinkers throughout North America shared Enlightenment beliefs. And ordinary folk (at least among the white population) farmed in similar ways, and had similar communal values. By the 1850s the contrast between the bustling, entrepreneurial North and the traditional, slower-growing South and French Canada was unmistakable.

Culture and institutions continued to evolve after the 1850s. But certain fundamentals were in place, and helped shape the response of the sections to the era of industrialization. An observer from the 1850s would not have been surprised by the contrasting success or the nature of the three societies in 1940. Only after 1940 did southerners and French Canadians break with patterns of behavior that had long shaped their lives. And only then did the paths of growth traced by the South and Quebec begin to converge with the course traced by the North. Since 1975 new links between culture, institutions, and development have been forged. These are treated in the final chapter.

Finally, three cautionary notes about this book. First, culture and institutions, as broad as those concerns are, hardly explain all aspects of growth. Historians rightly emphasize the impact of geography. The rocky soils of New England, the slow moving rivers of the South, the importance of the St. Lawrence River—all shaped development. So did proximity to markets. The most northerly states of New England stood further from the centers of U.S. commerce than did the commonwealths of southern New England. Hence New Hampshire remained poorer than Connecticut, despite a common Yankee heritage. And for shorter periods shifting patterns of trade or a sudden influx of capital could be decisive. I have written a companion book, *New World Economies: The Growth of Early Canada and the Thirteen Colonies* (forthcoming), that looks more closely at such short-term factors.

Second, this book examines societies—the North, the South, and French Canada—that had internal diversity. Are we justified in generalizing about these areas? The answer is yes, if we proceed with care. Contemporary opinion supports this approach. Commentators regularly viewed these sections as distinct places, and felt that the people in them had their own particular characteristics. Also the text notes the exceptions. It points, for example, to a state such as Maryland that became richer and more fully developed than the rest of the South.

Third, this work is an interpretative essay, one that relies on a broad mix of primary and secondary sources. Census data, diaries, and travelers’ accounts are important for the story told here. So are the writings of many scholars. In grappling with the broad questions treated in *Divergent Paths*, historians often disagree with one another.

The text and notes deal with those debates, which are important for any full understanding of the issues raised. Even where the present work comes down on one side of a dispute, the other position often suggests a modification or refinement. Frequently a synthesis of opposing viewpoints seems the most cogent response.

In sum, *Divergent Paths* presents an argument about the importance of culture and institutions in guiding long-term growth. It is a thesis with implications for many developing societies. But it is an approach that never can be applied in a mechanistic or rigid manner. Ultimately, cultural change is about people and the decisions made by many individuals. There is a dialogue between the activities of particular men and women and the behavior of groups. That dialogue also helps shape the text of this work.

Like eighteenth-century farmers, historians in the late twentieth century depend on an extended community for support. Many readers have helped improve this book. They have given their time generously, recognizing that the only payment is gratitude and a promise to reciprocate. Several individuals read all or most of this manuscript. Joseph Ernst, David Hackett Fischer, Yves Frenette, Allan Greer, James Henretta, Fernand Ouellet, George Rappaport, and Gavin Wright tackled various drafts of this book. Others read a chapter or groups of chapters, and provided me with lengthy, thoughtful critiques. These individuals include Lois Green Carr, Nancy Humphrey Case, Avi Cohen, Robert Cuff, Eugene Genovese, Steven Hahn, Adrienne Hood, Jim Lemon, Fred Matthews, Jeanette Neeson, Jacques Rouillard, Chris Seymour, Lucy Simler, Paul Stevens, Lorena Walsh, and George Weider. Some of these readers enthusiastically concurred with my conclusions. Others dissented. But each of these scholars forced me to sharpen my arguments.

I am grateful to other individuals who helped me bring this book together. My research assistants—Elaine Naylor, Paula Vendramini, Sarah Elvins, Richard Dionne, and Tina Antoniou—made contributions that went beyond mere fact checking. Mirka Ondrak helped analyze the polling data discussed in Chapter 11. Juliana Drexler checked my translations from the French. Carolyn King of the York Cartographic Drafting Office prepared the maps and graphs. The Social Sciences and Humanities Research Council and York University provided grants and released time that allowed me to broaden this study. And Andrew Albanese, editor at Oxford University Press, remained supportive and helpful during the long process of transforming my manuscript into a book.

Finally, my family made the writing of this work a pleasure by constantly interrupting the project. Benjamin, our eight-year-old, chose my study as the terrain for various projectiles and remote control

cars. Barton, our teenager, accepted his dad as a jogging companion and worthy adversary in board games. And my wife, Judith Humphrey, continually involved me in her own growing business. Without these breaks this book might have been finished sooner. But it would not have been half as much fun.

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# **I**

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## **THE SHAPING OF REGIONAL SOCIETIES, 1750s TO 1850s**



# 1

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## Introduction: The Paths Diverge

For Peter Kalm, the Swedish traveler and scientist, New France seemed no less prosperous than the northern Thirteen Colonies. Kalm, a student and friend of the great Swedish naturalist, Carl Linnaeus, traveled in North America between 1748 and 1751. He married a woman of Swedish descent in Philadelphia, and published his journals in three volumes after his return. Kalm was unstinting in his praise of Canadian farmers. "The high meadows in Canada are excellent and by far preferable to the meadows round Philadelphia and in the other English colonies," he remarked. And he observed in August 1749 that "the country on both sides [of the St. Lawrence] was very delightful today, and the fine state of its cultivation added greatly to the beauty of the scene." More generally, he felt that French Canadians lived as well as their English neighbors to the south. Kalm noted that "the French here eat nearly as much meat as the English on those days when their religion allows it."<sup>1</sup>

Kalm's remarks provide a good starting point for our undertaking. In the mid-eighteenth century the northern colonies, French Canada, and the southern colonies seemed roughly equal in wealth.\* A century

\* The Thirteen Colonies included 8 northern colonies: New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, and Delaware. The 5 southern colonies were Maryland, Virginia, North Carolina, South Carolina, and Georgia.