



Changing Economic Patterns in the South

From colonial times to the Civil War, the economy of the South was based on the plantation system. The region's wealth was held by landowners, both large and small, who grew agricultural crops for market. During the 1700s, the most profitable crops were tobacco, rice, and indigo. Later, cotton and sugar cane joined tobacco and rice as the major cash crops. These products were shipped to other regions of the country and to England, where the sugar cane and tobacco were refined, and the cotton was woven into cloth and then made into finished goods. The large plantations were nearly self-sufficient, producing most of what their residents required. The few needs that they could not fulfill were supplied by shopkeepers, and financial transactions were handled by small banks.

Look at Map A on the next page. On what other activities was the southern economy based?

After the Civil War, many freed African Americans remained on the land and became sharecroppers, raising crops for landowners in exchange for a share of the crops. Rich and poor farmers alike turned their acreage over to cotton, which became the dominant cash crop. A rising merchant class emerged that supplied many of the goods produced on the plantations before the Civil War. Railroads spread throughout the South and boosted the growth of textile mills and iron ore and coal industries. The abundance of raw materials and inexpensive labor attracted northern industries to the South. Much of this manufacturing, however, was limited to the early stages of production, which added little value to the raw materials and required unskilled workers, who were paid low wages. Because southern industries did not require highly skilled laborers, the South did not produce as large or as prosperous a middle class as did the North.

THE TWO WORLD WARS

World War I stimulated the economy of the South. Coal, iron ore, cotton, oil, lumber, chemicals, and tobacco were in great demand. The even greater demand for goods generated by World War II

poured billions of dollars into the region as the federal government established military bases and industrial plants there. Extensive investments were made in mining, petroleum, and chemicals. Large ship- and aircraft-building centers were also established. As a result of this increased economic activity, personal income grew during and after the two world wars. People moved off the farms and into increasingly larger urban centers.

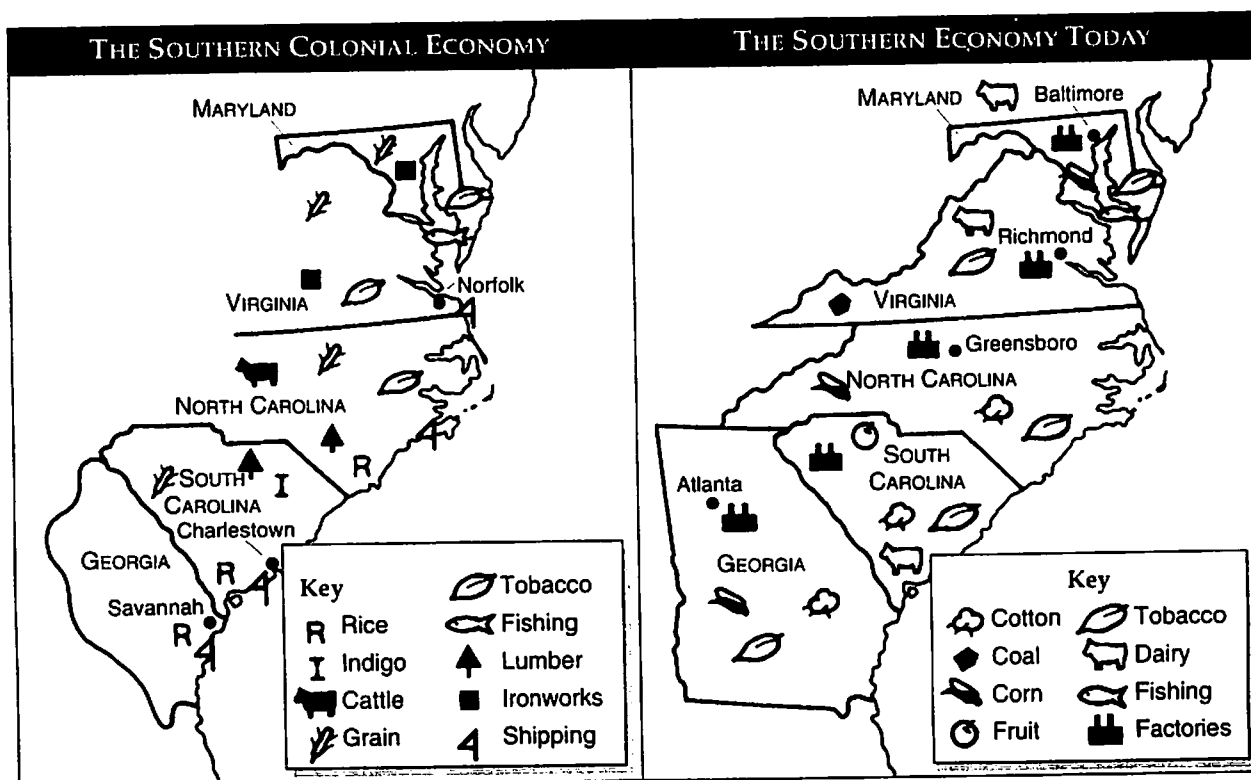
Look at Map B on the next page. What southern cities are also manufacturing centers? What cash crops are today an important sector of the southern economy?

THE NEW SOUTH

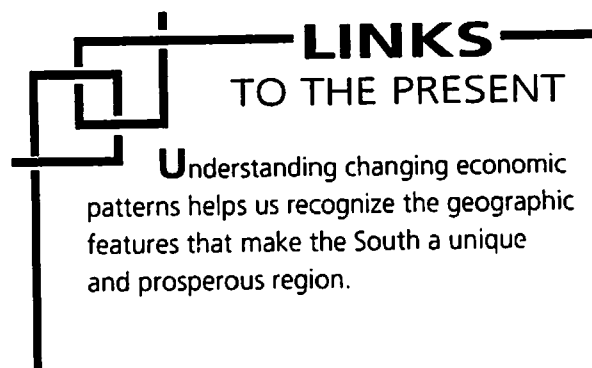
Between 1945 and 1980, personal income in the South grew more than 400 percent, and thousands of Southerners entered the middle class for the first time. Per capita income rose from one half the national average in 1945 to nearly nine tenths in 1980. Defense spending in the region during the cold war contributed to the economic boom as did the millions of military and civilian Defense Department employees who worked there. The South's many port cities became centers for international trade and banking. The growth of other

TIME & PLACE: A GEOGRAPHIC PERSPECTIVE

(continued)

CHAPTER 3

service industries—including communications, tourism, retirement communities, and insurance—left the South well-positioned to benefit from the general service industry boom that characterized postwar America. The prosperous Sunbelt became a magnet for Americans from other parts of the country who were drawn there in search of economic opportunity.

**GEOGRAPHIC CONNECTIONS**

- 1. Region** What two factors made the South an attractive place for northern investment following the Civil War?
- 2. Movement** What factors caused large numbers of people from other regions of the United States to move to the South after World War II?
- 3. Making Comparisons** Based on the economic differences between the Old and New South, how do you think life in the New South compares with life in the colonial South?