King Cotton and His Retailers by Harold D. Woodman, University of Kentucky Press, $9.75

When it had overcome indigo, rice and tobacco, cotton became king of the antebellum Southern economy. Professor Woodman of the University of Missouri has written a study of the financing and marketing of the cotton crop of the South from 1800 to 1925.

A planter with cotton to sell found buyers as near at hand as the gates of his plantation or as far away as the wharves of Liverpool. To secure the highest net return, he had to select the proper buyer in the right market at the most propitious time. He ordinarily turned to an expert - the cotton factor, preferably in the coastal cities such as Charleston, Savannah, Mobile and New Orleans. If, on occasion, he dealt with factor in an interior market, the latter had connections with firms in port cities.

The factor was not only seller of the planter's crop. He furnished supplies for the plantation, acted as banker, on occasion, and as general representative of the planter came to play a significant part in the marketing of the crop.

Such relationships, apparently, were not based on legal contracts and might change from season to season, even occasionally, during a crop year. Often they were long standing.

To be able to furnish supplies for the plantation, a factor must be familiar with markets and sources of supplies and often must handle the credit and financing during the year until cotton arrived for sale.

Apparently the relationship was usually cordial and cotton was forthcoming for sale and settlement of accounts. However, New Orleans factors indicated some difficulty about 1861 and took steps to blacklist delinquents. A planter's dividing his deliveries of cotton between two factors seemed satisfactory, and agreements were dependent merely upon the work of a gentleman. A factor's furnishing or crediting the planter necessarily establish a lien upon the crop.

During the first decades of the nineteenth century, cotton was marketed also by itinerant peddlers who either accepted cotton aboard boats and rafts or arranged for delivery to local merchants. Then came improvements in transportation and a proliferation of interior stores leading to decline of the peddler.

Far more significant was another group of itinerant merchants - the spinning factors. These men bought for their own profit or while representing factors. Sometimes they worked from their own stores. In any case they helped to extend the competitive system far into the interior - even to the farm itself. They were dependent upon the cotton factors, who financed them and sold their purchases. They in turn helped bring marketing or cotton to the country, and thus destroy the factorage system. After the war the factor dropped out of the picture. Merchants sold directly to spinners or to consumers.

The need for immense amounts of capital in opening and operating the cotton kingdom had led the Southern states to charter some sixty-five banks with eighty-one branches. Some were state owned; some were mixed enterprises. Unfortunately, despite regulations, long-time loans were often made on dubious security, often on the basis of capital not yet paid in, or paid in the form of a personal note. The crisis of 1837 and the depression that followed, therefore, devastated Southern banking.

In some states a revulsion against banking virtually ended the chartering of banks and left merchants to their own devices. Others emphasized conservatism. Ordinarily no Southern bank engaged directly in marketing but merely financed production and trade. Planters' notes were discounted only after the factor had added his endorsement. Thus banks came to lend not on the security of a plantation, slaves or cotton, but on the liquid assets of a city merchant.

The Civil War separated the South from its cotton market and its source of credit, but it did not end trade in cotton. Production was reestablished, and factors reappeared for a time, especially as creditors. But economic changes were taking place. Roads, railroad and the telegraph were important. Merchants multiplied in the interior. They could deal directly with consumers and foreign markets, and they could assist in the distribution of supplies. The city factor declined.

Economic problems in the post-war South were numerous. Various critics charged that planters moved to town and left tenants unsupervised; that freedmen were shiftless; that merchants foisted a harsh lien system on sharecroppers; that the tariff hurt the South; that the de-emphasis of silver lowered prices of cotton; and that over-production led to similar results. There was a widespread demand for diversification and equally widespread obstacles. In the meantime the low income agricultural industry lacked capital, and interest was high.

In the long time economic reconstruction, capital had to be found: town life developed; many planters' sons turned from farming, the law or the ministry to business; cotton planting was mechanized; there was less reliance on the freedmen as laborers; there was a measure of diversification; and a widespread search brought industry to the South. The reign of King Cotton was no longer ruthless, and his retainer became less exclusive.

Woodman's study is timely, sound and readable. It will command a widespread interest among scholars and, especially in the South, will interest all readers who wish to deepen their understanding of this region.

- V. Allon Moody