

**Rethinking Mercantilism: Political Economy, The British Empire and the Atlantic  
World in the 17<sup>th</sup> and 18<sup>th</sup> Centuries**

Steve Pincus

Professor of History and International and Area Studies

Yale University<sup>1</sup>

**Abstract:** British Historians, Atlantic Historians, and Atlantic World historians have by and large assumed that imperial governors operated with a widely shared set of mercantilist principles. One of the key shared assumptions of the mercantilists, in this dominant view, was that trade was a zero-sum game, forcing imperial powers to engage in a vicious conflict over limited (landed) resources. A corollary of this assumption was that European imperial powers inevitably subordinated the concerns of the colonial periphery to the imperial metropole. I suggest that these assumptions are unwarranted. Seventeenth and eighteenth century Britons engaged in a vigorous debate over the proper understanding of political economy and consequently over the proper organization of the British Empire. Increasingly these divisions mapped onto party politics. The Whigs, it turns out, rejected the notion that there should be any distinction – economic, cultural or political – between the British Isles and their colonies. Recovering this long-standing political economic debate that cut across England, Scotland and Ireland as well as the colonies, will force a reconsideration of the interpretative agenda of early American, Atlantic, British imperial and British historians alike.

---

<sup>1</sup> I am grateful for the comments and criticisms of Julian Hoppit, Joanna Innes, John McCusker, Tony Hopkins, David Ludden, Jim Robinson, James Vaughn, Alice Wofram and the participants of the Oxford workshop on regulation, the participants at the 1763 and all that conference at the University of Texas, and the participants in the Yale/NYU colloquium on British and Indian political economy.

When Adam Smith described the “system of commerce” or “the mercantile system” that had become “the modern system” of regulation in Book IV of The Wealth of Nations he necessarily included in his account of that system 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 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>2</sup> With these elegant words, and with his tightly reasoned arguments, Adam Smith seared into the imagination of generations of scholars and historians the ineluctable association between mercantilism and the origins of early modern European Empires.

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 doing so, 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 different 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.

---

<sup>2</sup> R. H. Campbell and A.S. Skinner eds., Adam Smith: An Inquiry into the Nature and Causes of the Wealth of Nations. (Indianapolis: Liberty Fund, 1981), 1: 428-429; 2: 561-564.

This speculative essay differs from this reemerging consensus. 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 have associated this view, at least in part, with the notion that everyone who mattered believed that trade was a zero-sum game. Most scholars have assumed that because land and raw materials derived from the land was the ultimate measure of wealth in the early modern period, wealth was necessarily finite. Policymakers operating under these assumptions, we are frequently told, subordinated the interests of the periphery to the imperatives of the metropolitan core. These assumptions, at least in seventeenth and eighteenth century England, I argue is untenable. That realization, I suggest, warrants rethinking the origins and contours of British imperial rule and the structure of the Atlantic World.

## I

Adam Smith's powerful and stadial view of European commercial development stimulated the thinking of classical economists. David Ricardo, Nassau Senior, James Mill, John Ramsay McCulloch 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 both 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. Supporters of state intervention described mercantilism as constitutive of modernity, while liberals saw mercantilism 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, believed that from the fifteenth through the seventeenth centuries 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 was, according to Schmoller, 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.” While some states, like 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 and modernity and criticize others for mercantilist policies.<sup>3</sup>

The Swedish proponent of free trade, Eli 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 mercantilism followed and replaced in England and France, but not in Germany, the fundamental economic mindset of the

---

<sup>3</sup> Gustav Schmoller, The Mercantile System and its Historical Significance. [1884] (New York: Macmillan, 1897), 44, 61-62, 77.

<sup>4</sup> Eli Heckscher, Mercantilism. Mendel Shapiro transl. (New York: Macmillan, 1955), 1: 19-21.

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 national state. It was this national economic policy, Heckscher argued, that had been transcended with 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 an historically appropriate and economically necessary system for the period of national consolidation of each and every state, but the free traders 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 the 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 economic progress by government action was steadily maintained. There was very little departure from the broad lines of 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 until 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>

---

<sup>5</sup> W. Cunningham, The Growth of English Industry and Commerce in Modern Times. First Published in 1882. (Cambridge: Cambridge University Press, 1925), 2: 16-20.

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>

The doyen of colonial American History and the leading light of Yale University’s increasingly influential history department, Charles M. Andrews 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 for wealth and power, each with the other.” 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.”

---

<sup>6</sup> J. F. Rees, “Mercantilism and the Colonies,” in J. Holland Rose, A.P. Newton, and E. A. Benians eds. The Cambridge History of the British Empire. (Cambridge: Cambridge University Press, 1929), 1: 561, 576.

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 “mercantile mind” that generated a more or less coherent set of principles “throughout mercantilist literature, from the beginnings 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 plantation 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 Treaty of Utrecht in 1713 as a crucial moment in the consolidation of mercantilist colonial policy. “From this time forwards,” Andrews concluded, “the colonies, in constantly accelerating measure, became a necessary asset in mercantilist eyes.” Because there was such widespread agreement over the fundamentals, while there could be and in fact was intense debates over particular policies, these disputes were ephemeral. There were no deep-seated ideological disagreements surrounding the formation of the British Empire.<sup>7</sup>

From the 1880s through the 1930s scholars argued with a united voice that early modern Europeans and especially early modern Britons were devoted to mercantilist ideas and mercantilist policies. Scholarly consensus about the historical nature of mercantilism, despite the bitter disagreements over the political or economic efficacy of

---

<sup>7</sup> Charles M. Andrews, The Colonial Period in American History. (New Haven: Yale University Press, 1938), 4: ix-x, 318, 333, 353, 364.



mercantilist policies, remains of crucial importance. It was in the period between the 1880s and 1930s, exactly the period in which the mercantilist consensus was at its most powerful, that modern universities consolidated the academic disciplines of history, imperial history, economics and sociology. Mercantilism, therefore, necessarily 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 path-breaking 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 D. C. Coleman took up the cudgel. In 1957 Coleman argued that mercantilism could not have held the power it did because policymakers 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 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

---

<sup>8</sup> A. V. Judges, “The Idea of a Mercantile State,” Transactions of the Royal Historical Society. Fourth Series 21 (1939), 42.

<sup>9</sup> D. C. Coleman, “Eli Heckscher and the idea of mercantilism,” 1957, reprinted in Coleman ed. Revisions in Mercantilism. (London: Methuen & Co., 1969), 117. For similar lines of criticism, see J. M. Sosin, English America and the Restoration Monarchy of Charles II. (Lincoln: University of Nebraska Press, 1980), pp. 49-50; Daniel Statt, Foreigners and Englishmen: the Controversy over Immigration and Population, 1660-1760. (Newark: University of Delaware Press, 1995), pp. 24-25.

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 loathe 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 historian’s interpretative frames. Writing a year after Coleman published his essay Charles Wilson admitted that “mercantilism” was a controversial term, “yet it would be difficult,” he said, “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, the American economic historian David Landes claimed that “mercantilism” was “pragmatism gilded by principle.” But, he insisted, “mercantilism was more than

---

<sup>10</sup> D. C. Coleman, “Mercantilism Revisited,” Historical Journal. 23: 4(December 1980), 789, 791.

<sup>11</sup> Charles Wilson, Mercantilism. (London: Historical Association, 1958), pp. 3, 10.

<sup>12</sup> Charles Wilson, England’s Apprenticeship 1603-1763. Second edition. (London: Longman, 1984), 236.

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 organizing principle of analysis. 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 an anachronistic and ahistorical term, he implied, “but as 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 1500-1700 suggested that mercantilist practices dominated the field of endeavor if only because of “practical considerations.”<sup>14</sup> Similarly, the influential imperial historians Peter Cain and Tony 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.” Within a few pages, the two imperial historians,

---

<sup>13</sup> David S. Landes, The Unbound Prometheus. (Cambridge: Cambridge University Press, 1969), 31-32; see also M. N. Pearson, “Merchants and States,” in James D. Tracy ed. The Political Economy of Merchant Empires. (Cambridge: Cambridge University Press, 1991), p. 93.

<sup>14</sup> C. G. A. Clay, Economic Expansion and Social Change. (Cambridge: Cambridge University Press, 1984), 2: 206.

appear to have shed their embarrassment. “After 1850,” they announce, “free trade destroyed the old colonial system.”<sup>15</sup>

Recent scholars of the 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 “self-evidently a coherent system” in the seventeenth century.<sup>17</sup> England, Tom Devine has recently pointed out, imposed “mercantilist regulations.”<sup>18</sup> David Armitage has perceived 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.” According to Charles Maier

---

<sup>15</sup> P. J. Cain and A. G. Hopkins, British Imperialism: Innovation and Expansion 1688-1914. (London: Longman, 1993), 93-94, 104.

<sup>16</sup> Anthony Howe, “Restoring Free Trade, 1776-1873,” in Donald Winch and Patrick O’Brien eds., The Political Economy of British Historical Experience, 1688-1914. (Oxford, 2002), 194. See also, Richard Brown, Society and Economy in Modern Britain 1700-1850. (London: Routledge, 1991), 180-181.

<sup>17</sup> Nuala Zahedieh, “Making mercantilism work: London merchants and the Atlantic Trade in the Seventeenth Century,” Transactions of the Royal Historical Society, Sixth series 9 (1999), 158; Zahedieh, The Capital and the Colonies. (Cambridge: Cambridge University Press, 2010), pp. 43-44, 280.

<sup>18</sup> T. M. Devine, Scotland’s Empire. (Washington: Smithsonian Books, 2003), 30.

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

<sup>20</sup> Linda Colley, Britons. (New Haven: Yale University Press, 1992), p. 64.

“Britain’s empire began as a mercantilist structure” and remained in that mode until” the nineteenth century.”<sup>21</sup> In his massive After Tamerlane John Darwin similarly finds “mercantilist doctrines favoured in Britain” in the eighteenth century.<sup>22</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 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>23</sup> The economists Ronald Findlay and Kevin O’Rourke have dubbed the period from 1650-1780 as the “age of mercantilism.”<sup>24</sup> “The mercantilists’ method of reasoning and their justifications” for insisting on the centrality of state intervention were “distinctive,” maintains the economist Douglas 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>25</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.” Beating only a “slow retreat over the period 1700-1850” in the face of

---

<sup>21</sup> Charles Maier, Among Empires. (Cambridge, MA: Harvard University Press, 2006), p. 273.

<sup>22</sup> Kenneth Morgan, “Mercantilism and the British Empire,” Winch and O’Brien, 2002, 165; John Darwin, After Tamerlane: The Global History of Empire since 1405. (London: Allan Lane, 2007), 213.

<sup>23</sup> Robert C. Allen, The British Industrial Revolution in Global Perspective. (Cambridge: Cambridge University Press, 2009), p. 110.

<sup>24</sup> Ronald Findlay and Kevin O’Rourke, Power and Plenty. (Princeton: Princeton University Press, 2007), p. 227.

<sup>25</sup> Douglas A. Irwin, Against the Tide: An Intellectual History of Free Trade. (Princeton: Princeton University Press, 1996), pp. 26, 45.

Enlightenment ideas.<sup>26</sup> “The sixteenth and seventeenth centuries were the golden age of mercantilism,” Paul Bairoch crisply notes, and “trade policy during the first half of the eighteenth century was still closely linked with mercantilism.”<sup>27</sup>

Atlantic early American Historians in the 1970s, 1980s and 1990s and beyond have similarly insisted on the centrality of mercantilism to the organization of the pre-Revolutionary Atlantic. In her deeply influential of seventeenth century economic thought and ideology, Joyce 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 Adam Smith. British politicians in the eighteenth century, Appleby argues, plumped for “a mercantilistic system.”<sup>28</sup> For John McCusker and Russell Menard “mercantilism” is an “apt summary phrase for the strategies the English pursued in America,” mercantilism was “a shared perception” that outlined the British strategy for “colonial development.”<sup>29</sup>

---

<sup>26</sup> Joel Mokyr, The Enlightened Economy: An Economic History of Britain 1700-1850. (New Haven: Yale University Press, 2009), pp. 8, 20, 64. Mokyr’s examples of Enlightenment attacks on mercantilism post-date 1760. He argues for persistence of mercantilist ideas among major thinkers of the early eighteenth century, including Daniel Defoe.

<sup>27</sup> Paul Bairoch, Economics and World History. (New York: Harvester Wheatsheaf, 1993), pp. 16-17. 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.” Richard Grassby, The Business Community of Seventeenth-Century England. (Cambridge: Cambridge University Press, 1995), p. 227.

<sup>28</sup> Joyce Appleby, Economic Thought and Ideology in Seventeenth-Century England. (Princeton: Princeton University Press, 1978), pp. 248-269.

<sup>29</sup> John J. McCusker and Russell R. Menard, The Economy of British America, 1607-1789. (Chapel Hill: University of North Carolina Press, 1989), pp. 11-12. 35. David Hancock has also expressed skepticism of the central role mercantilism plays in this

According to Francois Crouzet “before the American Revolution, Britain’s North Atlantic Empire had been consistent with mercantilist principles of self-sufficiency.”<sup>30</sup> For Thomas Truxes New York smugglers were working against the widely accepted “mercantilist frame of reference.”<sup>31</sup> According to Susan Amussen the imperial pursuits of the English, French, Dutch and Spanish in the Caribbean and beyond “reflected the economic theory of mercantilism.”<sup>32</sup> In the early modern era “mercantilist conceptions were in tension with the opposing model of economic freedom,” argues Cathy Matson echoing Appleby, nevertheless by the end of the seventeenth century in both England and North America mercantilism had achieved the status of “a new intellectual orthodoxy.”<sup>33</sup> Gordon 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>34</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

---

seminal work: David Hancock, Oceans of Wine. (New Haven: Yale University Press, 2009), p. xviii.

<sup>30</sup> Francois Crouzet, “America and the Crisis of the British imperial economy, 1803-1807,” in John J. McCusker and Kenneth Morgan eds., The Early Modern Atlantic Economy. (Cambridge: Cambridge University Press, 2000), p. 290.

<sup>31</sup> Thomas M. Truxes, Defying Empire. (New Haven: Yale University Press, 2008), p. 39.

<sup>32</sup> Susan Dwyer Amussen, Caribbean Exchanges. (Chapel Hill: University of North Carolina Press, 2007), p. 39.

<sup>33</sup> Cathy Matson, Merchants and Empire: Trading in Colonial New York. (Baltimore: Johns Hopkins University Press, 1998), pp. 7, 36-49.

<sup>34</sup> Gordon Wood, Empire of Liberty. (Oxford: Oxford University Press, 2009), pp. 15, 101.

policymakers 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.

## II

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. Mercantilists all believed in the limits to growth. Mercantilists believed that they lived in a world of scarcity -- because property and value was 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 believed, according to Gustav Schmoller, “that an advantage to one state is always a disadvantage to another.”<sup>35</sup> “Within the state,” chimed in Heckscher, “mercantilism consequently pursued thoroughly dynamic ends. But the important thing is that this was bound up with a static conception of the total

---

<sup>35</sup> Schmoller, Mercantile System, 63.



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>36</sup>

Early imperial historians on both sides of the Atlantic also detailed the mercantilists’ ostensible commitment to a theory of finite and strictly 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>37</sup> The mercantilists from the beginning of the seventeenth century to 1763, Charles Andrews noted, did not imagine trade as a series of bargains for mutual benefit. Their notion of “balance of trade” was one “where by success might be obtained over foreign rivals.”<sup>38</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 Tom Devine, “hence an expansion of one nation’s resources could only take place at the expense of other powers.”<sup>39</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>40</sup> “Mercantilists viewed overseas trade as a zero-sum game,” agrees Kenneth Morgan. “Accordingly, legitimate exchange between colonists of different nationalities

---

<sup>36</sup> Heckscher, Mercantilism, 1955, 2: 25.

<sup>37</sup> Cecil Headlam, “International Relations,” Cambridge History of the British Empire, 1929, 1:686.

<sup>38</sup> Andrews, Colonial Period of American History, 1938, 4: 322-323.

<sup>39</sup> Devine, Scotland’s Empire, 2003, 30.

<sup>40</sup> Colley, Britons, 62.

was seen as a threat to the imperial strength of the nation state.”<sup>41</sup> “Economics as a zero-sum game,” posits Niall Ferguson in his widely circulated analysis of the British Empire, is “the essence of what came to be called mercantilism,” making it “all but inevitable that English attempts to muscle in on the Eastern trade would lead to conflict.”<sup>42</sup> Sir Christopher Bayly, in an equally influential recent work, reaches similar conclusion about the political economic commitments of those who preceded the moderns. “Eighteenth-century wars abroad had turned around the issue of ‘mercantilism’,” he writes. “Theorists and politicians of the *ancien* regime had thought the world’s wealth was a finite amount,” Bayly explains, “if someone got more of the cake, someone else would get less.”<sup>43</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 Findlay and 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>44</sup> The “key areas of agreement” which 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

---

<sup>41</sup> Morgan, “Mercantilism,” in Winch and O’Brien, 2002, 168.

<sup>42</sup> Niall Ferguson, *Empire*. (New York: Basic Books, 2002), 17.

<sup>43</sup> C. A. Bayly, *The Birth of the Modern World 1780-1914*. (Oxford: Blackwell, 2004), 136.

<sup>44</sup> Findlay and O’Rourke, *Power and Plenty*, pp. 227-228.

prosperity.”<sup>45</sup> “Mercantilist economic thought held that the gains from international trade arose solely from exporting,” details Douglas Irwin, “and that the nature of these gains made international trade equivalent to a zero-sum game.”<sup>46</sup> “Common dogma, assumptions, and assertions run through all mercantilist writings,” maintains Elise Brezis. One of the assumptions she enumerates is that “the increase of one country’s power necessarily means the relative decrease of another.”<sup>47</sup> “The basic assumption of the mercantilist world,” in Joel Mokyr’s view, is “that the economic game, and above all the commerce between nations, was zero-sum such that the gains of any agent or any economy inevitably came at the expense of another.”<sup>48</sup>

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,” McCusker and Menard explain. Mercantilists, they elaborate, “by diminishing imports from a trading partner, and seeing to it that goods were carried in domestic vessels, the balance of trade could be improved and the inflow of gold and silver could be increased. Strength not only replaced weakness, but did so at the expense of one’s enemies.”<sup>49</sup> “Because it was assumed that the wealth of the world was fixed,” concurs Susan Amussen in her account

---

<sup>45</sup> Andrea Finkelstein, Harmony and the Balance: An Intellectual History of Seventeenth-Century English Economic Thought. (Ann Arbor: University of Michigan Press, 2000), p. 249.

<sup>46</sup> Douglas A. Irwin, “Mercantilism as Strategic Trade Policy,” Journal of Political Economy. 99: 6 (December 1991), p. 1296.

<sup>47</sup> Elise S. Brezis "Mercantilism" *The Oxford Encyclopedia of Economic History*. Joel Mokyr. Copyright © 2003, 2005 by Oxford University Press, Inc.. The Oxford Encyclopedia of Economic History: (e-reference edition). Oxford University Press. Yale University. 20 August 2010 <http://www.oxfordeconomichistory.com/entry?entry=t168.e0491>

<sup>48</sup> Mokyr, Enlightened Economy, p. 64.

<sup>49</sup> McCusker and Menard, Economy of British America, 36.

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 as much about the products of the land as about the possession of the land itself.”<sup>50</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. While the great popularizer of classical economic thinking, John Ramsay 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>51</sup> While McCulloch’s contribution to economics is often minimized, it was his prodigious learning that created the cannon of political economic writing. His classified catalogue of political economic literature along with 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 John Locke, everyone before Adam Smith and his generation believed trade was a zero-sum game.

### III

---

<sup>50</sup> Amussen, Caribbean Exchanges, p. 40.

<sup>51</sup> J. R. McCulloch, The Literature of Political Economy: A Classified Catalogue. (London: Longman, Brown, Green, and Longmans, 1845), 2, 4.

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 modern 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 Englishmen and women argued about England's proper commercial role throughout the period. They argued 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 focus largely on printed materials. I do this 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 clear 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.

Early Stuart advocates of empire disagreed dramatically about the proper aims of English empire. Sir Walter Raleigh, for example, urged both Queen Elizabeth and James VI and I to pursue an empire of precious metals. While 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 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 necessarily 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 strategy. They should seek an “impeachment to the quiet course and plentiful trades of the Spanish nation.”<sup>52</sup> But, above all, the English should gain an empire in Guiana which had the promise of 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 was a never-ending struggle over valuable and scarce resources.

Raleigh’s near contemporary John Smith who traveled to both Virginia and New England, by contrast, understood the value of colonies in very different ways. He thought that colonies, property organized, could create new wealth. Smith, though no friend of Spain, did not believe that commerce was a vicious competition for scarce resources. While Smith envied the profits that the Spanish reaped from the Indies, he

---

<sup>52</sup> Sir Walter Raleigh, “The Discovery of Guiana,” in The Works. (New York: Burt Franklin, 1829), 8: 382, 388-389, 463.

insisted that “if it be rightly managed” Virginia “will be as commodious for England as the West Indies for Spain.”<sup>53</sup> That Virginia did not achieve the wealth Smith hoped for, he attributed not to the lack of gold and silver but to “pride and idleness.” 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 commodity in Europe doth more decay than wood.”<sup>54</sup> 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>55</sup>

Raleigh and Smith both hated the Spaniards. Both were critical of the foreign policy pursued by James VI and 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 English Civil War, English monarchs had precious few infrastructural resources. English expansion was the work of private or

---

<sup>53</sup> Karen Ordahl Kupperman ed., Captain John Smith: A Select Edition of his Writings. (Chapel Hill: University of North Carolina Press, 1988), 252.

<sup>54</sup> Smith, Kupperman, 254, 265, 269.

<sup>55</sup> Smith, Kupperman, 269.

semi-private actors. There was no imperial state structure prior to Oliver Cromwell's Western Design of 1655.<sup>56</sup> Until the outbreak of the Civil War, popular political dispute over external issues turned more heavily and more consistently over England's proper role in the Thirty Years War.<sup>57</sup>

Half a century later Englishmen and women again engaged in a lively debate about their country's economic future. Again there was no mercantilist consensus. There was 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 the products of the land. Arrayed against them were an equally substantial group of Whig polemicists, traders, and politicians. The Whigs argued that property was potentially infinite and depended on the product of human labor. But in the later seventeenth century this 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>58</sup>

The powerful director of the East India Company and James II's chosen economic advisor, 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

---

<sup>56</sup> Michael J. Braddick, State Formation in Early Modern England c. 1550-1700. (Cambridge: Cambridge University Press, 2000), p. 178; Michael J. Braddick, "The English Government, War, Trade, and Settlement, 1625-1688," in Canny ed. Origins of Empire, pp. 286-308.

<sup>57</sup> Thomas Cogswell, The Blessed Revolution. (Cambridge: Cambridge University Press, 1989). For the shift and emergence of political debate over the Empire from the 1630s, see Robert Brenner, Merchants and Revolution. (Princeton: Princeton University Press, 1993).

<sup>58</sup> Steve Pincus, The First Modern Revolution. (New Haven: Yale University Press, 2009), pp. 366-399; Steve Pincus, "A Revolution in Political Economy?", in Maximillian E. Novak ed., The Age of Projects. (Toronto: University of Toronto Press, 2008), 115-140. Compare to Appleby, Economic Thought and Ideology, pp. 248-269.



political power. While at first humans lived off the uncultivated products of the land, Child recounted in a story echoed almost verbatim by the Lord Chief Justice George Jefferies, “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 the wealth which is gained out of the produce of the earth,” Child contended. Child insisted that there was a finite economy totally “derived out of this principal stock of 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 or profit.” 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>59</sup>

---

<sup>59</sup> Sir Josiah Child, A Discourse of the Nature, Use and Advantages of Trade. (London: Randal Taylor, 1694), pp. 2, 7-8, 10-11; The Argument of the Lord Chief Justice of the Court of King’s Bench Concerning the Great Case of Monopolies. (London: Randal Taylor, 1689), p. 7; Child, A Discourse, 25 June 1689, p. 3. In 1669, Child told the Lords’ Committee on trade that “All trade [is] a kind of warfare”: quoted in William Letwin, Josiah Child, merchant economist. (Boston: Baker Library, 1959), p. 28. Compare: Thomas Leng, “Commercial Conflict and Regulation in the Discourse of Trade in Seventeenth-Century England,” The Historical Journal, 48: 4 (2005), p. 954; Armitage, Ideological Origins, p.166.

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 Middleton. "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 Ghibelines, under the distinction of the Old and New Company; which latter appellation the interlopers assumed to themselves, and under that name made contracts of commerce and alliance with Princes and Governors in India, without any authority from their sovereign, which our law accounts a crime of a high nature, and which is in itself by the experience and confession of all men, of most destructive consequence to any kingdom or Commonwealth trading to the East Indies."<sup>60</sup>

The Royal African Company, so closely tied to James, espoused a political economic vision identical to that of the East India Company. Company arguments invariably began with the assumption that "the increase and wealth of all states, is evermore made upon the foreigner." Trade, James and his fellow members of the

---

<sup>60</sup> Sir Josiah Child to Middleton, 1 September 1683, BL, Add. 41822, f. 25r; Child, Supplement, 1689, 2; President and Council of Surat to EIC, 21 April 1685, IOL, E/3/45/5365.

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.” The experience of African trade before the establishment of the Royal 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 war to protect the ships of trade, and this occasioned by the natural perfidiousness of the natives, who being a barbarous and heathen people, cannot be obliged by treaties without being awed by a continuous 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>61</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.

---

<sup>61</sup> Certain Considerations Relating to the Royal African Company of England. (1680), pp. 1, 6-8; “Reasons of the African Company,” August 1683, NA, CO 268/1, f. 59r . This was the standard company line. After the Revolution, Robert Harley the new Tory leader in the House of Commons, presented a petition by the African Company using almost identical language: Petition of the Royal African Company, 24 January 1694, NA, T 70/169, f. 106v; William A. Pettigrew, “Free to Enslave: Politics and the Escalation of Britain’s Transatlantic Slave Trade, 1688-1714,” William and Mary Quarterly. 64:1(2007), 3-38.

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 was necessary for his three kingdoms to compete among the first rank of European states. For 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 these 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 later 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.

The eloquent Whiggish economic writer Carew Reynell believed along with other Whigs in the later seventeenth century 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," he explained, "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 money in our purses by lessening importation, and brings money 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 handicraftsmen, in wooden and iron work for tools, and instruments that belong to their trades, and so maintain and increase abundance of husbandmen, retailers and artificers of all sorts,” Reynell detailed, “and they again increasing, 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 easy for us to be ten times richer.”<sup>62</sup>

While 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 of trade [be] taken away” and that “the mysteries of exchange were more publicly known.” He hoped thereby to generate a “public 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

---

<sup>62</sup> Carew Reynell, Necessary Companion. (London: William Budden, 1685), sigs. A5v-A7r, (a1)v-(a2)r, 5, 17-18, 48

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, public 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 to 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 livelihood, 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 politic: that they may best be able to grow and flourish, at least bear up against the malignity of enemies and adverse fortune.”<sup>63</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>64</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 none of that, but only brought in goods for re-export, it potentially benefited the private merchant but not on-balance the nation.

---

<sup>63</sup> Reynell, Necessary Companion, 1685, sig. A4, 1-2, 6, 16.

<sup>64</sup> Reynell, Necessary Companion, 1685, 13-14.

Reynell's voice may have been an unusually eloquent one, but he had a plethora of ideological supporters. Many besides Reynell 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 improves countries, and to encourage them is to promote the real benefit of the public." 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 mariners bred, if it be from our trading alone, and from the riches which our trading brings in, that his Majesty's customs are raised, and that our fleets have been hitherto built and maintained, and the dominion of the seas hath been preserved," Carter reasoned, "then 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." 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>65</sup>

Whigs committed to the view that property was potentially infinite rejected the macropolitical conclusions of James and his Tory political economic supporters. Where the Tories argued that England’s future economic 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 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 II’s regime. Unsurprisingly, when the Whigs (with support from moderate Tories) overthrew James II, they reversed his economic and imperial policies. They attacked the East Indian and African trading monopolies in parliament. They eliminated James II’s centralizing overseas Dominions. They devised taxation schemes that would favor the manufacturing as opposed to the agrarian sector.

---

<sup>65</sup> 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, New Series, 8: 3 (1956), 287-288; Antony Brewer, “The Concept of Growth in Eighteenth Century Economics,” History of Political Economy, 28: 4 (1995), 609-610 and *passim*. For one exceptional view: Richard C. Wiles, “The Theory of Wages in Later English Mercantilism,” Economic History Review, New Series, 21: 1 (April 1968), 113-126; Richard Blome, The Present State of His Majesty’s Isles and Territories in America. (London: H. Clash, 1687), 127; [William Carter], The Reply of W. C. (1685), 49; John Locke, “Second Treatise of Government,” in David Wootton ed., Political Writings of John Locke. (New York: Mentor, 1993), 281-282; John Locke to Edward Clarke, 30 June 1694 and Locke to Clarke, 6 August 1694, in Benjamin Rand ed., The Correspondence of John Locke and Edward Clarke. (Cambridge: Harvard University Press, 1927), 395, 397.



They created the Bank of England in 1694 in order 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>66</sup>

In the 1680s and 1690s party conflict rather than ideological consensus characterized the discussion of political economy. So deeply held were the 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 and Henry St. John that came to power in 1710 re-energized the party political debate over economic and imperial policy in the last few years of the War of Spanish Succession.<sup>67</sup>

While many have studied Daniel Defoe's flamboyant Mercator, written at the behest of Robert Harley, 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

---

<sup>66</sup> These claims are substantiated in Pincus, First Modern Revolution, pp. 232-253, 278-302, 305-399, 437-473. The long history of the competing English images of the Dutch United Provinces is detailed in Pincus, Protestantism and Patriotism. (Cambridge: Cambridge University Press, 1996)

<sup>67</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. (University of Chicago PhD Dissertation, June 2010), pp. 206-223 and Steve Pincus, "The Pivot of Empire," The Sir John Neale Lecture delivered at University College, London, 19 March 2010. In that soon-to-be published lecture I provide detailed archival evidence about just how central these political economic ideas were to Tory policymaking.

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 Anne drew heavily on the arguments that had been so influential at James II's court. The 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 Robert Harley, argued that "the wealth of a country is finite, as well as the substance of any private man."<sup>68</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 enlarged our stock, as to get the general balance for many years on our side, notwithstanding all our luxuries."<sup>69</sup> England's future – and the Tory newspaper The Examiner very much catered to an English not a British audience – lay in restoring the political hegemony of the landholders. The Examiner urged its readers to "elect those, who, though, 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, or be able to overturn the constitution."<sup>70</sup> The solution was to elect landed gentleman. "Your first care should be to choose landed gentlemen of estate in your neighborhood, 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

---

<sup>68</sup> Charles Davenant, An Essay upon the Probable Methods of Making a People Gainers in the Ballance of Trade. (London: James Knapton, 1699), p. 136.

<sup>69</sup> Davenant, Discourses, 1698, Vol. II, p. 212.

<sup>70</sup> The Examiner, 5 October 1710, No. 10.

authors of The Examiner, they “have their lands at stake for their probity and honor,” whereas the Whig merchants and financial managers only had an estate “as actions rise and fall.” The Whigs, in other words, had no solid investment in the real wealth of the country.<sup>71</sup> 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 used to follow land, is now gone over to money.”<sup>72</sup> The new Tory secretary of State Henry St. John informed the 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,” St. John 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 St. John, “the landed men are become poor and dispirited.”<sup>73</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

---

<sup>71</sup> The Examiner, 5 October 1710, No. 10.

<sup>72</sup> The Examiner, 2 November 1710, No. 13.

<sup>73</sup> Henry St. John, Viscount Bolingbroke, Letters on the Study and Use of History. (London: A. Millar, 1752), Letter 8, pp. 267-268, 382-383; Henry St. John (Bucklebury) to Orrery, 9 July 1709, Bodleian, Eng. Misc. e. 180, ff. 4-5. While I agree on many issues with Isaac Kramnick, 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, MA: Harvard University Press, 1968), pp. 63-64. Dickinson is surely right to read this letter as expressing “the views of the Tory squires.” H. T. Dickinson, Bolingbroke. (London: Constable, 1970), p. 69.

[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 product of Tory “lands that has carried on the war ever since.”<sup>74</sup> “The Whigs themselves have always confessed,” the Examiner team argued, that the bulk of landed men in England was generally Tories.”<sup>75</sup> This point was vitally important since land was the only real source of value. “Though 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>76</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 engrossed our riches,” sneered The Examiner team.<sup>77</sup>

The Tory government believed that continuing the war in Europe would only continue the process of social revolution to their disadvantage at home. Robert Harley, Henry St. John 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 memoranda, printed pamphlets, and highly confidential correspondence outlined a strategy to seize Buenos Aires, Valdivia, and the Tierra del Fuego from the Spanish in order to secure the “real treasure ... gold and silver.”<sup>78</sup> Harley designed the new South Sea Company, founded in 1711, to be the

---

<sup>74</sup> The Examiner, 24 August 1710, No. 4.

<sup>75</sup> The Examiner, 18 January 1711, No. 24.

<sup>76</sup> The Examiner, 10 August 1710, No. 2.

<sup>77</sup> The Examiner, 7 September 1710, No. 6.

<sup>78</sup> Daniel Defoe, A True Account of the Design and Advantage of the South-Sea Trade. (London: J. Morphew, 1711), p. 5.; A Letter to a Member of Parliament on the Settling a Trade to the South-Sea of America. (London: J. Phillips, [1711]), p. 8.

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 by 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 they key to securing Britain's economic future lay in seizing 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 Whig Henry Martyn (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 the longtime Whig political economic expert the earl of Halifax to counter the Tory ministries political economic arguments and their defense of the Treaty of Utrecht. Where The Examiner insisted that British economic success was tied to the land, the Whig authors claimed "Great Britain can only be truly great and powerful by trade and industry."<sup>79</sup> 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 everything that is consumed," wrote Richard Steele in The Guardian,

---

<sup>79</sup> Charles King, The British Merchant. (London: John Darby, 1721), 1: v. This is a reprint of the 1713 newspapers, though reorganized.

<sup>80</sup> King, British Merchant, 1721, 1: 2. This claim was reprinted in Richard Steele's Whig Guardian, 25 September 1713, no, 170,

“the greatest part of the value is the price of labour that is bestowed upon it.”<sup>81</sup> Joshua 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, Richard Steele marveled at the Dutch economic miracle. “Everyone” in the Netherlands “live at twice the cost of those of France,” he crowed. This was because the Dutch knew not to build their fortunes not on the land but by “trade and manufactures.”<sup>83</sup>

The Whigs advanced a very different imperial vision from the Tories. Where the Tories advocated seizing South American gold and silver mines, the Whigs wanted no territorial acquisitions. In the second number of his wildly popular Spectator Joseph 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 the Whig propagandist and prominent member of the Kit-Kat Club Arthur Maynwaring, “that if we would obtain either by treaty or by conquest those golden mines we dream of, they would not be half so advantageous to us, as the bare of 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 employed, our manufactures are improved, and our constitution is preserved.” “The gold and silver mines if we could have them,” Maynwaring believed, “would only destroy our industry, and make us such a lazy generation as the Spaniards.” An empire based on treasure “may be proper to over-

---

<sup>81</sup> The Guardian, 11 May 1713, no. 52.

<sup>82</sup> Joshua Gee, Trade and Navigation of Great Britain Considered. (London: Sam. Buckley, 1729), preface.

<sup>83</sup> The Guardian, 11 May 1713, No. 52.

<sup>84</sup> Spectator, 2 March 1711, No. 2, p. [3].

turn a free government, or to support a tyranny.”<sup>85</sup> The Whigs, as Mainwaring 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 not demanded any territorial acquisition, but rather a Habsburg on the Spanish throne and free trade in Spanish America.

Not only did the Whigs and Tories differ in their aims in South America, they 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 they produced no raw materials that could be sold to great advantage on European markets. Charles 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. Henry Martin and the Whigs, by contrast, greatly prized the northern colonies. Not only did they emphasize that the phenomenal demographic development of these colonies provided guaranteed markets for British manufactures, but these Whigs 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,” Henry 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 that must be given in Holland,” reasoned Martin, “they must needs be cheaper, and possibly by 20 or 30 per cent.” The benefits to England would be tremendous. “Our shipping,” Martin crowed “should be rendered cheaper than that of Holland.” Soon the

---

<sup>85</sup> Maynwaring, *Remarks*, 1711, p. 26.

<sup>86</sup> Davenant, *Discourses*, 1698, Vol. II, p. 233.

English would “become the carriers of the world” allowing them to “profit by all that others eat, 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 employed, in the carriage of things to and from our own country.”<sup>87</sup>

By the end of Anne’s reign political economic issues had become the stuff of popular journalism. Daniel Defoe, Joseph Addison, Arthur Mainwaring, Richard Steele, the authors of the Tory The Examiner and the Whig British Merchant appealed to the “common people” not because everyone agreed on economic principles. 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,” Daniel Defoe correctly perceived, had become “a party cause.”<sup>88</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

---

<sup>87</sup> Henry Martin, Considerations upon the East-India Trade. (London: A. and J. Churchill, 1701), pp. 115, 117-118, 121-122.

<sup>88</sup> The British Merchant, 7 August 1713, No. 1; The Mercator, 2-4 June 1713, no. 5. Compare: D. C. Coleman, “Politics and Economics in the Age of Anne: the case of the Anglo-French Trade Treaty of 1713,” in D. C. Coleman and A. H. John eds., Trade, Government, and Economy in Pre-Industrial England. (London: Weidenfeld and Nicolson, 1976), 205-206. Gauci has also highlighted the divisions over the commercial aspects of these debates: Perry Gauci, The Politics of Trade. (Oxford: Oxford University Press, 2001), pp. 234-270.



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. By the later seventeenth century in England those disagreements had become the centerpiece of party polemic. By the early eighteenth century these debates formed part of the everyday discussion in the most popular newspapers of the time. The English conducted heated political economic and imperial debate rather than shared a mercantilist consensus.<sup>89</sup>

#### IV

Why should we care that generations of historians, sociologists and economists have misunderstood that 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 Sir John Elliott, Empires of the Atlantic World. Elliott's central thesis is that differences between the British and Spanish empires had nothing to do with differences in the two national cultures but in

---

<sup>89</sup> My argument is most closely aligned with that advanced by Istvan Hont, Jealousy of Trade. (Cambridge, MA: Harvard University Press, 2005), pp. 201-258.

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 voyage, and if an expeditionary force of West Countrymen had conquered Mexico for Henry VIII,” Elliott posits, “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 implications the comparative wealth and political stability of contemporary North America in contrast to its Central and South American neighbors has 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.” There were no great indigenous populations 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.<sup>90</sup>

---

<sup>90</sup> J. H. Elliott, Empires of the Atlantic World: Britain and Spain in America, 1492-1830. (New Haven: Yale University Press, 2006), 406-407, 411.

Elliott's argument, and he is hardly a lone voice crying out in the wilderness, is that Britain 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 moment of the defeat of the Stuarts in 1688, the story goes, there was "no single national purpose" in the governance of the North American colonies.<sup>91</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>92</sup>

Why this lack of interest? This story rests on a fundamental assumption about the nature 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

---

<sup>91</sup> James A. Henretta, "Salutary Neglect". (Princeton: Princeton University Press, 1972), 344.

<sup>92</sup> 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," William and Mary Quarterly. 11: 2 (April, 1954), pp. 200-213. Bernard Bailyn, Atlantic History, 48-49; H. V. Bowen, Elites, Enterprise and the Making of the British Overseas Empire. (Basingstoke: Macmillan, 1996), pp. 6-7.

policy in Tudor and Stuart England as they were in that of Hapsburg Spain.”<sup>93</sup> The English regulated less than the Spanish not because they were committed to a different imperial program, but because unlike the Spanish they had not discovered fabulously rich mines nor had they 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 founded mercantilist empires. Both Britain and Spain 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 1760s was an era of debt-driven pan-European imperial reform. In the British case this meant naturally a turn to “the idea of a more centrally controlled empire on the model of the Spanish.”<sup>95</sup>

---

<sup>93</sup> Elliott, *Empires of the Atlantic World*, 111.

<sup>94</sup> Elliott, *Empires of the Atlantic World*, 114; see also, Darwin, *After Tamerlane*, 165.

<sup>95</sup> Elliott, *Empires of the Atlantic World*, pp. 301-303. Here Elliott summarizes the views of a vast range of scholars.

I am suggesting this explanation is insufficient. Europeans were not constrained in the eighteenth century to a single political economic outlook. Europeans in the seventeenth and eighteenth centuries had a menu of political economic precepts from which to choose. At every critical stage in the development of European empires in the seventeenth and eighteenth centuries, policymakers had a range of choices available to them. 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, 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 outcome 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 belief 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 the telling of the history of the British Empire or of colonial America. It has had the effect of creating a vast gulf between historians of Britain and its empire, 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 cultural

earthquakes.<sup>96</sup> For some scholars this earthquake took place in the 1650s<sup>97</sup>, 1680s<sup>98</sup>, for others it was in the 1760s<sup>99</sup>, for still others it was the 1780s<sup>100</sup>, for another group it was the 1880s and 1890s.<sup>101</sup> 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, to a largely commercial empire, in favor of a more authoritarian and territorially expansionist one. While each group of scholars insists that theirs 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; if one 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 imagining a caesura in the 1650s, 1680s, 1760s, the 1780s or earlier or later, I suggest, scholars should begin to re-imagine the history of the British Empire as a series of contests between competing political economic strategies.<sup>102</sup> These contests took

---

<sup>96</sup> Bowen, Elites, Enterprise, and the Making of the British Overseas Empire, pp. 66-69. Bowen's discussion focuses on the period just after the examples from which this paper is drawn.

<sup>97</sup> Alison Games, The Web of Empire. (Oxford: Oxford University Press, 2008), pp. 289-290

<sup>98</sup> Stephen Saunders Webb, The Governors-General. (Chapel Hill: University of North Carolina Press, 1979), xvi, 461-464; Stephen Saunders Webb, Lord Churchill's Coup. (New York: Knopf, 1995).

<sup>99</sup> T. H. Breen, The Marketplace of Revolution. (Oxford: Oxford University Press, 2004), 200ff; Jeremy Black, The British Seaborne Empire. (New Haven: Yale University Press, 2004), 133; P. J. Marshall, The Making and Unmaking of Empires. (Oxford: Oxford University Press, 2005), 6-9.

<sup>100</sup> C. A. Bayly, Imperial Meridian. (London: Longman, 1989), 8-9; 117-121, 250-256.

<sup>101</sup> Ronald Robinson, John Gallagher, and Alice Denny Africa and the Victorians. Second Edition. (London: Macmillan, 1981), 13-26.

<sup>102</sup> I am not suggesting that the competing political economic strategies remained constant over the period under discussions. Both sides elaborated their positions in

place both in the metropole and in the periphery. These contests took place in dialogue with both European and non-European imperial powers. But above all these contests took place.

Because there was no mercantilist consensus, because there was no agreement that European powers needed to seize more territory so as to cripple their rivals, there was also no agreement that that the colonial peripheries needed to be subordinated to the metropolitan center. Many radical Whigs, many who argued that labor rather than land constituted property, throughout the early modern period reasoned that any economically Britons were equally valuable to the polity. These Whigs, which 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 esteemed otherwise, than sending people out of Middlesex into Yorkshire, where they are still in the same government, employed in the same public stock, and in the strength and defense of the same united body."<sup>103</sup> Defoe echoed the sentiments of the Whig 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

---

response to changing economic, social, cultural and political contexts. Elsewhere I am arguing, for example, that the Whigs split after 1715 as to whether they thought slave labor was productive or unproductive for the empire.

<sup>103</sup> [Daniel Defoe], Review, 2 December 1707, Vol. IV, No. 126, p. 504.

1660 as “a part of England” rather than as “foreigners and aliens.”<sup>104</sup> The colonists’ “blood runs through our veins,” Defoe elaborated, “they are every way a part of ourselves.”<sup>105</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>106</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. The 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, grown rich in Old or New England.”<sup>107</sup> Two decades later Adam Smith would wax eloquent on the same theme. Reasoning that British 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 and 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,” Smith concluded in typical

---

<sup>104</sup> Edward Littleton, The Groans of the Plantations. (London: M. Clark, 1689 reprinted in 1698), p. 1.

<sup>105</sup> [Daniel Defoe], Review, 20 December 1707, Vol. IV, No. 134, p. 536.

<sup>106</sup> An Essay upon the Government of the English Plantations on the Continent. (London: Richard Parker, 1701), preface, pp. 47, 76.

<sup>107</sup> Quoted in Alan Houston, Benjamin Franklin and the Politics of Improvement. (New Haven: Yale University Press, 2008), p. 173.



Whiggish fashion, “ought certainly to have representatives from every part of it.”<sup>108</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 non-existence of party politics in the eighteenth century have made it difficult to recover the political choices that were central to shaping British imperial and colonial American history. Historians have now begun to restore a sense of party political contestation over imperial issues in eighteenth century Britain.<sup>109</sup> 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>110</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

---

<sup>108</sup> Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations. R. H. Campbell and A. S. Skinner eds. (Indianapolis: Liberty Fund, 1981), Book IV, vii, c, 2: 624.

<sup>109</sup> Kathleen Wilson, The Sense of the People: politics, culture, and imperialism in England, 1715-1785. (Cambridge: Cambridge University Press, 1995); Brendan Simms, Three Victories and a Defeat. (New York: Penguin, 2007), 1-4; Nicholas Rogers, Whigs and Cities: Popular Politics in the Age of Walpole and Pitt. (Oxford: Clarendon Press, 1989), pp. 87-129.

<sup>110</sup> Bob Harris has begun to point the way forward for the 1740s in Politics and the Nation: Britain in the mid-eighteenth century. (Oxford: Oxford University Press, 2002), pp. 236-277; 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. (University of Chicago Ph.D. dissertation, 2009).

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 come 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.