

Rethinking Mercantilism: Political Economy, the British Empire, and the Atlantic World  
in the Seventeenth and Eighteenth Centuries

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## *Forum*

# Rethinking Mercantilism: Political Economy, the British Empire, and the Atlantic World in the Seventeenth and Eighteenth Centuries

Steve Pincus

WHEN Adam Smith described the “system of commerce” or “the mercantile System” that had become “the modern system” of regulation in book 4 of *The Wealth of Nations*, he necessarily included in his account a description of the emergence of the modern European colonial system. Just as the mercantile system was supported by the avaricious and absurd views of shopkeepers and merchants, so the Europeans sought colonies in the first instance because of “the same passion which has suggested to so many people the absurd idea of the philosopher’s stone.” The Council of Castile sought colonies in the New World exclusively in “the hope of finding treasures of gold there.” “The first adventurers of all the other nations of Europe, who attempted to make settlements in America,” Smith noted with contempt, “were animated by the like chimerical views; but they were not equally successful.”<sup>1</sup> With these elegant words and with his tightly reasoned arguments, Smith seared into the imagination of generations of scholars and historians the ineluctable association between mercantilism and the origins of early modern European empires.

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<sup>1</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. R. H. Campbell, A. S. Skinner, and W. B. Todd (Indianapolis, Ind., 1981), 1: 428–29 (“system of commerce,” “modern system,” 1: 428, “mercantile System,” 1: 429), 2: 561–64 (“same passion,” 2: 563, “hope of finding,” 2: 561, “first adventurers,” 2: 564).

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Historians have continued to embrace both the ubiquity of mercantilist economic regulation in early modern Europe and the Atlantic world and the implications of that political economic consensus—whether pragmatic or ideological—for understanding the emergence and development of early modern empires. Because everyone agreed about the goals of colonization and largely agreed about the means of colonizing, early modern colonization was necessarily apolitical. Because all Europeans shared the same goals and the same commitment to the mercantile system, the manifestly different natures of the various early modern empires must necessarily have been determined either by what they encountered on the periphery (their relative success in finding precious metals) or by epistemic shifts away from the mercantile system in the metropole.

Historians, social scientists, and literary critics have by and large accepted Smith's notion that there was an early modern period of mercantilist consensus. Most of those scholars have associated this view, at least in part, with the notion that everyone who mattered believed that trade was a zero-sum game. They have assumed that because land and the raw materials derived from it were the ultimate measure of wealth in the early modern period, wealth was necessarily finite. Policy makers operating under these assumptions, we are frequently told, subordinated the interests of the periphery to the imperatives of the metropolitan core. However, these assumptions, at least about seventeenth- and eighteenth-century England, are untenable. That realization warrants rethinking the origins and contours of British imperial rule and the structure of the Atlantic world.

ADAM SMITH'S POWERFUL and stadial view of European commercial development stimulated the thinking of classical economists. John Ramsay McCulloch, James Mill, David Ricardo, Nassau Senior, and a host of others castigated the evils of the mercantile system. But it was in the later nineteenth and early twentieth centuries that scholars in history, imperial history, sociology, and economics embraced the concept of mercantilism to describe the economic, social, and political system that followed the Middle Ages.

From the 1880s through the 1930s, advocates of state intervention and defenders of what Frank Trentmann has called the "free trade nation" agreed that early modern Europeans were devoted to mercantilism.<sup>2</sup> Supporters of state intervention described mercantilism as constitutive of modernity, whereas liberals saw it as a necessary transitional phase on the path to modernity. Gustav Schmoller, one of the leading members of the widely influential German Historical School of economic thinking,

<sup>2</sup> Frank Trentmann, *Free Trade Nation: Commerce, Consumption, and Civil Society in Modern Britain* (New York, 2008).

believed that from the fifteenth century through the seventeenth most Europeans experienced “a great historical process, by which local sentiment and tradition were strengthened, the social and economic forces of the whole territory consolidated, important legal and economic institutions created.” This transition from particularist to national economies, societies, and political structures, according to Schmoller, was of epochal importance. “The seventeenth and eighteenth centuries,” he maintained, were together “the birth hour of modern states and modern national economies” and were therefore “necessarily characterized by a selfish national commercial policy of a harsh and rude kind.” Though some states, such as Britain, “could begin to think and act in the spirit of free trade” and leave “far behind” the “toilsome work of national development,” such states were wrong to forget that state formation was constitutive of modernity and criticize others for mercantilist policies.<sup>3</sup>

Swedish free-trade proponent Eli F. Heckscher agreed with Schmoller in this depiction, if in little else. For Heckscher mercantilism was “a phase in the history of economic policy.” The mercantilist age that came “between the Middle Ages and the age of *laissez-faire*” was much more than merely a descriptive shorthand for a bundle of centuries, essentially analogous to our current term “early modern.” Mercantilism was “a uniform, coherent system.”<sup>4</sup> Heckscher believed that in England and France, but not in Germany, mercantilism followed and replaced the fundamental economic mindset of the Middle Ages. Whereas medieval economic policy was organized municipally with particularist aims, mercantilist policy was defined above all by its commitment to promoting the ideals of the national state. It was this national economic policy, Heckscher argued, that had been transcended by the coming of the modern state and its fundamental commitment to free trade.

Free traders argued that mercantilism was an inefficient economic system (against the proponents of the German Historical School, who insisted that it was historically appropriate and economically necessary for the period of national consolidation of each and every state), but they were just as adamant as their opponents that early modern England had its mercantilist phase. In his magisterial *Growth of English Industry and Commerce in Modern Times*, first published in 1882, Archdeacon William Cunningham defined the contours of England’s mercantilist age. “During a period of more than two centuries, from the beginning of Elizabeth’s reign till the accession of Pitt to power,” Cunningham explained, “the effort to promote

<sup>3</sup> Gustav Schmoller, *The Mercantile System and Its Historical Significance* (1884; repr., New York, 1897), 44 (“great historical process”), 77 (“seventeenth and eighteenth”), 61–62 (“could begin,” 61).

<sup>4</sup> Eli F. Heckscher, *Mercantilism*, trans. Mendel Shapiro, ed. E. F. Söderlund (New York, 1955), 1: 19 (“phase”), 20 (“Middle Ages”), 21 (“uniform”).

economic progress by governmental action was steadily maintained. There was very little departure from the broad lines of the policy that had been laid down by the great Lord Burleigh." English politicians might have differed about many things, but not about political economy. "Up till the time of Adam Smith, men of all parties in England" shared the same mercantilist principles. "English public opinion," Cunningham believed, "did not set in the direction of *laissez faire*, until the country had had long experience of the evils of the Mercantile System as reconstructed by a constitutional government."<sup>5</sup>

The first generation of imperial historians on both sides of the Atlantic maintained that those who had created the first British Empire did so in a mercantilist spirit. Mercantilism was one of the organizing concepts of the widely influential first volume of the *Cambridge History of the British Empire*, published in 1929. "Mercantilism," maintained J. F. Rees in his contribution to that volume, "was the economic expression of the militant nationalism which sprang out of the social and political changes of the sixteenth century." The deeply mercantilist "terms of the Treaty of Utrecht," he averred, "influenced colonial history for the next generation."<sup>6</sup>

Charles M. Andrews, the doyen of colonial American history and the leading light of Yale University's increasingly influential history department, offered one of the clearest and most compelling accounts of England's commitment to mercantilism and its implications for imperial development. "In the Middle Ages," Andrews explained in prose far less turgid than Schmoller's or Heckscher's, "men's lives and ambitions had been largely bounded by the geographical limits of their feudal lordships, city-states, municipalities, communes, manors, and other local institutions and their activities had been mainly restricted to the affairs of groups and neighborhoods." "But later," Andrews recounted, "during the sixteenth and seventeenth centuries, all the states along the western seaboard of the European continent gradually became centralized and monarchical in form, ready to compete on a larger scale in a race for wealth and power, each with the others." Like his fellow liberals, Andrews was careful to point out that "the state thus in process of formation was not the national state of today, with its freedom of trade." For Andrews, as for Schmoller, Heckscher, Cunningham, and the authors of the *Cambridge History*, early modern Europeans shared the same economic views, and those views generated a coherent set of economic practices. Andrews wrote of a unitary

<sup>5</sup> W[illiam] Cunningham, *The Growth of English Industry and Commerce in Modern Times*, [6th ed.] (Cambridge, 1925), 2: 16–20 ("During a period," 2: 20, "Up till the time," 2: 16, "English public opinion," 2: 19).

<sup>6</sup> J. F. Rees, "Mercantilism and the Colonies," in *The Cambridge History of the British Empire*, ed. J. Holland Rose, A. P. Newton, and E. A. Benians (Cambridge, 1929), 1: 561–602 ("Mercantilism," 1: 561, "Treaty of Utrecht," 1: 576).

“mercantile mind” that generated a more or less coherent set of principles “throughout mercantilist literature, from the beginning of the seventeenth century to the close of the Seven Years’ War.” Colonies played an increasingly vital role in the mercantile system. All mercantilists “agreed,” averred Andrews, that “Ireland and the plantations were lesser dependencies, the interests of which were subordinate to the prosperity and welfare of the superior partner.” The implication of this conviction was that “England and the mercantilists expected the colonists to be self-supporting and not to involve the mother country in any expense for maintenance.” Andrews, like the authors of the *Cambridge History*, identified the passage of the 1713 Treaty of Utrecht as a crucial moment in the consolidation of mercantilist colonial policy. “From this time forward,” Andrews concluded, “the colonies, in constantly accelerating measure, became a necessary asset in mercantilist eyes.”<sup>7</sup> Though there could be and in fact were intense debates over particular policies, these disputes were ephemeral because there was such widespread agreement over the fundamentals. There were no deep-seated ideological disagreements surrounding the formation of the British Empire.

From the late nineteenth century through the interwar period, scholars argued with a united voice that early modern Europeans and especially early modern Britons were devoted to mercantilist ideas and policies. This scholarly consensus about the historical nature of mercantilism, despite the bitter disagreements over the political or economic efficacy of mercantilist policies, remains of crucial importance. It was in this period, when the mercantilist consensus was at its most powerful, that modern universities consolidated the academic disciplines of history, imperial history, economics, and sociology. Mercantilism became one of the foundational concepts for these disciplines at the vital moment of their consolidation.

From the late 1930s, some thoughtful scholars raised questions about whether mercantilism should be such a hegemonic organizing principle for historians. In a pathbreaking essay published on the eve of the Second World War, A. V. Judges insisted that “mercantilism never had a creed.”<sup>8</sup> Almost two decades later, in 1957, D. C. Coleman took up the cudgel, arguing that mercantilism could not have held the power it supposedly did because policy makers did not consult theories before making decisions. “In real life,” he argued, “policy is carried out by governments and governments are composed of men who, whatever their preconceived ideas

<sup>7</sup> Charles M. Andrews, *The Colonial Period of American History* (New Haven, Conn., 1938), 4: ix–x (“Middle Ages,” ix, “But later,” ix–x), 2 (“process of formation”), 318 (“mercantile mind”), 322 (“mercantilist literature”), 333 (“agreed”), 353 (“England and the mercantilists”), 364 (“From this time forward”).

<sup>8</sup> A. V. Judges, “The Idea of a Mercantile State,” *Transactions of the Royal Historical Society*, 4th ser., 21 (1939): 41–69 (quotation, 42).

and whatever their ultimate aims, deal in particular contexts with particular problems.”<sup>9</sup> Despite his powerful arguments, Coleman had to concede the limited influence of his initial assault against the mercantilist consensus in 1980. “Historical labels have,” he lamented, “a remarkable talent for survival.”<sup>10</sup> Two shortcomings limited the power of the critique. First, neither Judges nor Coleman offered a narrative to replace that offered by the mercantilist synthesis. Scholars are loath to abandon a fundamental concept if they have no other framing device with which to organize the data they have collected. Second, Coleman in particular posited in his 1957 essay an interpretative model—perhaps influenced by Lewis Namier—that radically distinguished the life of the mind from the world of political action. Politicians, he suggested, reacted to individual circumstances. Their beliefs mattered little. This line of thought, of course, became the target of many scholars in a variety of fields in the following decade.

Coleman’s chastisements modified the language historians were willing to employ, but they did not fundamentally alter historians’ interpretative frames. Writing a year after Coleman published his essay, Charles Wilson admitted that “mercantilism” was a controversial term, “yet it would be difficult to abolish a word around which so much history and controversy has grown.” “In England,” he insisted, “few things are more striking than the growing concordance between thought and policy from the mid-sixteenth to the mid-eighteenth century.”<sup>11</sup> Wilson retained mercantilism as one of the organizing principles of his influential textbook, *England’s Apprenticeship*.<sup>12</sup> In a nod to Coleman, American economic historian David S. Landes claimed that “mercantilism” was “pragmatism gilded by principle.” But, he insisted, “mercantilism was more than mere rationalization. Precisely because it was pragmatic, because it aimed at results, it contained the seeds of the sciences of human behavior.”<sup>13</sup>

The next generation of scholars adopted even more apologetic language about the term “mercantilism” while still deploying the concept as an orga-

<sup>9</sup> D. C. Coleman, “Eli Heckscher and the Idea of Mercantilism” (1957), in *Revisions in Mercantilism*, ed. Coleman (London, 1969), 92–117 (quotation, 117). For similar lines of criticism, see J. M. Sosin, *English America and the Restoration Monarchy of Charles II: Transatlantic Politics, Commerce, and Kinship* (Lincoln, Neb., 1980), 49–50; Daniel Statt, *Foreigners and Englishmen: The Controversy over Immigration and Population, 1660–1760* (Newark, Del., 1995), 24–25.

<sup>10</sup> D. C. Coleman, “Mercantilism Revisited,” *Historical Journal* 23, no. 4 (December 1980): 773–91, esp. 789 (quotation), 791.

<sup>11</sup> Charles Wilson, *Mercantilism* ([London], 1958), 3 (“mercantilism”), 10 (“In England”).

<sup>12</sup> Charles Wilson, *England’s Apprenticeship, 1603–1763*, 2d ed. (London, 1984), 236.

<sup>13</sup> David S. Landes, *The Unbound Prometheus: Technological Change and Industrial Development in Western Europe from 1750 to the Present* (Cambridge, 1969), 31–32 (quotations, 32). See also M. N. Pearson, “Merchants and States,” in *The Political Economy of Merchant Empires: State Power and World Trade, 1350–1750*, ed. James D. Tracy (Cambridge, 1991), 41–116, esp. 93.



nizing principle. After pages of analysis of what had formerly been termed “mercantilist policies,” C. G. A. Clay paused to note that mercantilism “has been the subject of much historical debate” and was a term “coined long after 1700 to describe economic policies characteristic of both English and other European states in our two centuries.” It was anachronistic and ahistorical, he implied, but “so long as it is used descriptively there is no harm in it.” In fact Clay’s wonderfully rich synthesis of England’s social and economic history of the period from 1500 to 1700 suggested that mercantilist practices dominated the field of endeavor, if only because of “practical considerations.”<sup>14</sup> Similarly, influential imperial historians P. J. Cain and A. G. Hopkins appropriated Coleman’s pragmatic language while retaining mercantilism as a second-order organizing concept undergirding their edifice of “gentlemanly capitalism.” Rational bargaining produced “a complex of commercial regulations that entered into what can be termed ‘mercantilism,’” they noted, adding the now-common proviso, “providing this is thought of less as a coherent ‘system’ than as an accretion of separate deals, albeit one with a degree of hard-headed logic behind it.” Several pages later, the two imperial historians appeared to have shed their embarrassment. “After 1850,” they announced, “free trade destroyed the old colonial system.”<sup>15</sup>

Recent scholars of Britain and its empire have jettisoned even these rhetorical nods to Coleman’s warnings. Scholars may no longer write of mercantilism as a coherent system. But they do discuss a coherent set of mercantilist practices. Anthony Howe insists that there was a “mercantilist consensus on trade and power” that persisted well into the nineteenth century.<sup>16</sup> These are not merely the views of nineteenth-century historians seeking to caricature the period that precedes their own. Early modernists have been just as eager to embrace the concept of mercantilism. Nuala Zahedieh describes mercantilism as “a self-contained commercial system” in the seventeenth century.<sup>17</sup> England, T. M. Devine has recently pointed out, imposed “‘mercantilist’ policies.”<sup>18</sup> David Armitage has perceived

<sup>14</sup> C. G. A. Clay, *Economic Expansion and Social Change: England, 1500–1700: Industry, Trade and Government* (Cambridge, 1984), 2: 206.

<sup>15</sup> P. J. Cain and A. G. Hopkins, *British Imperialism: Innovation and Expansion 1688–1914* (London, 1993), 4 (“gentlemanly capitalism”), 73–74 (“complex of commercial regulations,” 73–74, “providing,” 74), 104 (“After 1850”).

<sup>16</sup> Anthony Howe, “Restoring Free Trade: The British Experience, 1776–1873,” in *The Political Economy of British Historical Experience, 1688–1914*, ed. Donald Winch and Patrick K. O’Brien (Oxford, 2002), 193–213 (quotation, 194). See also Richard Brown, *Society and Economy in Modern Britain, 1700–1850* (London, 1991), 180–81.

<sup>17</sup> Nuala Zahedieh, “Making Mercantilism Work: London Merchants and Atlantic Trade in the Seventeenth Century,” *Transactions of the Royal Historical Society*, 6th ser., 9 (1999): 143–58 (quotation, 144); Zahedieh, *The Capital and the Colonies: London and the Atlantic Economy, 1660–1700* (Cambridge, 2010), 43–44, 280, 292.

<sup>18</sup> T. M. Devine, *Scotland’s Empire and the Shaping of the Americas, 1600–1815* (Washington, D.C., 2003), 30.



the existence of a “mercantilist colonial system.”<sup>19</sup> Linda Colley maintains that “mercantilism was common to virtually all European elites” in the eighteenth century.<sup>20</sup> “From the Glorious Revolution until the defeat of Napoleonic France at Waterloo,” proclaims Kenneth Morgan, “the political economy of the British Empire was underpinned by a mercantilist framework.”<sup>21</sup> According to Charles S. Maier, “Britain’s empire began as a mercantilist structure” and remained in that mode until “the nineteenth century.”<sup>22</sup> In his massive *After Tamerlane*, John Darwin similarly finds “mercantilist doctrines favoured in Britain” in the eighteenth century.<sup>23</sup>

Economic historians have been just as happy as their imperial history colleagues to insist on the centrality of early modern mercantilism to their analyses. “In the eighteenth century,” argues Robert C. Allen in his new high-wage explanation for the British Industrial Revolution, “international trade gave the economy a second boost via successful mercantilism and colonialism.”<sup>24</sup> Economists Ronald Findlay and Kevin O’Rourke have dubbed the period from 1650 to 1780 the “age of mercantilism.”<sup>25</sup> “The mercantilists’ method of reasoning and their justifications” for insisting on the centrality of state intervention were “distinctive,” maintains economist Douglas A. Irwin. And, he notes, their arguments “dominated the discussion of commercial policy in the English economic literature from the late sixteenth century until well into the eighteenth century.”<sup>26</sup> In his monumental *Enlightened Economy*, Joel Mokyr argues that “by the start of the eighteenth century, the British state was still firmly wedded to mercantilist principles,” which beat only a “slow retreat over the period 1700–1850” in the face of Enlightenment ideas.<sup>27</sup> “The sixteenth and seventeenth centuries were the golden age of mercantilism,” Paul Bairoch crisply notes,

<sup>19</sup> David Armitage, *The Ideological Origins of the British Empire* (Cambridge, 2000), 176.

<sup>20</sup> Linda Colley, *Britons: Forging the Nation, 1707–1837* (New Haven, Conn., 1992), 64.

<sup>21</sup> Kenneth Morgan, “Mercantilism and the British Empire, 1688–1815,” in Winch and O’Brien, *Political Economy of British Historical Experience, 165–91* (quotation, 165).

<sup>22</sup> Charles S. Maier, *Among Empires: American Ascendancy and Its Predecessors* (Cambridge, Mass., 2006), 273.

<sup>23</sup> John Darwin, *After Tamerlane: The Global History of Empire since 1405* (London, 2007), 213.

<sup>24</sup> Robert C. Allen, *The British Industrial Revolution in Global Perspective* (Cambridge, 2009), 110.

<sup>25</sup> Ronald Findlay and Kevin O’Rourke, *Power and Plenty: Trade, War, and the World Economy in the Second Millennium* (Princeton, N.J., 2007), 227.

<sup>26</sup> Douglas A. Irwin, *Against the Tide: An Intellectual History of Free Trade* (Princeton, N.J., 1996), 26 (“mercantilists’ method”), 45 (“dominated the discussion”).

<sup>27</sup> Joel Mokyr, *The Enlightened Economy: An Economic History of Britain, 1700–1850* (New Haven, Conn., 2009), 64 (“by the start”), 20 (“slow retreat”), 8. Mokyr’s examples of Enlightenment attacks on mercantilism postdate 1760. He argues for the persistence of mercantilist ideas among major thinkers of the early eighteenth century, including Daniel Defoe.

and “trade policy during the first half of the [eighteenth] century was still closely linked with mercantilism.”<sup>28</sup>

Atlantic early American historians in the 1970s, 1980s, and 1990s and beyond have similarly insisted on mercantilism’s centrality to the organization of the prerevolutionary Atlantic. In her deeply influential study of seventeenth-century economic thought and ideology, Joyce Oldham Appleby describes a series of ideologies competing for social and political influence through the 1690s. But after that, she maintains, “the economic model of [John] Locke and the landed Whig magnates who made the critical decisions for English economic development” achieved hegemony until the age of Smith. British politicians in the eighteenth century, Appleby argues, plumped for “a mercantilistic system.”<sup>29</sup> For John J. McCusker and Russell R. Menard, mercantilism is “a summary phrase for the strategies the English pursued in the Americas”; it was “a shared perception” that outlined the British strategy for “colonial development.”<sup>30</sup> François Crouzet maintains that “before the American Revolution, Britain’s north Atlantic empire had been consistent with mercantilist principles of self-sufficiency.”<sup>31</sup> For Thomas M. Truxes, New York smugglers were working against the widely accepted “mercantilist frame of reference.”<sup>32</sup> According to Susan Dwyer Amussen, the imperial pursuits of the Dutch, English, French, and Spanish in the Caribbean and beyond “reflected the economic theory of mercantilism.”<sup>33</sup> In “the early-modern era,” mercantilist conceptions were in tension with “the opposing intellectual model of economic freedom,” argues Cathy Matson (echoing Appleby), yet nevertheless by the end of the seventeenth century in both England and North America

<sup>28</sup> Paul Bairoch, *Economics and World History: Myths and Paradoxes* (New York, 1993), 16 (“sixteenth and seventeenth”), 17 (“trade policy”). These arguments by sophisticated, well-established, and well-regarded economic historians suggest that Richard Grassby may have exaggerated when he claimed that “the bogus concept of ‘mercantilism’ is still retained by historians of economic thought, even though it has been systematically demolished by economic historians.” Grassby, *The Business Community of Seventeenth-Century England* (Cambridge, 1995), 227.

<sup>29</sup> Joyce Oldham Appleby, *Economic Thought and Ideology in Seventeenth-Century England* (Princeton, N.J., 1978), 248–69 (“economic model,” 258, “mercantilistic system,” 269).

<sup>30</sup> John J. McCusker and Russell R. Menard, *The Economy of British America, 1607–1789* (Chapel Hill, N.C., 1985), 11–12 (“summary phrase”), 35 (“shared perception”). David Hancock has also expressed skepticism of the central role mercantilism plays in this seminal work: Hancock, *Oceans of Wine: Madeira and the Emergence of American Trade and Taste* (New Haven, Conn., 2009), xviii.

<sup>31</sup> François Crouzet, “America and the Crisis of the British Imperial Economy, 1803–1807,” in *The Early Modern Atlantic Economy*, ed. John J. McCusker and Kenneth Morgan (Cambridge, 2000), 278–315 (quotation, 290).

<sup>32</sup> Thomas M. Truxes, *Defying Empire: Trading with the Enemy in Colonial New York* (New Haven, Conn., 2008), 39.

<sup>33</sup> Susan Dwyer Amussen, *Caribbean Exchanges: Slavery and the Transformation of English Society, 1640–1700* (Chapel Hill, N.C., 2007), 39.

mercantilism had achieved the status of “a new intellectual orthodoxy.”<sup>34</sup> Gordon S. Wood believes that the world was dominated by “mercantilist powers” as late as the 1780s and that Britain in particular was pursuing “mercantilist trade policies.”<sup>35</sup>

Mercantilism, from the moment of the consolidation of academic disciplines, has remained one of the fundamental organizing principles of historical inquiry. Because early moderns shared basic economic ideas, they never had any reason to argue about the basics of economic and imperial policy. There could be, and were, local and pragmatic disputes about timing and extent, but the overall framework in which early modern policy makers operated was—according to the overwhelming majority of scholars—rarely an issue for political and ideological debate. Early moderns, presumably, reserved their ideological disagreements for the realms of religion and constitutional arrangements. Party politics was not about the everyday secular life of the mass of the population.

WHAT, THEN, WERE the organizing principles of mercantilism? What were the concepts about which everyone agreed in the early modern period? To these questions scholars have offered a wide array of answers. Despite this ostensible dent in the mercantilist synthesis, however, the overwhelming majority of scholars agree about the fundamental underlying concept of mercantilism: the limits to growth. Mercantilists believed that they lived in a world of scarcity—because property and value were defined exclusively with reference to land—in which economic life was necessarily one of vicious competition. They believed, most scholars assert confidently, that trade was a zero-sum game.

Both liberal and statist commentators at the moment of paradigm consolidation agreed that early modern mercantilists were committed to the notion that trade was a zero-sum game. Early modern mercantilists, according to Gustav Schmoller, believed “that an advantage to one state is always a disadvantage to another.”<sup>36</sup> “*Within* the state,” chimed in Eli F. Heckscher, “mercantilism consequently pursued thoroughgoing dynamic ends. But the important thing is that this was bound up with a static conception of the total economic resources in the world.” It was this conviction held by mercantilists, he thought, “that created that fundamental disharmony which sustained the endless commercial wars.”<sup>37</sup>

Early imperial historians on both sides of the Atlantic also detailed the mercantilists’ ostensible commitment to a theory of finite and strictly

<sup>34</sup> Cathy Matson, *Merchants and Empire: Trading in Colonial New York* (Baltimore, 1998), 7 (“early-modern era”), 36–49 (“new intellectual orthodoxy,” 45).

<sup>35</sup> Gordon S. Wood, *Empire of Liberty: A History of the Early Republic, 1789–1815* (Oxford, 2009), 101 (“mercantilist powers”), 15 (“mercantilist trade policies”).

<sup>36</sup> Schmoller, *Mercantile System*, 63.

<sup>37</sup> Heckscher, *Mercantilism*, 2: 25.

delimited wealth. “The greater the preponderance of one country,” wrote Cecil Headlam in the *Cambridge History of the British Empire*, “the fiercer became the necessity for others to recapture their lost colonies.”<sup>38</sup> The mercantilists from the beginning of the seventeenth century to 1763, Charles M. Andrews noted, did not imagine trade as a series of bargains for mutual benefit. Their notion of “balance of trade” was one “whereby success might be obtained over foreign rivals.”<sup>39</sup>

More recent scholars of Britain and its empire who have reasserted the mercantilist consensus have also insisted that a belief in the finite nature of earthly property was the touchstone of early modern political economy. “The world’s store of wealth was thought to be finite,” asserts T. M. Devine; “hence an expansion of one nation’s resources could only take place at the expense of other powers.”<sup>40</sup> Most British elites, Linda Colley avers, “took it for granted that the world’s supply of raw materials and markets was strictly finite, that competition to win access to them was bound to be intense.”<sup>41</sup> Kenneth Morgan agrees. So do Niall Ferguson, in his widely circulated analysis of the British Empire, and C. A. Bayly, in an equally influential recent work.<sup>42</sup>

Economic historians and historians of economic thought have also emphasized the zero-sum nature of mercantilist thinking. “The prevailing mercantilist doctrine” of the period 1650–1780, remark Ronald Findlay and Kevin O’Rourke, “viewed the struggle for wealth as a zero-sum game, and each of the powers looked upon its colonies as suppliers of raw materials and markets for manufactures of the ‘mother country’ alone.” This doctrine, they suggest, led to “frequent conflict during this period, often in the New World itself.”<sup>43</sup> The “key areas of agreement” that characterized English mercantilist thought in the seventeenth century, concludes Andrea Finkelstein, included—and she lists this as the first characteristic—a “finite view of the world’s resources” that “led them to assume” that economic growth “would be at the expense of their neighbors’ power and prosperity.”<sup>44</sup> Douglas A. Irwin, Elise S. Brezis, and Joel Mokyr articulate the same view.<sup>45</sup>

<sup>38</sup> Cecil Headlam, “International Relations in the Colonial Sphere, 1763–1783,” in Rose, Newton, and Benians, *Cambridge History of the British Empire*, 1: 685–716 (quotation, 1: 686).

<sup>39</sup> Andrews, *Colonial Period of American History*, 4: 322–23 (quotations, 4: 323).

<sup>40</sup> Devine, *Scotland’s Empire*, 30.

<sup>41</sup> Colley, *Britons*, 62.

<sup>42</sup> Morgan, “Mercantilism and the British Empire,” 168; Niall Ferguson, *Empire: The Rise and Demise of the British World Order and the Lessons for Global Power* (New York, 2002), 17; C. A. Bayly, *The Birth of the Modern World, 1780–1914* (Oxford, 2004), 136.

<sup>43</sup> Findlay and O’Rourke, *Power and Plenty*, 227 (“prevailing mercantilist doctrine”), 228 (“viewed the struggle”).

<sup>44</sup> Andrea Finkelstein, *Harmony and the Balance: An Intellectual History of Seventeenth-Century English Economic Thought* (Ann Arbor, Mich., 2000), 249.

<sup>45</sup> Douglas A. Irwin, “Mercantilism as Strategic Trade Policy: The Anglo-Dutch Rivalry for the East India Trade,” *Journal of Political Economy* 99, no. 6 (December 1991):

Scholars working on colonial British America and the West Indies have also insisted on the centrality of finite conceptions of wealth to mercantilism. “By promoting trade a nation could both enrich itself and beggar its neighbor,” John J. McCusker and Russell R. Menard explain. They elaborate, “By diminishing imports from a trading partner . . . and seeing to it that the goods were carried in domestic vessels, the balance of trade could be improved and the inflow of gold and silver increased. Strength not only replaced weakness but also did so at the expense of one’s enemies.”<sup>46</sup> “Because it was assumed that the wealth of the world was fixed,” concurs Susan Dwyer Amussen in her account of Caribbean slavery, “the only way to gain wealth was to seize a larger slice of the pie. Colonies were thus an essential part of economic strategy. Competition—both in Europe and the American colonies—was now as much about the products of the land as the possession of land itself.”<sup>47</sup>

Early moderns adopted an economic theory and implemented a wide variety of economic practices, argue the overwhelming majority of scholars, because they were mercantilists. Fundamental to their mercantilism was a commitment that trade was a zero-sum game, a necessarily vicious competition between nation-states for a strictly finite set of economic resources generated from the land. Though the great popularizer of classical economic thinking J. R. McCulloch knew that John Locke held that wealth could potentially grow infinitely with the deployment of human labor, he wrote that “three quarters of a century [had] elapsed before it began to be generally perceived.”<sup>48</sup> McCulloch’s contribution to economics is often minimized, yet it was his prodigious learning that created the canon of political economic writing. His classified catalog of political economic literature and his beautifully edited tracts on political economy were printed and reprinted in the nineteenth and twentieth centuries. Unsurprisingly, subsequent scholars have confirmed McCulloch’s assessment that with the exception of Locke, everyone before Adam Smith and his generation believed trade was a zero-sum game.

THE CLAIM THAT early moderns believed that trade was a barbaric battle among competing nation-states for a severely limited set of landed resources was only a partial truth. Some politicians, mercantile writers, traders, and clerics did hold that position. But many did not. In early mod-

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1296–1314, esp. 1296; Elise S. Brezis, “Mercantilism,” in *The Oxford Encyclopedia of Economic History*, ed. Joel Mokyr, e-reference ed. (2003–), <http://www.oxford-economichistory.com/>; Mokyr, *Enlightened Economy*, 64.

<sup>46</sup> McCusker and Menard, *Economy of British America*, 36.

<sup>47</sup> Amussen, *Caribbean Exchanges*, 40.

<sup>48</sup> J. R. McCulloch, *The Literature of Political Economy: A Classified Catalogue* (London, 1845), 4 (quotation), 2.

ern England and the early modern British Atlantic more generally, political economic decisions were made in the context of ideological conflict, not consensus. Pragmatic bargains did not occur in a situation in which all of the participants shared the same basic outlook on how trade worked in the world. There was a profound and highly politicized debate between those who thought trade was in fact a zero-sum game based on landed wealth and those who felt substantial worldwide economic growth created by human labor was possible and desirable.

Early modern English men and women argued about England's proper commercial role throughout the period, in committee rooms, in coffee-houses, in meetings of the Board of Trade, in the Houses of Parliament, in newspapers, in broadsides, in learned treatises, and in ephemeral tracts. Despite his prodigious efforts, J. R. McCulloch captured but a tiny fraction of English polemic about political economic issues. For the purposes of this essay, I will focus on three moments and largely on printed materials—in part because I want to gesture to the continuity in the partisan nature of the debate; in part because I want to make clear that the ideological stakes were evident to a wide range of people, not just to a narrow elite; and in part because my point is to highlight the dialectic rather than the shared assumptions.<sup>49</sup>

Early Stuart advocates of empire disagreed dramatically about the proper aims of English empire. Sir Walter Raleigh, for example, urged Queen Elizabeth and King James VI/I to pursue an empire of precious metals. Though many in England recommended attacking Spanish ports whenever they could, Raleigh scoffed that those were “few, and poor” and “are only rich when the fleets are to receive the treasure for Spain.” Spanish power, Raleigh insisted, “rise[s] not from the trades of sacks and Seville oranges, nor from ought else that either Spain, Portugal, or any of his other provinces produce: it is his Indian gold that endangereth and disturbeth all the nations of Europe; it purchaseth intelligence, creepeth into councils, and setteth bound loyalty at liberty in the greatest monarchies of Europe.” “Where there is store of gold,” Raleigh noted succinctly, “it is in effect needless to remember other commodities for trade.” Precious metals, not manufactures or commerce, created power. And precious metals were by definition a finite commodity. Spain's goal was to monopolize these trades because “those princes which abound in treasure have great advantages over the rest.” England, by contrast, was well advised to pursue a two-pronged

<sup>49</sup> I have chosen to highlight moments of political contestation because they forced participants to enunciate their positions. A similar line of analysis might have been developed by examining debates over population. The way forward in this arena has been suggested by Paul Slack, “‘Plenty of People’: Perceptions of Population in Early Modern England” (Stenton Lecture, Reading University, Nov. 18, 2010). I am grateful to Professor Slack for allowing me to read the manuscript in advance of publication.



strategy. The English should seek an “impeachment to the quiet course and plentiful trades of the Spanish nation.”<sup>50</sup> But above all they should gain an empire in Guiana, which promised more gold than all of the new Spanish territories combined. Raleigh was clearly committed to the notion that whatever England gained, Spain lost. For Raleigh commerce and the quest for empire were a never-ending struggle over valuable and scarce resources.

Raleigh’s near contemporary John Smith, who traveled to both Virginia and New England, understood the value of colonies in very different ways. He thought that colonies, properly organized, could create new wealth. Smith, though no friend of Spain, did not believe that commerce was a vicious competition for scarce resources. Though he envied the profits that Spaniards reaped from the Indies, he insisted that “if it be rightly managed” Virginia “will be as commodious for England as the west Indies for Spaine.” Smith attributed Virginia’s failure to achieve the wealth he hoped for not to the lack of gold and silver but to “pride and idlenesse.” New England, he was sure, would prove to be a boon to the English. He scoffed at those who demeaned the northern colonies for their lack of “Gold or Silver Mines.” “With a little labour,” Smith was sure, New England could become a shipbuilding center “and no Commoditie in Europe doth more decay than wood.” Instead of following the Spanish example and seeking mines of gold, Smith advised, the English should “imitate” the “warlike Hollanders,” whose power was built on labor rather than natural resources.<sup>51</sup>

Raleigh and Smith both hated the Spaniards and criticized the foreign policy pursued by James VI/I. But they advocated very different models of empire; they had very different understandings of what constituted property and wealth. For Raleigh wealth was necessarily limited to what existed on the land or beneath it. England’s only hope in its deadly struggle against Spain was to locate and seize mines of precious metals that were greater than those in Peru. For Smith, by contrast, Spain had grown powerful not from silver mines but from the wealth produced by human labor in the West Indies. This, he pointed out, was the key to Dutch strength. Even mineral-poor New England could be a source of unimaginable wealth to the English.

In the early seventeenth century, this debate did little to shape the contours of the English Empire. Before the outbreak of the Civil War, English monarchs had precious few infrastructural resources. Expansion was the work of private or semiprivate actors. There was no imperial state

<sup>50</sup> Sir Walter Raleigh, “The Discovery of Guiana,” in *The Works of Sir Walter Raleigh* . . . (New York, 1829), 8: 382 (“few, and poor”), 388–89 (“rise[s] not,” “those princes,” 8: 388, “impeachment,” 8: 389), 463 (“store of gold”).

<sup>51</sup> Karen Ordahl Kupperman, ed., *Captain John Smith: A Select Edition of his Writings* (Chapel Hill, N.C., 1988), 252 (“rightly managed”), 254 (“pride and idlenesse”), 265 (“Gold or Silver Mines”), 269 (“With a little labour”).



structure prior to Oliver Cromwell's Western Design of 1655. Until the Civil War, popular political disputes over external issues turned more heavily and more consistently on England's proper role in the Thirty Years' War.<sup>52</sup>

Half a century later, English men and women again engaged in a lively debate about their country's economic future. Again there was no mercantilist consensus, no widespread agreement that the world's wealth was necessarily delimited. Some merchants, politicians, and economic writers did hold that view. Tories overwhelmingly believed property was finite and tied to the land and its products. Arrayed against them was an equally substantial group of Whig polemicists, traders, and politicians who argued that property was potentially infinite and depended on the product of human labor. This time the public debate decisively shaped political developments. Political economic issues, debates over the shape and direction of the empire, had become the stuff of party politics.<sup>53</sup>

The powerful director of the East India Company and James II's chosen economic adviser, the Tory Sir Josiah Child, argued that property was natural, not created by human endeavor, and hence necessarily finite. Possession of land was therefore the basis of political power. At first humans lived off the uncultivated products of the land, Child recounted in a story echoed almost verbatim by Lord Chief Justice George Jeffreys, "but when the Inhabitants of the Earth began to Increase and Multiply; those who had first gained the Possession thereof, and assumed to themselves a distinct Propriety and Right therein, had excluded the succeeding Race of men, from all other Livelihood and Subsistence, but what was subordinate to, and dependent on such Proprietors, who having Power and means to support them, did thereby claim a Right of dominion over them." Since dominion was based in land, Child was certain that commerce was merely the exchange of the growth of that land. "The Principal Advantage and Foundation of Trade in *England*, is raised from that Wealth which is gained out of the produce of the earth," he contended. Child insisted that there was a finite economy totally "derived out of this Principal Stock of

<sup>52</sup> For the development of the fiscal-military state, see Michael J. Braddick, "The English Government, War, Trade, and Settlement, 1625–1688," in *The Oxford History of the British Empire: The Origins of Empire: British Overseas Enterprise to the Close of the Seventeenth Century*, ed. Nicholas Canny (Oxford, 1998), 286–308; Braddick, *State Formation in Early Modern England, c. 1550–1700* (Cambridge, 2000), 178. For the centrality of debates about the Thirty Years' War, see Thomas Cogswell, *The Blessed Revolution: English Politics and the Coming of War, 1621–1624* (Cambridge, 1989). For the shift and emergence of political debate throughout the empire from the 1630s, see Robert Brenner, *Merchants and Revolution: Commercial Change, Political Conflict, and London's Overseas Traders, 1550–1653* (Princeton, N.J., 1993).

<sup>53</sup> Steven Pincus, "A Revolution in Political Economy?" in *The Age of Projects*, ed. Maximillian E. Novak (Toronto, 2008), 115–40. Compare to Appleby, *Economic Thought and Ideology*, 248–69; Steve Pincus, *1688: The First Modern Revolution* (New Haven, Conn., 2009), 366–99.

good Husbandry.” Agriculture and the fisheries, a kind of farming of the sea, were the fundamentals of trade, which in turn consisted merely of merchants buying “Commodities purely to sell again, or exchange the Commodities of one nation, for those of another, for no other end, but that of their own private Benefit and Profit.”<sup>54</sup> Since no wealth was created by human labor, international trade was necessarily a zero-sum game: “whatever weakens” Italy, France, or Holland “enriches and strengthens England.”<sup>55</sup>

Child’s understanding of political economy, an understanding certainly shared by James II and his court, had significant implications for the organization of the East India trade in particular and for English foreign and imperial policy in general. The notion that trade was finite and that international competition was necessarily fierce led Child and his ideological fellow travelers to insist that foreign trade be conducted in monopolistic fashion. Competition among English merchants could only be disastrous for England. “Our affairs in India had been in a wonderful prosperous condition in every place but for the interlopers who unite interests with the Dutch,” Child complained to Secretary Charles Middleton.<sup>56</sup> “In those Interloping times,” Child later recalled, referring to the period before the establishment of the East India Company’s monopoly, the English in India were “divided, and contending among themselves, like *Guelphs* and *Gibelines*, under the distinction of the Old and the New Company; which latter Appellation the Interlopers assumed to themselves, and under that Name made Contracts of Commerce and Alliances with Princes and Governours in *India*, without any authority from their Sovereign, which our Law accounts a Crime of a high Nature, and which is in it self by the Experience and Confession of all Men, of most destructive consequence, to any Kingdom or Commonwealth Trading to the *East-Indies*.”<sup>57</sup>

The Royal African Company, so closely tied to James, espoused a political economic vision identical to that of the East India Company.

<sup>54</sup> Sir Josiah Child, *A Discourse of the Nature, Use and Advantages of Trade* (London, 1694), 2 (“when the Inhabitants”), 7 (“Principal Advantage”), 8 (“derived out”), 10–11 (“Commodities,” 11); Baron George Jeffreys, *The Argument of the Lord Chief Justice of the Court of King’s Bench Concerning the Great Case of Monopolies* (London, 1689), 7.

<sup>55</sup> [Sir Josiah Child], *A Discourse Concerning Trade . . .* (London, 1689), 3 (quotations). In 1669 Child told the Lords’ Committee on Trade that “all trade [is] a kind of warfare”: Ms. Minute Book, House of Lords Record Office, H. L. Papers (1669), no. 215, fol. 6, quoted in William Letwin, *Sir Josiah Child, Merchant Economist* (Boston, 1959), 28. Compare Armitage, *Ideological Origins*, 166; Thomas Leng, “Commercial Conflict and Regulation in the Discourse of Trade in Seventeenth-Century England,” *Historical Journal* 48, no. 4 (December 2005): 933–54, esp. 954.

<sup>56</sup> Sir Josiah Child to Charles Middleton, Sept. 1, 1683, British Library, London, Additional Manuscripts 41822, fol. 25r.

<sup>57</sup> Sir Josiah Child, *A Supplement, 1689. to a former Treatise, concerning the East-India Trade, Printed 1681* (n.p., 1689), 2 (quotations); President and Council of Surat to East India Company, Apr. 21, 1685, India Office Library, E/3/45/5365, British Library.

Company arguments invariably began with the assumption that “the Increase and Wealth of all States, is evermore made upon the Forreigner.”<sup>58</sup> Trade, James and his fellow members of the Royal African Company were convinced, was a viciously competitive zero-sum game. Because it was a form of organized international competition, the notion that trade in Africa could be conducted without a mercantile monopoly was “short and erroneous.”<sup>59</sup> The experience of African trade before the establishment of the company’s predecessor in 1662 was an unmitigated disaster. The company claimed that merchants, unprotected by a joint-stock company, lost thousands of pounds. This was because trade in Africa, as in the East Indies, could never be a purely commercial endeavor. “By long experience it is evident,” insisted one of the company’s spokesmen,

this Trade cannot be carried on but by a constant maintaining of Forts upon the place, and Ships of warre to protect the ships of Trade, and this is occasioned by reason of the Natural perfidiousness of the Natives, who being a Barbarous and heathen people, cannot be obliged by Treaties without being awed by a continuing and permanent Force, And partly because the *Dutch, Danes, French,* and other Nations, that likewise Trade in the same Country, are ever more vigilant for their own profit, frequently instigating the Natives against us, as well as by their own force, to extirpate and destroy the *English* Commerce there.<sup>60</sup>

In the vicious world of international trade, England could only compete if its joint-stock companies were awarded sovereign powers to enforce their monopolies and protect their exclusive trading privileges by whatever means necessary.

It was James II’s political economic commitments, his belief that trade was in fact a zero-sum game, that determined his imperial policy. James believed that imperial expansion and imperial consolidation were necessary for his three kingdoms to compete among the first rank of European states. For

<sup>58</sup> *Certain Considerations Relating to the Royal African Company of England* (n.p., 1680), 1.

<sup>59</sup> Petition of the Royal African Company, Jan. 24, 1694, Treasury 70/169, fol. 106v, National Archives of the U.K., Kew.

<sup>60</sup> *Certain Considerations*, 6–8 (quotation, 6); “Reasons of the African Company,” August 1683, Colonial Office 268/1, fol. 59r, National Archives. This was the standard company line. After the Glorious Revolution, Robert Harley, the new Tory leader in the House of Commons, presented a petition by the Royal African Company using almost identical language: Petition of the Royal African Company, Jan. 24, 1694, T 70/169, fol. 106v, National Archives; William A. Pettigrew, “Free to Enslave: Politics and the Escalation of Britain’s Transatlantic Slave Trade, 1688–1714,” *William and Mary Quarterly*, 3d ser., 64, no. 1 (January 2007): 3–38.

ideological reasons he was willing to concede to his cousin Louis XIV dominance in continental European affairs. In his view England's true rival was the commercial Dutch Republic. It was this insight that led James to consolidate his imperial holdings by creating the Dominion of New England, the Dominion of the West Indies, and the Dominion of India (based in Bombay). This was what motivated James's support for the disastrous Anglo-Mughal war that broke out in 1687. And it was this set of political economic precepts that prompted James to begin preparing for an all-out onslaught on the Dutch Republic in early 1688.

James II and his Tory allies, however, did not hold a monopoly on economic ideas in the late seventeenth century. There was no mercantilist consensus. Whigs believed that human labor created property and that therefore it was possible to generate infinite economic growth.

Eloquent Whiggish economic writer Carew Reynell believed, along with other late seventeenth-century Whigs, that "trade and populousness of a Nation are the strength of it." However, the basis of that strength, of trade and populousness, according to Reynell, was labor rather than land, manufacturing rather than raw materials. "It is the Manufacturers of a Commodity, that is in general sale, that employs people and produces the great profit; although the original Materials are not in the Country, as Silks for example, the making of which employs abundance of people, and with them brings in other things by Exportation." "It is manufactures must do the work," he enthused, "which will not only increase people, but also Trade and advance it. It saves likewise mony in our purses by lessening importation, and brings mony in by exportation." Manufacturing set in motion a process that rendered property infinite; trade was not a zero-sum game. "Where abundance of manufacturing people are, they consume and sweep away all Country Commodities, and the wares of ordinary Retail Trades, with all sorts of Victuals, wearing Apparel, and other necessaries, and employ abundance of Handicrafts men, in Wooden and Iron work for Tools, and Instruments that belong to their Trades, and so maintain and encrease abundance of Husbandmen, Retailers and Artificers of all sorts," Reynell detailed, "and they again encreasing, take up more Manufactures, and so they thrive one by another, *ad infinitum*." "Though we are Nation already pretty substantial," Reynell concluded, "yet it is easie for us to be ten times richer."<sup>61</sup>

Though Reynell was confident that a massive increase in English wealth and consequently English power was attainable, he did not think it would happen of its own accord. He deemed it essential that "the confusion

<sup>61</sup> Carew Reynell, *A Necessary Companion; or, The English Interest Discovered and Promoted* . . . (London, 1685), pp. 17–18 ("trade and populousness," 18, "Manufacturers of a Commodity," 17–18), sigs. a1v–a2r ("must do the work"), p. 48 ("abundance of manufacturing people"), sigs. [A5v–A7r] ("Though we are Nation," [A6r]), p. 5.

of Trade [be] taken away” and that “the Mysteries of Exchange were more publickly known.” He hoped thereby to generate a “publick spirit” that “gave countenance to brave actions and industrious men, and minded the business of Trade and Populacy, as much as we do Pleasures and Luxury.” More important even than a more commercially informed public, however, was a more commercially inclined state. The government action that he called for was not only an elimination of detrimental laws and customs but also the positive creation of state agencies to advance trade. Reynell hoped that “such Laws might be made and contrived for the encouragement of Trade and manufactures” of which “the chief things that promote Trade and make it flourish are that it be free, naturalization, populacy, [religious] comprehension, freedom from Arrests, certainty of property and freedom from Arbitrary power, small Customs, all conveniency and advantages for trading People: Loans of Interest, publick places of Charity for all wanting and distressed People, and also Employments ready for all persons that want it.” Reynell, though he was a friend to manufactures and banks, was no possessive individualist or proto-utilitarian. He wanted the national state to work for the economic betterment of the people. “The happiness and welfare of all People arises, by having or acquiring, through some Industry or other, such conveniency of lively-hood, as may not only keep them from Want and Poverty, but render them pleasant and sociable to one another,” Reynell elaborated. “This holds both in private Persons and Families, and also in bodies Politick: that they may be able to grow and flourish, at least bear up against the Malignity of Enemies and adverse Fortune.”<sup>62</sup>

Indeed Reynell was careful to distinguish in his treatise between trades that promoted the public good and those that did not. Significantly, in the ideological context of the 1680s, he singled out the East India trade as particularly deleterious because “to the *East-Indies* we carry nothing but ready Money, and bring in again nothing worth anything but Spices.”<sup>63</sup> For Reynell the goal of trade was to bring in raw materials not readily available at home to be manufactured. Since the East India trade did not do that but only brought in goods for reexport, it potentially benefited the private merchant but not, on balance, the nation.

Reynell’s voice may have been an unusually eloquent one, but he had a plethora of ideological supporters. Many besides him were committed to the notion that labor, not natural endowment, created property—that manufactures, not lands, were the key to wealth and power. Richard Blome, an expert on the West Indies, endorsed the view “which is agreed on all hands” that it is the “labour” of the lower orders “that

<sup>62</sup> *Ibid.*, p. 16 (“confusion of Trade”), sig. A4 (“publick spirit,” [A4v]), pp. 6 (“such Laws”), 1 (“happiness and welfare”), 2 (“This holds both”).

<sup>63</sup> *Ibid.*, pp. 13–14 (quotation, 13).

improves Countries, and to encourage them, is to promote the real benefit of the Publick.”<sup>64</sup> The violent Francophobe William Carter observed that “where a Nation is not Rich in Mines of *Gold* and *Silver*, it is not capable of being Enriched any other way, than by its *Manufacture*.” This premise led Carter to conclude that it was the government’s interest to promote manufactures. “If it be from our *Manufactures* alone, that the Riches of this Nation comes, and if it be from our *Manufacture* chiefly that our Shipping is Employed, and our *Marriners* bred, if it be from our *Trading* alone, and from the Riches which our *Trading* brings in, that his Majesties Customes are Raised, and that our Fleet have been hitherto Built and Maintained, and the Dominion of the Seas hath been Preserved,” Carter reasoned, “than it is and must be from our *Manufacture* only that our *Bullion* hath been brought in, and that the Rents of our *Nobility* and *Gentry* doth Depend and are Sustained. And therefore it must be granted me, that there is no higher Interest in the Nation.”<sup>65</sup> John Locke, who was one of the earliest supporters of and investors in the Bank of England, was sure that “if we rightly estimate things as they come to our use, and cast up the several expenses about them, what in them is purely owing to nature, and what to labour, we shall find that in most of them 99/100 are wholly to be put on the account of labour.” No wonder he was convinced that for states “the honest industry of mankind” and “numbers of men are to be preferred to largeness of dominions.”<sup>66</sup>

Whigs committed to the view that property was potentially infinite rejected the macropolitical conclusions of James II and his Tory political economic supporters. Whereas the Tories argued that England’s future prosperity depended on imperial expansion and elimination of economic competition from the Dutch, Whigs demanded state support for the manufacturing sector and war against the French to prevent them from closing

<sup>64</sup> Richard Blome, *The Present State of His Majesty’s Isles and Territories in America* (London, 1687), 127.

<sup>65</sup> [William Carter], *The Reply of W. C.* ([London], 1685), 49 (quotations).

<sup>66</sup> John Locke, “Second Treatise of Government,” in David Wootton, ed., *Political Writings of John Locke* (New York, 1993), 281 (“if we rightly estimate”), 282 (“honest industry”); Locke to Edward Clarke, June 30, 1694, in Benjamin Rand, ed., *The Correspondence of John Locke and Edward Clarke* (Cambridge, Mass., 1927), 394–95, esp. 395; Locke to Clarke, Aug. 6, 1694, *ibid.*, 396–97, esp. 397. I disagree with historians and economists who insist that no notion of sustained economic growth was available in the seventeenth century: D. C. Coleman, “Labour in the English Economy of the Seventeenth Century,” *Economic History Review*, 2d ser., 8, no. 3 (1956): 280–95, esp. 287–88; Anthony Brewer, “The Concept of Growth in Eighteenth-Century Economics,” *History of Political Economy* 27, no. 4 (Winter 1995): 609–38, esp. 609–10. For one exceptional view, arguing that some early moderns could imagine sustained economic growth, see Richard C. Wiles, “The Theory of Wages in Later English Mercantilism,” *Economic History Review*, new ser., 21, no. 1 (April 1968): 113–26.



European markets to English goods. Tories supported and invested in the overseas trading monopolies, the East India Company and the Royal African Company. Whigs demanded that those very companies lose their monopolies. By late 1687 and 1688, many Whigs had decided to throw their financial and physical support behind those who were determined to overthrow James's regime. Unsurprisingly, when the Whigs (with support from moderate Tories) succeeded, they reversed James's economic and imperial policies. They attacked the East Indian and African trading monopolies in Parliament, eliminated James's centralizing overseas dominions, and devised taxation schemes that would favor the manufacturing as opposed to the agrarian sector. They created the Bank of England in 1694 to simultaneously support manufacturers and provide liquidity to the government. And they went to war against France in 1689 in alliance with the Dutch Republic.<sup>67</sup>

In the 1680s and 1690s, party conflict rather than ideological consensus characterized the discussion of political economy. So deeply held were these convictions, so profound were these differences, that when the Whigs consolidated their political position in the 1690s they reversed almost two decades of Tory economic policies. They did not, however, achieve ideological or political hegemony. In fact the Tory government of Robert Harley, 1st Earl of Oxford, and Henry St. John, Viscount Bolingbroke, that came to power in 1710 reenergized the party political debate over economic and imperial policy in the last few years of the War of the Spanish Succession.<sup>68</sup>

While many have studied Daniel Defoe's flamboyant *Mercator*, written at Harley's behest, to deduce the government's economic ideas, Tory journalists and pamphleteers had early made clear their basic economic tenets. Defoe was employed to convince a few Whigs to support Harley's Anglo-French commercial treaty negotiated at the end of the War of the Spanish Succession. He wrote from Whig principles, using Tory statistics. The ideological thrust of the new Tory ministry's imperial and economic policy is to be found elsewhere.

Tory economic ideology in the age of Queen Anne drew heavily on the arguments that had been so influential at James II's court. The

<sup>67</sup> These claims are substantiated in Pincus, *1688*, 232–53, 278–302, 305–99, 437–73. The long history of the competing English images of the Dutch United Provinces is detailed in Pincus, *Protestantism and Patriotism: Ideologies and the Making of English Foreign Policy, 1650–1668* (Cambridge, 1996).

<sup>68</sup> My account of the ideological contours of this debate draws on Christopher E. Dudley, "Establishing a Revolutionary Regime: Whig One-Party Rule in Britain, 1710–1734" (Ph.D. diss., University of Chicago, 2010), 206–23; Steve Pincus, "The Pivot of Empire" (Sir John Neale Lecture, University College London, Mar. 19, 2010). In that soon-to-be-published lecture, I provide detailed archival evidence about just how central these political economic ideas were to Tory policy making.



Tories argued that value inhered in the land and only in the land. Charles Davenant, who had been an excise commissioner under James II and was appointed inspector general of imports and exports by Harley, argued that “the Wealth of a Country is Finite, as well as the Substance of any private Man.”<sup>69</sup> Tories scoffed at the notion that value could be created through labor, manufactures, and financial instruments. Commercial wealth could be created only through agricultural production at home and buying cheap and selling dear in overseas trades. The “*West and East-India Trades*,” and not our “home Product,” in Davenant’s view, “have so enlarg’d our Stock, as to set the general Balance for many Years on our Side, notwithstanding all our Luxuries.”<sup>70</sup> England’s future—and the Tory newspaper *Examiner* very much catered to an English audience, not a British one—lay in restoring the political hegemony of the landholders. The *Examiner* urged its readers to “elect those, who, tho’ they would make use of a *Bank*”—the greatest of Whig institutions—“in case of necessity . . . yet would not have it so powerful as to *insult* the Crown, *make* the Parliament, and be able to *overturn* the Constitution.” The solution was to elect landed gentlemen. “Your first care should be, to chuse Gentlemen of Estates in your Neighbourhood, whom you know, rather than those who came from *London* once in three Years, and whom you never see but at an Election.” This was because, argued the authors of the *Examiner*, they “have their Lands at stake for their Probity and Honour,” whereas the Whig merchants and financial managers only had an estate “as Actions rise or fall.”<sup>71</sup> The Whigs, in other words, had no solid investment in the real wealth of the country. Since “the Revolution,” the *Examiner* observed chillingly, a new “Species of Men” had come to dominate England: “Generals and Colonels” and those “whose whole Fortunes lie in Funds and Stocks.” The result is that “*Power*, which according to the old Maxim, was us’d to follow *Land*, is now gone over to *Money*.”<sup>72</sup> At the time of the Glorious Revolution, the new Tory secretary Bolingbroke recalled, “the moneyed interest was not yet a rival able to cope with the landed interest, either in the nation or in parliament.”<sup>73</sup> All that had now changed, Bolingbroke informed Charles Boyle, 4th Earl of Orrery, in 1709, because “we have now been twenty years engaged in the most expensive wars that Europe ever saw.” “The whole burden of this charge,”

<sup>69</sup> Charles Davenant, *An Essay upon the Probable Methods of Making a People Gainers in the Ballance of Trade* (London, 1699), 136.

<sup>70</sup> [Charles Davenant], *Discourses on the Publick Revenues, and on the Trade of England* (London, 1698), 2: 212.

<sup>71</sup> [London] *Examiner*, no. 10, Sept. 28–Oct. 5, 1710, [2] (“elect those”), [1] (“Your first care”).

<sup>72</sup> *Examiner*, no. 14, Oct. 26–Nov. 2, 1710, [1].

<sup>73</sup> Henry St. John, Viscount Bolingbroke, *Letters on the Study and Use of History*, rev. ed. (London, 1752), letter 8, 267–68 (quotation, 267), 382–83.

Bolingbroke was sure, was paid by “the landed interest during the whole time.” The result was that “a new interest has been created out of their fortunes and a sort of property which was not known twenty years ago, is now increased to be almost equal to the *Terra Firma* of our island.” According to Bolingbroke, “the landed men are become poor and dispirited.”<sup>74</sup>

The Tory government that came to power in 1710 used these political economic principles to offer their own account of their country’s foreign policy. The *Examiner* insisted that the War of the Spanish Succession had been a Tory war all along. “Were not [the Tories] the Men, who at first concerted Measures with the *States* for entering into a War against *France*?” the authors asked. It was the produce of Tory “Lands, that has carried on the War ever since.”<sup>75</sup> “The *Whigs* themselves have always confessed,” the *Examiner* team argued, that “the bulk of Landed Men in *England* was generally of Tories.”<sup>76</sup> This point was vitally important, since land was the only real source of value. “Tho’ we have all the Land in *England*,” they complained, “yet these Men have mostly had the turning of ready Money, and been at the Head of the Funds.”<sup>77</sup> The Tories paid for the war fought to prevent French territorial hegemony, but the Whigs were getting rich on it. “The *Collective* Body of the Whigs have already engros’d our Riches,” sneered the *Examiner* team.<sup>78</sup>

The Tory government believed that continuing the war in Europe would only accelerate the process of social revolution, to their disadvantage at home. Harley, Bolingbroke, and their Tory allies therefore plumped for a two-pronged strategy. They sought to gain a territorial empire in the southern cone of South America and then patch up a quick peace. They cared little about whether the Spanish king was a Habsburg or a Bourbon. The Tories, in a series of manuscript memorandums, printed pamphlets, and highly confidential correspondence, outlined a strategy to seize Buenos Aires, Valdivia, and Tierra del Fuego from the Spaniards in order to secure the “real Treasure . . . Gold and Silver.”<sup>79</sup> Harley designed the South Sea

<sup>74</sup> Viscount Bolingbroke to the Earl of Orrery, July 9, 1709, English Miscellaneous e. 180, fols. 4–5, Bodleian Library, Oxford. Though I agree with Isaac Kramnick on many issues, I dissent from his view that Bolingbroke’s thought was shaped by the credit crisis of 1710 and the later South Sea Bubble. Bolingbroke’s social critique was already manifest. Kramnick, *Bolingbroke and His Circle* (Cambridge, Mass., 1968), 63–64. H. T. Dickinson is surely right to read this letter as expressing “the views of the Tory squires.” Dickinson, *Bolingbroke* (London, 1970), 69.

<sup>75</sup> *Examiner*, no. 4, Aug. 24, 1710, [1].

<sup>76</sup> *Examiner*, no. 25, Jan. 11–18, 1710/11, [1].

<sup>77</sup> *Examiner*, no. 2, Aug. 3–10, 1710, [2].

<sup>78</sup> *Examiner*, no. 6, Aug. 31–Sept. 7, 1710, [1].

<sup>79</sup> *A Letter to a Member of Parliament, on the Settling a Trade to the South-Sea of America* (London, [1711]), 8 (quotation); Daniel Defoe, *A True Account of the Design and Advantages of the South-Sea Trade* (London, 1711), 5.

Company, founded in 1711, to be the commercial arm of his new South American empire. The new conquests would generate huge amounts of wealth through the hoped-for Andean mines, and perhaps through seizing the newly discovered mines in Brazil. This would allow Britain to pay down the Whig debt. Simultaneously, the Tories opened negotiations with France to end the war. Early eighteenth-century Tories, like their late seventeenth-century predecessors, believed the key to securing Britain's economic future lay in seizing a territorial empire. Such an empire would allow for the preservation of the natural social order at home while guaranteeing that Britain could compete with any commercial power overseas.

After the Tories seized power in 1710, a wide variety of Whigs rushed into print to offer an alternative to this land-based zero-sum political economy. In 1713 a large group of Whig merchants, headed by the radical Henry Martin (Sir Andrew Freeport in Joseph Addison's *Spectator*) and including Sir Theodore Janssen, Charles King, and Joshua Gee, launched the *British Merchant* with the financial backing of longtime Whig political economic expert the Earl of Halifax to counter the Tory ministry's political economic arguments and defense of the Treaty of Utrecht. Whereas the *Examiner* insisted that British economic success was tied to the land, the Whig authors claimed, "Great Britain can be only truly Great and Powerful by Trade and Industry." The authors of the *British Merchant* listed "that Trade which exports Manufactures made of the sole Product or Growth of the Country" as the first good form of trade.<sup>80</sup> Whereas the Tories insisted that land was the basis of wealth, making property finite, the Whigs located its basis in labor. "Of every thing that is consumed," wrote Richard Steele in the *Guardian*, "the greatest part of the Value is the Price of Labour that is bestowed upon it."<sup>81</sup> Gee later insisted that "numbers of People have always been esteemed the Riches of a State"; this, in Gee's view, was because of the labor they could perform.<sup>82</sup> In an exercise of comparative political economy reminiscent of the early work of John Smith, Steele marveled at the Dutch economic miracle. "Every one" in the Netherlands "live[s] at twice the Cost of those of France," he crowed. This was because the Dutch knew to build their fortunes not on the land but by "Trade and Manufactures."<sup>83</sup>

<sup>80</sup> Charles King, *The British Merchant; or, Commerce Preserv'd* (London, 1721), 1: v ("Great Britain"), 2 ("that Trade"). This is a reprint of the 1713 newspapers, though reorganized. This claim of the primary importance of manufactures in the British economy was reprinted in Richard Steele's Whig [London] *Guardian*, no. 170, Sept. 25, 1713.

<sup>81</sup> *Guardian*, no. 52, May 11, 1713, [1].

<sup>82</sup> Joshua Gee, *The Trade and Navigation of Great-Britain Considered* (London, 1729), preface.

<sup>83</sup> *Guardian*, no. 52, May 11, 1713, [2].

The Whigs advanced a very different imperial vision from that of the Tories. Whereas the latter advocated seizing South American gold and silver mines, the former wanted no territorial acquisitions. In the second number of his wildly popular *Spectator*, Addison exclaimed “that it is a stupid and barbarous Way to extend Dominion by Arms, for true Power is to be got by Arts and Industry.”<sup>84</sup> “It is my humble Opinion,” wrote Whig propagandist and prominent member of the Kit-Kat Club Arthur Maynwaring, “that if we cou’d obtain either by *Treaty* or by *Conquest* those *Golden Mines* we dream of, they wou’d not be half so advantageous to us, as the bare Liberty of Trading there, and of exchanging our Goods for Bullion.” Commerce, not conquest, “is the proper Business of our Country,” Maynwaring insisted, “thus our People are employ’d, our Manufactures are improv’d, and our Constitution is preserv’d.” “The Gold or Silver Mines, if we cou’d have them,” he believed, “wou’d only destroy our industry, and make us such a lazy Generation as the *Spaniards*.” An empire based on treasure “may be proper to over-turn a free government, or to support a tyranny.”<sup>85</sup> The Whigs, as Maynwaring made clear, wanted to pry open Spanish American markets for British manufactures, not seize Spanish territory. This was why in the proposed Whig peace treaty of 1709, the British had demanded not territorial acquisition but rather a Habsburg on the Spanish throne and free trade in Spanish America.

Whigs and Tories not only differed in their aims in South America but also disagreed dramatically over their hopes for North America. The Tories saw no great value in the New England colonies, since they held no gold or silver mines and produced no raw materials that could be sold to great advantage on European markets. Davenant, the Tory economic guru, very much hoped that the North American colonies could be drawn into “a narrower Compass,” producing only “Commodities, not to be had in *Europe*.”<sup>86</sup> Davenant, and most Tories, saw little value in the colonies north of the Delaware. Martin and the Whigs, by contrast, greatly prized the northern colonies. They emphasized that the phenomenal demographic development of these colonies provided guaranteed markets for British manufactures and hoped that New York and New England could themselves become manufacturing centers. “Ships are built in the Plantations of cheaper Materials, and might also by cheaper Labour,” Martin pointed out; “Materials there for Building are cheaper.” “If Ships of Materials a great deal cheaper, might be built in our Plantations by Labour of half the price

<sup>84</sup> [London] *Spectator*, no. 2, Mar. 2, 1711, [3].

<sup>85</sup> [Arthur Maynwaring], *Remarks Upon the Present Negotiations of Peace* (London, 1711), 26.

<sup>86</sup> Davenant, *Discourses on the Publick Revenues*, 2: 233.

that must be given in Holland,” he reasoned, “they must needs be cheaper, and possibly by 20 or 30 *per cent.*” The benefits to England would be tremendous. “Our Shipping,” Martin crowed, “shou’d be render’d cheaper than that of *Holland.*” Soon the English would “become the Carriers of the World,” allowing them to “profit by all that others eat, and drink, and wear.” Encouraging the development of the shipping industry in New England was “a surer way, and less odious to our Neighbours, than any Act of Navigation for only *English* Bottoms to be employ’d, in the Carriage of Things to and from our own *Country.*”<sup>87</sup>

By the end of Queen Anne’s reign, political economic issues had become the stuff of popular journalism. Addison, Defoe, Maynwaring, Steele, and the authors of the Tory *Examiner* and the Whig *British Merchant* appealed to the “common People” because not everyone agreed on economic principles.<sup>88</sup> There was no mercantilist consensus. The debate between Whigs and Tories was no dialogue taking place within a mercantilist paradigm. Instead there were deep divisions between Tories, who thought economic value was based in land and that therefore foreign trade was a violent zero-sum game, and Whigs, who thought value was constituted by labor and that therefore trade was potentially infinitely expandable. “Trade,” Defoe correctly perceived, had become “a Party-Cause.”<sup>89</sup>

Britons living in the seventeenth and eighteenth centuries, then, did not agree on fundamental economic principles. There was no mercantilist consensus. But the historians, economists, and social theorists writing from the late eighteenth century through the 1930s were right to assert that the early modern period was a commercial age. It was precisely because they thought commerce was so important to emerging states that merchants, journalists, and politicians argued so vitriolically about how to understand it. In the early seventeenth century, those debates were conducted in texts with relatively small circulations among those already committed to Hispanophobic policies at odds with the wishes of King James VI/I. By the late seventeenth century in England, those disagreements had become the centerpiece of party polemic. By the early eighteenth century, they formed part of the everyday discussion in the most popular newspapers of the time.

<sup>87</sup> Henry Martin, *Considerations upon the East-India Trade* (London, 1701), 115 (“Ships are built”), 177 (“Ships of Materials”), 121–22 (“Our Shipping,” 122), 117–18.

<sup>88</sup> *British Merchant*, no. 1, Aug. 7, 1713 (“common People”).

<sup>89</sup> [Daniel Defoe], *Mercator; or, Commerce Retrieved . . .*, no. 5, June 2–4, 1713, [1] (quotation). Compare D. C. Coleman, “Politics and Economics in the Age of Anne: The Case of the Anglo-French Trade Treaty of 1713,” in *Trade, Government and Economy in Pre-Industrial England: Essays Presented to F. J. Fisher*, ed. Coleman and A. H. John (London, 1976), 185–211, esp. 205–6. Perry Gauci has also highlighted the divisions over the commercial aspects of these debates: Gauci, *The Politics of Trade: The Overseas Merchant in State and Society, 1660–1720* (Oxford, 2001), 234–70.

The English conducted heated political economic and imperial debates rather than sharing a mercantilist consensus.<sup>90</sup>

WHY SHOULD ATLANTIC, early American, and British historians care that generations of historians, sociologists, and economists have misunderstood the nature of political economic discussion in the early modern period? There are undoubtedly many reasons for wanting to correct the impression that there was a mercantilist consensus. But let me focus on one such reason: the history of the origins of the British Empire.

Many scholars have written significant works on this topic, but one of the most wide-ranging of such works is the magisterial tome produced by J. H. Elliott, *Empires of the Atlantic World*. Elliott's central thesis is that differences between the British and Spanish Empires had to do not with differences in the two national cultures but in what the two would-be empires encountered on the periphery. On the last pages of his study, Elliott posits a counterfactual history to illustrate his thesis.

If Henry VII had been willing to sponsor Columbus's first voyage, and if an expeditionary force of West Countrymen had conquered Mexico for Henry VIII, it is possible to imagine an alternative, and by no means implausible, script: a massive increase in the wealth of the English crown as growing quantities of American silver flowed into the royal coffers; the development of a coherent imperial strategy to exploit the resources of the New World; the creation of an imperial bureaucracy to govern the settler societies and their subjugated populations; the declining influence of parliament in national life, and the establishment of an absolutist English monarchy financed by the silver of America.

In other words, the differing characters of the Spanish and British Empires in America, and by implication the comparative wealth and political stability of contemporary North America in contrast to its Central and South American neighbors, have everything to do with what Spanish and English colonists encountered when they arrived. "The lands seized by Spain," Elliott reminds us, "included large settled indigenous populations and rich mineral deposits" dictating "a [centrally directed] imperial strategy." The English/British, by contrast, came later and encountered a very different "American environment."<sup>91</sup> There were no great indigenous populations

<sup>90</sup> My argument is most closely aligned with that advanced by Istvan Hont, *Jealousy of Trade: International Competition and the Nation-State in Historical Perspective* (Cambridge, Mass., 2005), 201–58.

<sup>91</sup> J. H. Elliott, *Empires of the Atlantic World: Britain and Spain in America, 1492–1830* (New Haven, Conn., 2006), 411 ("If Henry VII"), 406–7 ("lands seized," 406).

or rich mineral deposits. The English therefore had little need for or interest in establishing a centralized bureaucratic empire. It was, ironically, this underdeveloped institutional structure that led eventually to more democratic and more prosperous outcomes.

Elliott's argument, and he is hardly a lone voice crying out in the wilderness, is that British policy had little effect on the development of its North American colonies until the 1760s because Britain had little reason to be interested in those colonies. American historians have emphasized British "salutary neglect" as the salient feature of governance. From the defeat of the Stuarts in 1688, the story goes, there was no "single national political purpose" in the governance of the North American colonies.<sup>92</sup> Atlantic historians have recently pointed out the importance of social and cultural relations between Britain and its colonies. Dense webs of commerce and culture tied the colonies to the British Isles. But Britain had a limited political or institutional imprint until the disastrous legislative innovations of the 1760s and 1770s. Bernard Bailyn has emphasized that the heart of the "idea of Atlantic history" is the study of "the human, individual, entrepreneurial aspects" of the Atlantic world to the exclusion of "formal structure" because in North America, at least, that structure mattered little until the 1760s.<sup>93</sup>

Why this lack of interest? This story rests on a fundamental assumption about the nature of early modern understanding of political economy. "The regulation of trade in the name of national interest and through the mechanism of privilege and monopoly rights was a standard weapon in the armoury of Early Modern European states," Elliott writes. "Considerations of profit and power were as dominant in the formulation of economic policy in Tudor and Stuart England as they were in that of Hapsburg Spain." The English regulated less than the Spaniards not because they were committed to a different imperial program but because, unlike the Spaniards, they had not discovered fabulously rich mines or encountered well-developed indigenous populations. "Both imperial powers," Elliott insists, "were operating over the course of the sixteenth and seventeenth centuries within the same set of assumptions about the proper relationship of overseas settlements to the mother country."<sup>94</sup> Both Britain and Spain

<sup>92</sup> James A. Henretta, *"Salutary Neglect": Colonial Administration under the Duke of Newcastle* (Princeton, N.J., 1972), 344.

<sup>93</sup> Bernard Bailyn, *Atlantic History: Concept and Contours* (Cambridge, Mass., 2005), 1 ("idea"), 48–49 ("human," 48). This essay should be read as a friendly amendment, adding institutions and politics to the social and cultural ties outlined in the seminal essay on Atlantic history by John Clive and Bernard Bailyn, "England's Cultural Provinces: Scotland and America," *WMQ* 11, no. 2 (April 1954): 200–213. See also H. V. Bowen, *Elites, Enterprise and the Making of the British Overseas Empire: 1688–1775* (Basingstoke, U.K., 1996), 6–7.

<sup>94</sup> Elliott, *Empires of the Atlantic World*, 111 ("regulation of trade"), 114 ("Both imperial powers"). See also Darwin, *After Tamerlane*, 165.



founded mercantilist empires and sought colonies in order to provide the mother countries with needed and valuable raw materials. In neither case was there a serious debate about the proper economic goals of imperial pursuit. Early modern empires may not have been founded in a fit of absence of mind. But they were founded with an absence of politics.

Having explained why Britain should care little about the North American colonies, scholars have been forced to explain why in the 1760s the British suddenly gained an interest. Faced with the overwhelming burden of debt generated by the Seven Years' War, British governments suddenly asked the colonies to pay for their own defense. Because "Britain emerged from the war saddled with an enormous burden of debt," argues Elliott, "it seemed reasonable to expect the colonists . . . to take a fair share of paying for an army intended for their protection." The decade of the 1760s was an era of debt-driven pan-European imperial reform. In the British case, this naturally meant a turn to "the idea of a more centrally controlled empire on the model of the Spanish."<sup>95</sup>

I am suggesting this explanation is insufficient. At every critical stage in the development of European empires in the seventeenth and eighteenth centuries, policy makers had a range of choices available to them; they were not constrained to a single political economic outlook. Political choice rather than environmental or economic determinism shaped early modern empires. Elliott is right to insist that we should not assume that there were national differences in economic outlook. Actors in Britain, Spain, France, and the Dutch Republic all had a range of economic options available to them. Within each state—I have tried to make the case for England/Britain—there were profound disagreements over economic policy. The outcomes of these disagreements, the policy choices that different states made, were determined in part by local constraints. But ideological difference shaped the ways in which governments interpreted those constraints.

Scholarly faith in a long period of mercantilist consensus, in which everyone believed that trade was a zero-sum game based on competition over the natural endowment of the land, has unnecessarily narrowed the interpretative range available for telling the history of the British Empire or of colonial America. It has created a vast gulf between historians of British North America and historians of Britain. Faced with very real changes in the tenor, character, and complexion of the British Empire, scholars have been forced to posit epistemic shifts in which the character of that empire was transformed. Since there was no ideological, political, or class contestation over the goals of empire, the manifest changes in the nature of that object can only have been caused by a cultural earthquake. For some scholars

<sup>95</sup> Elliott, *Empires of the Atlantic World*, 301–3 ("Britain emerged," 301, "idea," 303). Here Elliott summarizes the views of a vast range of scholars.

this earthquake took place in the 1650s or 1680s; for others it was during the 1760s; for still others, the 1780s; and for another group, the 1880s and 1890s. At each moment in these distinct narratives, English or British insecurity—whether economic or geopolitical—led to an abandonment of earlier commitments to lax governance and a largely commercial empire in favor of a more authoritarian and territorially expansionist one. Whereas each group of scholars insists that its is the right and exclusive interpretation, I suggest that they all may be right. If one jettisons the notion that there was ever a moment of mercantilist consensus and accepts that there were deep and profound political and ideological differences in understanding the nature of value, the nature of property, and the proper economic aims of Britain, it then becomes possible to imagine a very different narrative of British imperial history. Instead of insisting upon a caesura in the 1650s, 1680s, 1760s, 1780s, or earlier or later, I suggest, scholars should begin to narrate the history of the British Empire as a series of contests between competing political economic strategies.<sup>96</sup> These contests took place both in the metropole and in the periphery. They took place in dialogue with both European and non-European imperial powers. But above all they took place.

Because there was no mercantilist consensus, no agreement that European powers needed to seize more territory so as to cripple their rivals, there was also no agreement that the colonial peripheries needed to be subordinated to the metropolitan center.<sup>97</sup> Many radical Whigs, who argued

<sup>96</sup> For the claim that there must have been a great caesura, see Bowen, *Elites, Enterprise, and British Overseas Empire*, 66–69. Bowen's discussion focuses on the period just after the examples from which this article is drawn. For the claim that the shift was in the 1650s, see Alison Games, *The Web of Empire: English Cosmopolitans in an Age of Expansion, 1560–1660* (Oxford, 2008), 289–90. For the claim that the shift was in the 1680s, see Stephen Saunders Webb, *The Governors-General: The English Army and the Definition of Empire, 1560–1681* (Chapel Hill, N.C., 1979), xvi, 461–64; Webb, *Lord Churchill's Coup: The Anglo-American Empire and the Glorious Revolution Reconsidered* (New York, 1995). For the claim that it was in the 1760s, see Jeremy Black, *The British Seaborne Empire* (New Haven, Conn., 2004), 133; T. H. Breen, *The Marketplace of Revolution: How Consumer Politics Shaped American Independence* (Oxford, 2004), 200–204; P. J. Marshall, *The Making and Unmaking of Empires: Britain, India, and America, c. 1750–1783* (Oxford, 2005), 6–9. For the claim that it was in the 1780s, see C. A. Bayly, *Imperial Meridian: The British Empire and the World, 1780–1830* (London, 1989), 8–9, 117–21, 250–56. For the claim that it was in the 1880s and 1890s, see Ronald Robinson and John Gallagher with Alice Denny, *Africa and the Victorians: The Official Mind of Imperialism*, 2d ed. (London, 1981), 13–26. I am not suggesting that the competing political economic strategies remained constant through the period under discussion. Both sides elaborated their positions in response to changing economic, social, cultural, and political contexts. Elsewhere I am arguing, for example, that the Whigs split after 1715 over whether they thought slave labor was productive or unproductive for the empire (Steve Pincus, *The Origins of the British Empire* [New Haven, Conn., forthcoming]).

<sup>97</sup> Here I take inspiration from a number of scholars working on the modern British Empire who have insisted that we take more seriously the integrative outlook of many policy makers: A. G. Hopkins, "Rethinking Decolonization," *Past and Present*,

that labor rather than land constituted property throughout the early modern period, reasoned that any economically productive Britons, whether they lived in New York or in Yorkshire, were equally valuable to the polity. These Whigs, a group that included the party mainstream before the Hanoverian succession and the opposition Whigs after Sir Robert Walpole's political ascendancy, pointed out that in many cases labor was more valuable in the colonies than it was in the British Isles. So, in their view, the most valuable Britons should have the rights and political representation of those living in the British Isles. Daniel Defoe, for example, lambasted that "Party" who sought "to keep the Colonies under." That party, and Defoe left the reader in no doubt that he was referring to the Tories, failed to understand that "sending our People to the Colonies is no more, nor ought to be esteem'd otherwise, than sending people out of Middlesex into Yorkshire, where they are still in the same Government, employ'd to the Benefit of the same Public Stock, and in the Strength and Defense of the same United Body."<sup>98</sup> Defoe echoed the sentiments of Whig and Barbados planter Edward Littleton, who had argued almost two decades earlier that the colonies must be treated as they had been before the restoration of the monarchy in 1660, as "a part of *England*" rather than as "Forainers and Aliens."<sup>99</sup> The colonists' "Blood runs thro' our Veins," Defoe elaborated; "they are every Way a Part of ourselves."<sup>100</sup> The Americans, argued one Whig critic of the Tory Charles Davenant, should have "a true Representation in *England*" so that "the true State of Affairs in *America*" could be understood.<sup>101</sup>

This Whig preference for an integrative union did not evaporate after the conclusion of the War of the Spanish Succession. Radical or opposition Whigs continued to call for an economically and politically integrated empire throughout the century. Pennsylvania Whig Benjamin Franklin famously quipped in the 1750s that "I look on the Colonies as so many Counties gained to Great Britain." "What imports it to the general state, whether a merchant, a smith, or a hatter, grow rich in *Old* or *New England*."<sup>102</sup> Two decades later

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no. 200 (August 2008): 211–47; John Darwin, *The Empire Project: The Rise and Fall of the British World-System, 1830–1970* (Cambridge, 2009); Gary B. Magee and Andrew S. Thompson, *Empire and Globalisation: Networks of People, Goods and Capital in the British World, c. 1850–1914* (Cambridge, 2010). I am grateful to Amanda Behm for pointing me toward this literature and to Tony Hopkins for sending me his article.

<sup>98</sup> [Daniel Defoe], [London] *Review of the State of the British Nation* 4, no. 126, Dec. 2, 1707, 504.

<sup>99</sup> Edward Littleton, *The Groans of the Plantations* (1689; repr., London, 1698), 1.

<sup>100</sup> [Defoe], *Review of the State* 4, no. 134, Dec. 20, 1707, 536.

<sup>101</sup> *An Essay upon the Government of the English Plantations on the Continent* (London, 1701), 76 ("true Representation"), 47 ("true State of Affairs"), preface.

<sup>102</sup> Benjamin Franklin to William Shirley, Dec. 22, 1754, in Leonard W. Labaree et al., eds., *The Papers of Benjamin Franklin* (New Haven, Conn., 1962), 5: 450–51, quoted in Alan Houston, *Benjamin Franklin and the Politics of Improvement* (New Haven, Conn., 2008), 173.

Adam Smith waxed eloquent on the same theme. Reasoning that British wealth and colonial wealth were not conceptually distinct, Smith saw no reason why the colonies should be subordinated to the metropole. "There is not the least probability that the British constitution would be hurt by the union of Great Britain with her colonies," Smith insisted. "The assembly which deliberates and decides concerning the affairs of every part of the empire, in order to be properly informed," he concluded in typical Whiggish fashion, "ought certainly to have representatives from every part of it."<sup>103</sup> Whigs who believed that wealth was potentially infinitely expandable and that free labor in the colonies would play an integral part in that expansion were equally happy to argue for colonial integration rather than colonial dependence.

The twin assumptions of a mercantilist consensus and the nonexistence of party politics in the eighteenth century have made it difficult to recover the political choices that were central to shaping imperial British and colonial American history. Historians have now begun to restore a sense of party political contestation over imperial issues in eighteenth-century Britain. But even these salutary advances have shied away from placing debates over political economy at the heart of the eighteenth-century debate over empire.<sup>104</sup> The time has come, perhaps, to recognize that there was a powerful debate over how best to organize and run the empire that took place not only in the British Isles but all across the empire. Party politics, imperial agents, and political lobbies ensured that the cleavages did not divide core from periphery but rather cut across both core and periphery. For Augustan Britons, the very existence of the distinction between core and periphery was a party political assumption. Atlantic, colonial, and early American historians need to be wary of accepting that particular Tory political economic assumption at face value. The only way to understand the vicissitudes of English (and then British) imperial policy, the only way to formulate an Atlantic history that does justice to both British and colonial history, is to place debates about the political economy of empire, and the institutions generated by that debate, at the heart of party political struggles about empire.

<sup>103</sup> Campbell, Skinner, and Todd, *Adam Smith: Wealth of Nations*, 2: 624 (quotations).

<sup>104</sup> These scholars, among others, have begun to restore the centrality of party politics to eighteenth-century Britain: Nicholas Rogers, *Whigs and Cities: Popular Politics in the Age of Walpole and Pitt* (Oxford, 1989), 87–129; Kathleen Wilson, *The Sense of the People: Politics, Culture, and Imperialism in England, 1715–1785* (Cambridge, 1995); Brendan Simms, *Three Victories and a Defeat* (New York, 2007), 1–4. Bob Harris has begun to highlight the importance of ideological divisions in the 1740s in Harris, *Politics and the Nation: Britain in the Mid-Eighteenth Century* (Oxford, 2002), 236–77. For the 1760s, see James M. Vaughn, "The Politics of Empire: Metropolitan Socio-Political Development and the Imperial Transformation of the British East India Company, 1675–1775" (Ph.D. diss., University of Chicago, 2009).