

Regulation, rent-seeking, and the Glorious Revolution in the English Atlantic economy

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The rapid rise of England's colonial commerce in the late seventeenth century expanded the nation's resource base, stimulated efficiency improvements across the economy, and was important for long-term growth. However, close examination of the interests at play in England's Atlantic world does not support the Whiggish view that the Glorious Revolution played a benign role in this story. In the decades after the Restoration, the cases of the Royal African Company and the Spanish slave trade in Jamaica are used to show that the competition between Crown and Parliament for control of regulation constrained interest groups on either side in their efforts to capture the profits of empire. Stuart 'tyranny' was not able to damage growth and relatively competitive (and peaceful) conditions underpinned very rapid increases in colonial output and trade. The resolution of the rules of the Atlantic game in 1689 allowed a consolidated state better to manipulate and manage the imperial economy in its own interests. More secure rent-seeking enterprises and expensive wars damaged growth and European rivals began a process of catch-up. The Glorious Revolution was not sufficient to permanently halt economic development but it was sufficient to slow progress towards industrial revolution.

Economic historians of the last two decades have focused much attention on the constitutional rearrangements which took place in seventeenth-century England and, above all, on the Glorious Revolution.¹ North, Weingast, and others have constructed a story in the tradition of Macaulay in which, after a long struggle, Parliament was able to contain the 'tyranny' of the Crown and limit its inclinations towards absolutist or 'arbitrary behaviour'.² A 'preserving revolution' changed the rules of the game in ways that served to limit the state's ability to manipulate the economy to its own advantage, ensured that private property rights were better secured, constrained rent-seeking activity, reduced transaction costs, and allowed free markets to flourish. An unwritten but, in their view, 'economically functional constitution' was created and was a necessary condition for England's emergence as the first industrial nation.³

¹ North, *Institutions*; North and Weingast, 'Constitutions and commitment'; Ekelund and Tollinson, *Politicized economies*; Carruthers, *City of capital*.

² 'We never lost what others are wildly and blindly seeking to regain. It is because we had a preserving revolution in the seventeenth century that we have not had a destroying revolution in the nineteenth century. It is because we had freedom in the midst of servitude that we have order in the midst of anarchy. For the authority of law, for the security of property, for the peace of our streets, for the happiness of our homes, our gratitude is due under him who raises and pulls down nations at his pleasure to the long Parliament, to the Convention, and to William of Orange'; Macaulay, *History of England*, vol. II, p. 570.

³ O'Brien, 'Fiscal exceptionalism'.

This 'New Whig' interpretation has proved to have broad appeal but lacks specificity and tends to take contemporary critiques of Stuart tyranny at face value.⁴ This article looks at the story in the context of London's colonial trade, a leading economic sector in an age of 'commercial revolution', and one in which key players were loud in their complaints about the damage caused by 'arbitrary' rule and gave strong support to the Glorious Revolution.⁵ However, given that under the later Stuarts colonial trade saw a period of unprecedented growth and catch-up with continental rivals, it seems appropriate to ask whether the institutional framework in place before the Revolution was as bad for the economy as is claimed. This article uses the cases of the Royal African Company (hereafter the RAC) and the Spanish slave trade in Jamaica to consider whether Crown 'tyranny' did, in fact, damage growth or only certain private interests.⁶ Did the Revolution settle, in turn, promote the development of benign institutions which encouraged cooperative behaviour, free markets, and growth in the Whig tradition? Alternatively, did it mark a merger between the Crown and commercial elites which allowed them to consolidate less efficient (less growth-enhancing) institutions which they could use to engross the fruits of empire through their power to regulate the economy and secure 'rents'—a surplus earned by any factor of production over and above the minimum price at which that factor would be supplied in a perfectly competitive market?⁷

I

The City of London played a central role in the politics of seventeenth-century England. With its wealth of liquid funds, the City could break the Crown, as in the 1640s, or help finance the enormous war-time expenditure of the 1690s.⁸ The alacrity with which the City's Common Council declared support for the Prince of Orange in December 1688, and its provision of a large loan in January 1689, sealed the success of the Glorious Revolution.⁹

City wealth rested, above all, on commerce. London was England's pre-eminent port and in the Restoration period it accounted for around three-quarters of the value of the country's overseas trade. The colonial sector, and above all the West India trade, which had been in its infancy before the Civil War, served as the most

⁴ Empirical justification for their story has focused heavily on the issues of government borrowing and interest rates. Clark, 'Political foundations'; Quinn, 'Glorious Revolution's effect'; Epstein, *Freedom and growth*, pp. 12–37; Temin and Voth, 'Private borrowing'.

⁵ Brenner, *Merchants and revolution*; De Krey, *Fractured society*; idem, *London and the Restoration*; Gauci, *Politics of trade*.

⁶ 'The coalition of 1688 was produced and could be produced only by tyranny which approached to insanity, and by danger which threatened at once all the great institutions of the country. If there has never since been similar union, the reason is that there has never since been similar misgovernment'; Macaulay, *History of England*, vol. II, p. 570.

⁷ A social cost arises when the resources used to secure and pay rents have a positive opportunity cost elsewhere in the economy. The concept of rent-seeking was introduced to economics by Tullock and, although the literature focuses largely on cases where government intervention in the economy leads to the creation of artificial rents through the use of licenses and monopolies which restrict output or entry, it can take place in other settings, such as families with an inheritance at stake or a crime mob. See Tullock, 'Welfare costs'. On how changes in the rules affect entrepreneurship, see Baumol, 'Entrepreneurship'. For a recent theoretical discussion of the emergence and persistence of inefficient institutions, see Acemoglu, 'Simple model'.

⁸ The Corporation of London advanced more than 25% of the loans raised on the credit of parliamentary taxes in the period 1689–93; Roseveare, *Financial revolution*, pp. 33–5.

⁹ Speck, *Reluctant revolutionaries*.

important engine of commercial growth after the Restoration and, between the 1660s and 1686, the value of London's plantation imports and exports grew three times as fast as overall trade.¹⁰ Furthermore, although even in the 1680s colonial commerce accounted for only around a fifth of the value of London's commodity trade, it accounted for a much higher proportion of service sector earnings than is suggested by volume and value alone. The long distances involved, the bulky nature of the commodities, and their prominent role in the re-export trades meant that freight rates, commission rates, port and warehouse charges, and insurance rates were four or five times as high in colonial commerce as they were for the same volume of goods in nearby European trades.¹¹ The empire was a rich and rapidly expanding source of liquid wealth which all classes were anxious to tap, and its success in this period does not suggest institutional failure.

At the Restoration, there was general agreement that, given the importance of colonial commerce in stimulating national wealth and strength, it should be reserved for Englishmen. Crown and Parliament collaborated in revising and re-enacting the Commonwealth's Navigation legislation which aimed to exclude foreigners from England's valuable colonial trade.¹² However, within the walls of the national monopoly the trade remained largely open or 'free'. Corporate organization—the traditional way to limit entry and reduce risks—had proved ill-suited to colonization projects which involved the organization of production, as well as trade. Furthermore, the willingness of the early Stuarts to renege on promises had reduced the security and value of the Crown patents and monopolies that underpinned corporate organization.¹³ As 'free' trade both survived and flourished, it obtained intellectual justification in a new discourse of trade which, drawing language and method from contemporary developments in science, saw the commercial world as in some ways similar to the natural world. It could be subjected to some manipulation, but there was limited scope for intervention as the sensitive system could easily be destroyed. It was increasingly agreed that where a trade was confined to a particular company on strong grounds such as novelty, or high sunk costs (such as castles and forts), it should be open to all Englishmen on purchase of shares or payment of a small fine.¹⁴ Low barriers to entry allowed large numbers to take part and, although there was some consolidation over the Restoration period, the 59 merchants who dominated trade in the London port books of 1686 (hereafter referred to as the major colonial merchants of 1686) accounted for less than 50 per cent of the trade. The long tail of small-scale participants maintained competitive conditions and encouraged

¹⁰ Davis, 'English foreign trade'.

¹¹ Davis, *Rise of the English shipping industry*, pp. 210, 222, 233–9, 262, 282–3; Roseveare, 'Wiggins' Key revisited'; H. N., *Compleat tradesman*, p. 155.

¹² Harper, *English Navigation Laws*; Beer, *Origins*.

¹³ State and merchants had long colluded in using corporate organization to share the benefits of monopoly rents, but although large numbers of companies were set up to promote early English colonization projects (nine of the 36 companies identified by Scott for the period before 1680), they did not flourish; Scott, *Joint-stock companies*; Brenner, *Merchants and revolution*.

¹⁴ 'Companies of merchants', Bodleian Library, MS Locke c30, fo. 109; Davenant, 'Essay on the East India trade', in Whitworth, ed., *Works*, vol. II, pp. 126–37. For discussion of the literature, see Appleby, *Economic thought and ideology*; Magnusson, *Mercantilism*; Hutchison, *Before Adam Smith*; Leng, 'Commercial conflict and regulation'.

Table 1. *Merchants in London's colonial import trade, 1686*

<i>Value of trade (£ sterling)</i>	<i>0-99</i>	<i>100-999</i>	<i>1,000-4,999</i>	<i>5,000-9,999</i>	<i>10,000 and over</i>	<i>Total</i>
West Indies						
No. of merchants	742	427	86	15	13	1,283
Value of trade	25,845	101,847	187,533	118,104	217,186	650,515
% of total	4	16	29	18	33	100
North America						
No. of merchants	339	172	38	5	2	556
Value of trade	10,972	57,923	77,078	32,992	28,166	207,131
% of total	5	28	37	16	14	100

Source: Zahedieh, *Capital and colonies*.

merchants to look for ways to use political institutions to manage competition, reduce risk, and secure rents (table 1).¹⁵

Efforts to secure rents were hampered by the failure of the Restoration settlement to settle the division of power within the state. Despite decades of political and legal disputes culminating in civil war, and a brief period of republican rule, there was still ample room for disagreement over whether the king was absolute, or shared his sovereignty with the two Houses of Parliament (representing landed and commercial elites), as well as the extent to which he was bound by the law and, above all, the legitimacy of his prerogative rights.¹⁶ Attempts by the early Stuarts to use the prerogative to raise the extraction rate in arbitrary ways and establish their independence from Parliament had provoked a legislative assault on these powers and abolition of the supporting courts in 1641.¹⁷ The Crown resumed its claim to prerogative rights in 1660 and, above all, its undoubted power to 'limit and regulate foreign trade'. However, as the prerogative courts were not revived and those who infringed Crown licenses or monopolies were not liable to criminal proceedings in common law courts, it was difficult to constrain those who treated the claims as 'false and frivolous' and the value of Crown-endowed rents became increasingly precarious.¹⁸

As tensions mounted in the 1670s, politics became strongly bi-partisan with the deepening divide over power within the state reflecting and reinforcing attitudes to religion and foreign policy as well as the economic issues that are the key concern of this article. In broad terms, the Tories upheld the Crown's prerogative rights and the Stuart succession, the supremacy of the Anglican church, and a cautious (that is, low cost) foreign policy. The Whigs feared the threat of Stuart absolutism (especially in the hands of a Catholic king), attacked the Crown's use of the prerogative, championed Parliament's exclusive right to supply economic regulation (to protect them from 'arbitrary' taxation), and favoured an assertive foreign policy which would check France's growing political and commercial strength.

After the political crisis of 1679-81 in which the Whigs attempted to prevent the accession of a Catholic (that is, absolute) king, a trade boom in the 1680s and high customs receipts gave Charles an opportunity—provided he avoided the expense

¹⁵ Price and Clemens, 'Revolution of scale'; Zahedieh, *Capital and colonies*.

¹⁶ Harris, *Politics*, p. 47.

¹⁷ The Statute of Monopolies of 1624 limited Crown patents of monopolies to towns, corporations, and companies.

¹⁸ Anon., *Proclamation*; anon., *Observations on D. T.'s considerations*.

of war—to launch an attack on those institutions that provided both competing sources of regulation and platforms for the opposition. The king had the power to call and prorogue Parliament and, while the Cavalier Parliament elected in 1661 sat for a total of 63 months before its dismissal in 1679, there were only five parliamentary sessions lasting a total of 171 days between 1679 and the Revolution of 1688. This left little opportunity for serious business.¹⁹ Charles used the interlude to pack the judiciary with supporters and launched a legal attack on the chartered corporations who elected Members of Parliament. In 1681, a writ of quo warranto was issued against the Corporation of London—an opposition stronghold—and, after a breach was ascertained by the ‘loyal’ judges, its charter was revoked in 1683. Between 1683 and 1688 no elections were held, and no Common Council sat, and Charles was able to install a royal commission to govern the City and select Members of Parliament according to his wishes.²⁰ Charles’s campaign produced the ‘loyal Parliament’ of 1685 which confirmed the customs on James for life, and so allowed a further prorogation and undermined the possibility of any statute assault on the prerogative rights.²¹

As the Crown’s ‘arbitrary’ behaviour undermined the power of Parliament, the king also embarked on an assertive colonial policy which sought to reshape imperial institutions in Crown interests: an effort to make a profit from New World lands and compensate in some sense for the loss of Crown lands at home, although not by direct exploitation, but through use of the prerogative to regulate trade.²² Before the capture of Jamaica, the state had played no direct role in colonial expansion and early English settlers were able to design political institutions with little outside interference. By the Restoration, a constitutional template was in place in the Crown colonies which, with minor variations, became the norm in English America and allowed colonial elites and their metropolitan associates to capture a large share of the profits of colonial commerce.²³ A governor, nominally chosen by the king and usually drawn from among the local elite, exerted executive power with the ‘consent and advice’ of a council and judiciary, filled with his own appointees, or ‘creatures’. The governor’s power to bestow ‘all places of trust and profit in the colony’ was an ‘infallible means of binding the Council to good behaviour’ and his authority was checked only by an elected assembly which, in the style of the House of Commons, controlled money bills (including the governor’s salary) but was elected by, and from, the same elite.²⁴ Colonial constitutions allowed local governments to exert tight control over their economies: they set the level of fees, fines, taxes, and perquisites; they controlled the distribution of land, timber, minerals, and other resources; they supervised trade; and they presided

¹⁹ By the 1670s, there was increasing support for the view that prorogation was not a matter solely for the Royal prerogative; [Hollis], *Some considerations*, p. 26. On the importance of Parliament for business lobby groups, see Archer, ‘London lobbies’; Dean, ‘Public or private?’.

²⁰ The livery companies also lost their charters and effective freedom to select the City members of Parliament; De Krey, *London and the Restoration*, pp. 221–72, 341–87; Speck, ‘Some consequences’.

²¹ Stock, *Proceedings*, vol. I, p. 425.

²² For surveys of Crown colonial policy in this period, see Thornton, *West India policy*; Sosin, *English America and the Restoration monarchy*; idem, *English America and the revolution*; Speck, ‘International and imperial context’; Steele, ‘Empire and the provincial elites’; Bliss, *Revolution and empire*; Dunn, ‘Glorious Revolution and America’.

²³ Greene, *Peripheries and centre*, pp. 7–42.

²⁴ TNA, PRO, CO 5/1309, ‘The present state of Virginia’, Oct. 1697, fos. 94–98b.

over the enforcement of any regulation emanating from the metropolis.²⁵ Colonists took the view that the ownership of these constitutions was ‘as much property [as was] the soil’ but it was confined to narrow social and economic elites whose power was enhanced by strong family and business links in the metropolis.²⁶

The transatlantic reach of the colonial elites is reflected in the backgrounds of the 59 major colonial merchants of 1686. They display a striking specialization. Most had substantial dealings with only one colony with which they had strong personal connections. Over two-thirds had spent time in the plantations, a similar proportion had family connections across the Atlantic, and at least nine owned colonial property. Plantation elites had no difficulty in mobilizing strong support at home, and by 1670 the Barbados planters had organized a committee that was to ‘let slip no occasion of promoting anything that may be for [the island’s] advantage or the prevention of any evil like to be imposed upon [it]’.²⁷ It became common for other colonial elites to raise funds to pay lobby agents to represent their interests in the metropolis and they were able to exert strong influence over the quality and quantity of information available to policy makers (and historians), to the disadvantage of less well represented colonists.²⁸ A firm grip on power in the colonies was combined with leverage at home to allow the transatlantic commercial elites to exert a strong measure of control over the regulatory framework, and they were anxious to protect their political property rights from any outside encroachments.²⁹

Meanwhile, Charles had lost no time in seeking to raise the Crown’s share of imperial profits.³⁰ In addition to revising and re-enacting Cromwell’s Navigation legislation, the king retained Jamaica, prize of Cromwell’s ill-fated Western Design, while also taking Barbados and the Leewards into Crown control—alongside Virginia. This gave him direct authority over all the most valuable parts of the empire. The king then moved to increase his control in the proprietary colonies, above all Massachusetts Bay, and took steps to develop effective machinery for directing colonial policy by setting up Councils for Trade and Plantations.³¹ In

²⁵ On ‘connivance or very great negligence in putting the laws in execution’ among governors in the Leewards, see TNA, PRO, CO 153/3, fos. 263, 270.

²⁶ Anon., *Case of William Penn*. Dunn, *Sugar and slaves*, pp. 96–103, shows that, in Barbados in 1680 the 175 major planters with over 60 slaves constituted 7% of property owners but owned 54% of the available land. The third generation settlers were increasingly tied together by intermarriage and these bonds were cemented by their tight grip on high office, as they accounted for 10 out of 12 councillors, 20 out of 22 assemblymen, and 19 out of 23 judges. The franchise was limited to freeholders (about 20% of white adult males) and attempts to extend it were firmly rebuffed. Also see Bailyn, ‘Politics’; Parent, *Foul means*; Bailyn, *New England merchants*.

²⁷ TNA, PRO 31/2, *Journal of Assembly of Barbados*, 21 Oct. 1670–24 April 1673, fos. 30–7 (quotation from fo. 34).

²⁸ Penson, *Colonial agents*; Olson, *Making the empire work*, pp. 51–75. Morgan complained bitterly about the damage done to his reputation in London by a ‘malicious confederacy’ of Whig merchants which he did not have the resources to counter; BL, Sl. MS 2,724, Morgan to Carlisle, 29 June 1681, fo. 225.

²⁹ The letterbook of William Freeman, merchant (in partnership with one of the major colonial merchants of 1686), absentee planter, and agent for the Leeward Islands, reveals how metropolitan and colonial governing elites colluded in manipulating regulation of the Atlantic economy in their mutual interests; William Freeman’s Letterbook, National Library of Jamaica, Kingston, Jamaica, MS 134. Around half of the 686 letters are available in an edited collection (Hancock, ed., *Letters of William Freeman*).

³⁰ A major weakness of the Restoration settlement was in the financial detail that left the Crown short of money; Chandaman, *English public revenue*, pp. 44–70. Pepys observed that the king and his brother were concerned to ‘lay up a hidden treasure of money . . . against a bad day’; Latham and Mathews, eds., *Diary of Samuel Pepys*, vol. 5, p. 21.

³¹ Andrews, *British committees*, p. 65.

1660, Charles joined with his brother in setting up the first of a series of Crown chartered companies trading into Africa with a monopoly over West African trade.³² However, war, plague, fire, and financial crisis constrained Crown ambitions until after the end of the Third Dutch War, when a new Council of Trade and Plantations (which as a standing committee of the Privy Council had executive functions) set up in 1675 embarked on what Steele described as a 'unique and formative' drive for 'efficient royal estate management' which brought the Crown into headlong conflict with the plantation elites.³³

In the Crown colonies, the office of governor, which had been previously left to local magnates, was seen as the key tool in imposing central authority.³⁴ A number of outsiders were appointed and were given carefully drafted instructions which limited both their powers and their patronage. Large numbers of financially remunerative offices were filled from home.³⁵ Furthermore, the new governors were instructed to persuade local assemblies to pass permanent revenue bills—as had been used in Ireland—to give them greater independence from local elites, to allow them to enforce imperial regulations, and to improve royal revenues. In the proprietary colonies, where imperial regulations were widely condemned as an infringement of the 'liberties' granted by charter, and abuse was still more entrenched than in the Crown colonies, new royal officers, such as Edward Randolph (collector, surveyor, and searcher of the customs in New England), were despatched to impose order and authority.³⁶

After the Exclusion Crisis, the Crown's drive to tighten its grip on government gathered strength in the colonies as it did at home. While the king was more or less able to dispense with Parliament and remodel Crown chartered corporations at home, the church-controlled government of Massachusetts refused to reach a compromise with the Crown over its chartered 'liberties' and was liquidated in 1684. The colony was taken under direct royal rule with initial support from the commercial elite led by Matthew Dudley, who hoped to gain from a secularization of government. After 1685, James maintained his brother's assertive policies and all the remaining charter colonies came under attack and surrendered to the Crown.³⁷ In 1687, eight previously separate colonies were incorporated into the vast dominion of New England—extending from the Delaware river to the Canadian border. A royal governor general, Sir Edmund Andros, ruled without a legislative assembly, remodelled the law courts, reduced local government powers, levied new taxes without consent, challenged existing property rights, and thwarted the large land claims and other business enterprises set up by the commercial elites after the suspension of the Massachusetts charter.³⁸ Meanwhile,

³² Davies, *Royal African Company*, pp. 38–46.

³³ Steele, 'Empire and the provincial elites', p. 16, 7; Bieber, *Lords of trade and plantations*, p. 7.

³⁴ TNA, PRO, CO 138/3, 'Circular letter advertising the omissions in not executing the Act of Navigation', 6 April 1676, fos. 49–51.

³⁵ Dunn, 'Glorious Revolution and America'; Labaree, *Royal government*. For discussion of patronage, see *Lords of Trade*, Nov. 1679, *C. S. P. Col.*, 1677–80, no. 1, 182.

³⁶ Hall, *Edward Randolph*, p. 35; On Randolph's attempts to prosecute abuses of the Navigation Acts, see TNA, PRO, CO 1/46, fos. 1, 3, 60, 142, 243, 250, 258.

³⁷ 'James was in his heavy handed way more aware of America and indeed of the Atlantic than any other European king in the seventeenth century'; Davies, *North Atlantic world*, p. 60; Callow, *Making of James II*.

³⁸ By June 1686, the Dudley council had become an interlocking directorate of the three major land companies and when Andros arrived in Boston he inherited a council of 14, of whom all but one were involved in land speculation; Lewis, 'Land speculation'; Bailyn, *New England merchants*, pp. 181–90.

Table 2. *Political allegiances of London's major colonial merchants of 1686*

	Total	Aged over 40	Aged under 40
Tories	5 (25%)	4 (44%)	1 (8%)
Whigs	15 (75%)	5 (56%)	10 (92%)
Total	20 (100%)	9 (100%)	11 (100%)

Notes: Political affiliation is certain for 20 of the 59 major merchants. The five Tories were Gore, Jeffreys, Lucy, Skutt, and Thomas. The 15 Whigs were Barnes, Cary, Duck, John and Francis Eyles, Gardner, Gracedieu, Heathcote, Sir Thomas Lane, Martin, Starke, Taylor, and Tilden.

Source: Zahedieh, *Capital and colonies*.

the Crown issued a range of licenses and patents to its own supporters and, in 1687/8, there were alarming reports that a small group of Tory merchants (including Dalby Thomas) had advanced plans to set up a Crown chartered West India Company with a monopoly of the whole sugar trade while another London group, linked to Joseph Dudley, attempted to establish a Crown chartered company with a monopoly of timber and mineral rights in New England.³⁹

None of these efforts to use the prerogative to strengthen and exploit Crown authority in the colonies had much success, as it did not have the strength to monitor its agents. Office holders saw imperial regulation as an instrument for personal enrichment which, in turn, was seen as fair reward for service in distant, often unhealthy lands and was often used at the expense of the Crown's programme.⁴⁰ Imperial officers did not realize Crown ambitions, but they did damage the established rents of the small transatlantic elites and alerted them to the importance of protecting their political property rights from an unfettered Crown prerogative.⁴¹

The growing sense of alienation from the Crown and the importance of economic interests in shaping convictions are reflected in evidence about the major colonial merchants of 1686. Party allegiances cannot always be determined, especially as a large number of the major colonial merchants were disqualified by religion from active participation in formal political institutions (seven were Jewish and around 10 were Quakers), but over half the remainder played an active role and could be firmly attached to one of the two party camps.⁴² As shown in table 2, the older merchants (aged over 40) who were active in the 1660s were fairly evenly divided between the two parties and it seems that many had viewed the Restoration with equanimity. However, the younger merchants who came to trade in the 1670s and 1680s leaned heavily towards the Whigs (10 to 1) and the balance confirms the view that, by the 1680s, colonial merchants were overwhelmingly supportive of Parliament and the Glorious Revolution. Furthermore, although only one Tory (William Gore) made a contribution, four-fifths of the Whigs among

³⁹ Zahedieh, 'Frugal, prudential and hopeful trade'; Earle, *Wreck of the Almiranta*; Baker and Reid, *Sir William Phips*; TNA, PRO, CO 138/6, fos. 44-7, 63-5, 118, 129-32, 134, 316-17; TNA, PRO, CO 140/4, minutes of Council of Jamaica, fos. 225-30; Thomas, *Historical account*, dedication and pp. 48-9; BL, Sl. MS 3,984, fo. 210; TNA, PRO, T 70/57/25-6; TNA, PRO, CO 155/1, 'Address to the king as to the West India Company', minutes of Council of Nevis, 28 Aug. 1688, fos. 172-83; Barnes, 'Richard Wharton'.

⁴⁰ TNA, PRO, CO 29/3, fos. 248-9, 295-7; Dunn, *Sugar and slaves*, p. 100.

⁴¹ BL, Eg. MS 2,395, 'Considerations about the present affairs of the West Indies', 7 April 1678, fo. 574.

⁴² No doubt others had political convictions of varying strengths, but they have not been identified with certainty from surviving records.

the major colonial merchants of 1686 subscribed to the City loan of January 1689 which confirmed William in power and provides a further index of support for the Revolution.⁴³

While family, religion, and ideology helped to shape political convictions, the importance of material considerations is also clear.⁴⁴ All five Tories were involved in core management of a Crown chartered company and mutual dependence was reinforced by a web of other overlapping interests and connections to broader Tory business networks.⁴⁵ Although a number of the Whigs bought shares in chartered companies in the 1670s, none took an active role in their management, and most were involved in activities that directly challenged the king's prerogative rights. Meanwhile, like the Tories they collaborated in a range of business ventures across the boundaries of regional specialization, and with close links to colonial elites, although it was very unusual to cross the party divide.⁴⁶

By the 1680s, most major colonial merchants were concerned with protecting the political property rights that allowed them to regulate the Atlantic economy in their own interests and took action to defend their 'liberties' against Crown 'tyranny'. However, as will be seen in the case of the RAC and the Spanish slave trade in Jamaica, while the rise of Crown 'tyranny' certainly damaged the private interests of the transatlantic elites it is far less clear that it damaged the wider economy. In fact, the fierce competition between Crown and opposition for control of regulation served to preserve relatively competitive and peaceful conditions which favoured rapid commercial growth while preventing either party from entirely capturing the profits of empire.⁴⁷

II

The difficulties faced by the Crown in extracting value from its contested right to license trade are highlighted by the case of the slave trade which was the one substantial sector of late seventeenth-century colonial commerce that was subjected to company organization. The Company of Royal Adventurers trading into Africa was chartered by the Crown almost immediately after the Restoration (and after a shaky start re-chartered in 1663) with a monopoly of West African commerce. Headed by the Duke of York, and strongly backed by Crown, Court,

⁴³ City of London Record Office (hereafter CLRO), Loan Accounts, MS 40/35; Misc. MSS/133/25.

⁴⁴ Sympathy with dissent is found on both sides of the divide. Jacob Lucy was a member of the Dutch Reform Church until his death, although he was buried in an Anglican church. I am grateful to Catherine Wright for this information.

⁴⁵ Four of the Tories were involved in the African Company and Gore, primarily a German trader, was governor of the Hamburg Company. The constitution of the Royal African Company provided for a governor, sub-governor, and a court of 24 assistants elected at a general court of all shareholders. James was governor from 1672 to 1688. The general court met three times a year, but the court of assistants met at least once a week and the sub-committees at least as often. Each assistant was on at least one sub-committee and many were on two; Davies, *Royal African Company*, pp. 153, 155, 157. For example, John Jeffreys, a tobacco merchant, and fellow RAC director Jacob Lucy, a sugar merchant, combined in a large contract to supply the Swedish tobacco monopoly; TNA, PRO, CO 388/1, Committee of Trade and Plantations, 7 July 1680, pt. 1, fo. 162.

⁴⁶ Twelve of the 15 Whigs did business with at least one of their co-sympathizers. Gilbert Heathcote, a Jamaica merchant, combined with several Whigs including Thomas Starke, a tobacco merchant, in ship-owning, private slave-trading, and the Russian tobacco contract; TNA, PRO, HCA 13/82, 'Deposition of Henry Mees', Nov. 1695, fo. 18; Price, *Tobacco adventure*.

⁴⁷ Minchinton, *Overseas trade*; Scott, *Joint-stock companies*, vol. I, pp. 296–317.

and City interests, the company had a solid expectation of making a profit in the slave trade.⁴⁸ After the introduction of sugar in Barbados in the 1640s and the demonstration that very high returns were possible, there was heavy demand for labour in the English West Indies, as well as in the Spanish and Portuguese colonies. The Navigation Acts excluded foreigners from supplying England's plantations, and colonial merchants such as John Jeffreys (one of the Tories among the major colonial merchants of 1686) had established access to African supply networks but, in the 1650s, they experienced heavy violence at the hands of the Dutch which, no doubt, helped persuade them that state support would be valuable.⁴⁹ In fact, such support was constrained by the Navy's financial difficulties and, after fierce clashes on the African coast sparked the Second Dutch War, the company collapsed in 1665. However, Dutch weakness during the later war with France helped the reconstituted Royal Company of 1672 to establish itself on a permanent footing with a new monopoly of West African trade which it retained until 1698.⁵⁰

Against a background of rising hostility to Crown chartered monopolies, the company laid out large sums to justify its privileges. In 1672, almost a third of its initial capital of £111,000 was spent on forts and factories, and the permanent establishment on the African coast (employing 200–300 white men) required an annual outlay of around £20,000 per year.⁵¹ However, while the costs of the monopoly were high, its value proved limited. Firstly, it was incomplete. It did not extend to east Africa, which also supplied slaves at Madagascar. More importantly, it did not eliminate fierce foreign competition on the west coast where the need to compete for favours from numerous tribes drove up the costs of trade. In similar vein to Shleifer and Vishny's work on modern corruption, one observer commented that in paying large bribes and subsidies to competing chiefs, none of whom had the power to impose his will on the region, and none of whom could be relied on, the English and Dutch enjoyed an equal power, 'that is none at all'.⁵²

Even among Englishmen, the monopoly could not be enforced. Ships' captains were allowed a small trade on their own account but it is clear that they routinely abused the privilege and carried well in excess of their allowance.⁵³ Private traders did still more damage as the company did not have the resources to police the very long African coastline and, although royal interest allowed it to draft in five or six Navy vessels between 1672 and 1688, there were no more than seven or eight seizures over the entire period.⁵⁴ Interlopers were able to establish regular connections and carry out repeat business, not only in the ship trade on the Windward Coast where there were no forts, but also with the factors in the Castle trade who

⁴⁸ More than half the 32 beneficiaries of the charter granted in 1660 were peers or members of the royal family; in 1663 there were still 27 shareholders of the rank of peer and above; in 1667 the shareholders included 22 peers and royals and 49 untitled; Davies, *Royal African Company*, p. 64.

⁴⁹ TNA, PRO, CO 388/1, Lords of Trade, pt. 2, fos. 309–12. A pamphlet of 1680 claimed that in the 1650s the Dutch and Danes strengthened their position on the coast of Guinea and seized English ships and goods to the value of £300,000; anon., *Certain considerations*; pp. 3, 8.

⁵⁰ Zook, *Royal Adventurers*, pp. 8–27, 30; Davies, *Royal African Company*, pp. 38–46, 97–152.

⁵¹ Davies, *Royal African Company*, pp. 240–64.

⁵² Bosman, *New and accurate description*, p. 285; Davies, *Royal African Company*, pp. 277–90; Shleifer and Vishny, 'Corruption'.

⁵³ TNA, PRO, T 70/57, RAC to Clement Tudway, 28 Aug. 1687, fo. 9b.

⁵⁴ The *Hunter* seized two, and the *Norwich*, *Deptford*, *Morduant*, *Coast*, and *Orange Tree* at least one each.

justified cheating by pointing to low wages and the refusal to allow them private trade.⁵⁵ Furthermore, interlopers were often supplied at lower cost than the company as, while the agent could only make a private profit by charging his employers above the true cost of the slaves and retaining the difference (corruption without theft), he could supply private traders below cost, as the whole sum went into his own pocket (corruption with theft).⁵⁶

The weakness of the monopoly was still greater in the plantations than in Africa, as both government and company agencies were staffed by local planters who resented any regulation that increased the price of labour—their main capital cost.⁵⁷ ‘Slaves are as needful to a plantation as money to a courtier and as much courted’, pleaded one interested governor.⁵⁸ Even the outsider governors, such as Richard Dutton, appointed to impose Crown discipline upon the recalcitrant colonies, proved unwilling to oblige the king by taking actions that would alienate the local elites on whom they depended for income.⁵⁹ The Navy was exhorted to support the monopoly but it maintained only a very thin presence in the Atlantic and, although captains had some incentive to seize illicit cargoes, it was almost impossible to obtain a conviction in the colonial courts.⁶⁰

As controversy over the Crown’s prerogative rights grew, a seizure was, for many, scarcely even an embarrassment. In 1679, as the Exclusion Crisis mounted, the second short Parliament set up an investigative committee to examine ‘miscarriages relating to His Majesty’s Navy’ and two ‘illegal’ seizures on the African coast in 1676.⁶¹ William Freeman, a London merchant, absentee planter, and Leeward Island agent, informed his associates in Nevis, with whom he had colluded in private trade, that there were likely to be many interlopers around the islands ‘upon this late encouragement they have had’ and that in London it was ‘generally believed’ that the trade would be opened.⁶² The company was saved by Charles’s decision to prorogue Parliament and renewed instructions to uphold the charter against those ‘evilly disposed persons, commonly called interlopers’, who in challenging the king’s prerogative rights acted in opposition to the Crown’s interests, not only in the slave trade but ‘in all things’.⁶³ However, although the company gained a reprieve, the king’s actions served to fuel opposition to the Crown’s

⁵⁵ According to Davies, over half the slaves obtained in this period were picked up in the ‘ship trade’, on the Windward Coast, where company and private traders operated on an equal footing. For company discussion of interloping, see TNA, PRO, T 70/10, fo. 48d; T 70/1, fo. 67; T70/57, fo. 19. For discussion of bonds and other ways that the company attempted to constrain opportunistic behaviour, see Carlos, ‘Bonding and the agency problem’.

⁵⁶ Shleifer and Vishny, ‘Corruption’, 601–2; Davies, *Royal African Company*, pp. 114, 256–9.

⁵⁷ On the Modyford family and the agency in Jamaica, see Westminster Abbey Muniments, London, 11,348, Sir James Modyford to Sir Andrew King, 1672.

⁵⁸ TNA, PRO, CO 138/4, Lynch to Lords of Trade, 29 Aug. 1682, fo. 91.

⁵⁹ TNA, PRO, T 70/12, fo. 8.

⁶⁰ TNA, PRO, CO 138/3, fos. 52–4, 56–9; CO 153/3, fo. 263, fos. 270–1; Davies, *Royal African Company*, p. 117.

⁶¹ *H. of C. Journals*, IX (1679), p. 606.

⁶² Hancock, ed., *Letters of William Freeman*, pp. 121 (quotation), 132, 134, 150, 158–9. Two interlopers on the African coast were reported to have made ‘great braggings of an assistance they expect from Parliament’; TNA, PRO, T 70/1, fo. 42b.

⁶³ TNA, PRO, CO 1/46, Council of Jamaica to Lords of Trade, 18 May 1681, fo. 341; Hancock, ed., *Letters of William Freeman*, p. 150.

prerogative rights and the monopoly was increasingly condemned as illegal.⁶⁴ The validity of the RAC's charter was not challenged in the English courts as was that of the East India Company, but there were a number of unfavourable decisions in the colonies and between 1679 and 1682 the company agents reported the arrival of 70 company ships in the West Indies, and 32 interlopers (of which only four were seized), and no doubt there were others.⁶⁵

In its monopoly years between 1673 and 1688, the company delivered over 55,526 slaves (an annual average of 3,700) to the English plantations, but interlopers delivered at least half that number and possibly more, including small supplies to the mainland colonies that were neglected by the RAC.⁶⁶ Despite opposition complaints about the company, it had little opportunity to extract monopoly rents and, in fact, the contest between an open or an exclusive trade placed downward pressure on prices, as each side struggled to assert the superiority of its system.⁶⁷ No doubt, the competition encouraged real efforts to improve efficiency. Eltis's work suggests that between 1675 and 1705 productivity levels among English slave traders rose by around 25 per cent and were about a third higher than those of their French competitors.⁶⁸ However, operating with free-rider benefits, the interlopers were also able to act on a 'design of prejudice to the Company' by deliberately underselling them without making a loss—so capturing any benefits of the monopoly charter.⁶⁹ Although slave prices in Africa show no time trend in this period (fluctuating between £5 and £8), slave prices in Jamaica fell from around £25 colonial currency (£20 sterling) in the 1660s to £17 (£13.6 sterling) in the 1680s, which barely covered transactions costs and was the lowest price in any decade of slavery in British America.⁷⁰ As the contest raged between the Crown monopoly and its opponents, the West Indian plantations were able to treble their labour force, extend the area under cultivation, and massively expand their output and volume of exports at falling cost—'a clear gain to the nation better than the mines of gold and silver are to the Spaniards'.⁷¹ However, the nation's gain was the private investor's loss.⁷²

Burdened with high infrastructure costs, opportunistic agents, and a monopoly that imposed the obligations of a public company but could not be enforced, the RAC never made an operating profit even in its best years. Those involved in the

⁶⁴ TNA, PRO, T 70/78, Court of Assistants, 8 May 1679, 19 May 1679, fos. 54b, 55b; Davies, *Royal African Company*, pp. 106–7. For the rhetoric that gained circulation, see *Considerations concerning the African Company's petition*.

⁶⁵ For example, in 1682 an unconvincing technicality was used to award damages of £1,627 to an interloper after seizure in Jamaica; TNA, PRO, T 70/16, fo. 38; TNA, PRO, T 70/169, fos. 7b–8b. For arrivals, see TNA, PRO, T 70/1, 'Letters received from America and the West Indies, 1678–81'; TNA, PRO, T70/10, 'Abstract of letters received by the RAC as relating to the Committee of Correspondence, 1677–82'; Davies, *Royal African Company*, p. 113.

⁶⁶ Zahedieh, 'Merchants of Port Royal'; Davies, *Royal African Company*, pp. 112–14; Inikori, *Africans*, p. 227; Eltis, 'British trans-Atlantic slave trade'.

⁶⁷ Wilkinson, *Systema Africanum*, p. 7; BL, Add. MS 14,034, report to the Board of Trade, 1707–8, fo. 113b.

⁶⁸ Eltis, *Rise of African slavery*, pp. 114–36.

⁶⁹ TNA, PRO, T 70/1, agents at Barbados to African Company, Nov. 1678, fo. 8; TNA, PRO, T 70/1, Molesworth to Company, 24 Dec. 1678, 27 June 1681, fos. 12, 116.

⁷⁰ Somerset Record Office (hereafter SRO), Walker Heneage MSS, DD/WHh 1089, 1090; Davies, *Royal African Company*, pp. 363–40; Sheridan, *Sugar and slavery*, p. 252; Eltis, *Rise of African slavery*, p. 121.

⁷¹ Anon., *Considerations humbly offered*.

⁷² Of course, the biggest cost was paid by the enslaved who lost their freedom and the discussion here is confined to how the gains made by others from this loss were distributed.

core management of the company (including four of the five Tories among the major colonial merchants of 1686) were able to promote practices that gave them access to the slave trade on favourable terms. For example, the company maintained a policy of ship-hire rather than purchase which allowed owners such as Jeffreys, who was involved in seven charter parties with the company in 1685, to make very high profits (averaging 38 per cent in the 1680s) which were well in excess of those obtained by the company.⁷³ Privileges and patronage secured loyalty from core managers, but ordinary shareholders did less well, and the company had to mortgage its future by borrowing to pay dividends which worked out at 7 per cent per year in its first 20 years, well below the level of return expected for a high-risk investment.⁷⁴ Shareholders, and even some assistants, such as William Walker (one of the major colonial merchants of 1686), were tempted into private trade despite the risk of losing stock, and accrued dividends as the Crown chartered monopoly lost legitimacy, proved largely unenforceable, and failed to provide the expected rents.⁷⁵

III

While the RAC's failure to obtain the expected return on its monopoly reveals the weakness of Crown endowed rents, the company's further failure to secure a significant share of the coveted Spanish trade highlights both the difficulties faced by the Crown in attempting to exert tighter control over imperial administration and the damage those efforts caused to its relationship with local elites. Spanish colonial markets had long been viewed as the glittering prize in Atlantic commerce and, although Spain maintained its claim to a monopoly of trade and navigation in the Americas, it never pretended to be able to provide its colonists with slaves, and granted *asientos*, or licenses, to a series of entrepreneurs who contracted to do so. Prices were high and risks were low, and from its first foundation the king and other investors in the RAC had high hopes that it could use Jamaica, which was in the heart of the Caribbean, to secure access to Spanish markets.⁷⁶ However, before the king's appointment of an outsider governor to the island in 1674, a small local elite who controlled government, judiciary, and the RAC agency was able to use its political power to 'grasp all [the Spanish slave trade] into [its] own hands'.⁷⁷ The governor and his officers licensed trade, monitored entry to and exit from island ports, and controlled the stationed naval vessels that were used to provide protection and convoy for Spanish traders.⁷⁸ Meanwhile, the RAC factors controlled the

⁷³ Three-quarters of the ships sent out by the company between 1680 and 1685 were hired and directors were prominent among the owners. Ship-owners took their freight in slaves and in the Windward trade they were allowed a quarter or half share of the outward cargo. Accounts survive for 97 ships hired between 1680 and 1687 and an average net profit of 38% has been calculated. Davies, *Royal African Company*, pp. 194–5; TNA, PRO, T 70/81.

⁷⁴ Davies, *Royal African Company*, pp. 72–9; Grassby, 'Rate of profit'.

⁷⁵ TNA, PRO, T 70/77, fos. 34, 43b.

⁷⁶ TNA, PRO, CO 1/17, letters from Thomas Modyford, 1662–3, fos. 28–32; BL, Eg. MS 2,395, fo. 501, 'Considerations about the Spaniards buying negroes of the Royal Company', 2 Feb. 1675; TNA, PRO, CO 138/2, Williamson to Vaughan, 12 May 1677, fo. 150; Zahedieh, 'Merchants of Port Royal'.

⁷⁷ TNA, PRO, CO 138/6, address of Assembly and Council of Jamaica, 26 July 1689, fo. 288.

⁷⁸ BL, Add. MS 11,410, fos. 63, 371, 435; BL, Add. MS 12,430, fo. 63; TNA, PRO, CO 1/27, fos. 43, 91; TNA, PRO, CO 1/28, fos. 46–46b; TNA, PRO, CO 1/29, fo. 76; TNA, PRO, CO 1/31, fos. 41–2, 213b; TNA, PRO, CO 1/40, fo. 193b.

sale of legally delivered slaves and ensured that the governor's clique obtained the 'best and choicest slaves' in bulk.⁷⁹ The governors barely disguised their collusion with interlopers in supplying the Spanish trade, and in 1674 Sir Thomas Lynch even encouraged the Assembly to pass an Act allowing free importation of negroes in contravention of the RAC's charter.⁸⁰ The governors were ruthless in using their power to exclude competitors, and Abraham Gill, a factor for a Barbados merchant, complained that Lynch forced him to pay £2,000 for a 'license and protection to trade with the Spaniards' and then imprisoned him as a 'vagrant and idle fellow'.⁸¹

While it was able to use control of government to secure a near monopoly of the Spanish slave trade, the small group of traders reaped rich rewards. Slaves were sold to the Spaniards at almost twice the island price and an additional 35 per cent premium was charged for credit and a naval convoy (provided at public expense) through the pirate-infested waters: slaves sold to islanders for £17 were sold to the Spaniards for around £40 with few additional costs.⁸² The records reveal that at least a third of the slaves delivered to Jamaica between 1682 and 1686 (while Lynch and Hender Molesworth controlled the government) were re-sold to the Spaniards and the 35 per cent traders, as they were known, reaped rents in excess of £30,000 per year besides large presents and opportunities to export dry goods.⁸³ In the words of one interested merchant, this '35 per cent trade' was 'a much easier way of making money than making sugar'.⁸⁴

The exclusive nature of the '35 per cent trade' aroused much hostility on the island. Opponents argued, with some justice, that it was detrimental to Jamaica's own economic development. Capital which might have been invested in the island's plantations was diverted into Spanish entrepôt trade. The asiento traders were accused of 'starving' the island of essential slave supplies, and forcing up labour costs. The gap between prices in Jamaica and Barbados in the early 1680s suggests that there was some truth in the charge, as the difference was substantially greater than could be justified by the 10 per cent allowed for higher transport costs (figure 1).⁸⁵ The 35 per cent trade also damaged the sloop masters who engaged in small-scale contraband business 'in bays and creeks and remote places'.⁸⁶

⁷⁹ TNA, PRO, CO 138/6, address of Assembly and Council of Jamaica, 26 July 1689, fos. 287–93.

⁸⁰ TNA, PRO, CO 1/31, Minutes of Council, 5 March 1673–4, fos. 41–2; *ibid.*, Lynch to Williamson, 20 Nov. 1674, fo. 213b. 'The councill are so interested here and have no dependence on England . . . send what orders I will about privateering or interloping there are none almost to execute them, but who are one way or another interested. All the kind of practises and inclinations have been so long used and settled in the mind of the people during Sir Thomas Lynch's reglement here that there is no easy matter to suppress or hinder them'; TNA, PRO, CO 1/40, Vaughan to Coventry, 28 May 1677, fos. 193b–195b. On collusion between metropolitan and island elites in the 1680s, see the case of the *Hawk*, TNA, PRO, CO 138/5, memo to Lords of Trade, 6 July 1686, fo. 156; TNA, PRO, CO 138/5, Molesworth to Blathwayt, 2 Nov. 1686, fos. 217–19.

⁸¹ TNA, PRO, CO 138/4, order referring to petition of Abraham Gill, 10 Dec. 1684, fo. 347.

⁸² TNA, PRO, CO 138/6, address of Assembly and Council of Jamaica, 26 July 1689, fos. 287–93.

⁸³ Molesworth complained that 'envious fame' had magnified his perquisites, but admitted that he received almost £3,000 in 1686 alone; TNA, PRO, CO 138/6, address of Assembly and Council, 26 July 1689, fos. 287–93.

⁸⁴ SRO, Heneage MSS DD/WHh 1089, John to William Helyar, 16 Sept. 1688.

⁸⁵ The gap reached a peak in 1686 (£18.25 and £14.25 in Jamaica and Barbados respectively); TNA, PRO, CO 138/6, address of Assembly and Council of Jamaica, 26 July 1689, fos. 287–93; Davies, *Royal African Company*, p. 364.

⁸⁶ TNA, PRO, CO 138/4, Lynch to Lords of Trade, 29 Aug. 1682, fos. 84–5.

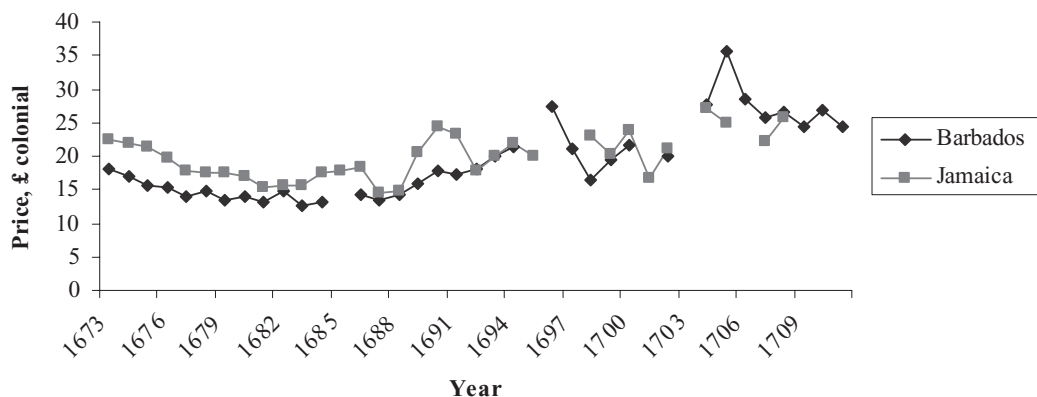


Figure 1. *Price of slaves delivered by the Royal African Company in Barbados and Jamaica, 1673–1711*

Source: Davies, *Royal African Company*, p. 364.

However, despite constant complaints that a few men's gain was the island's loss, it proved impossible to damage the 35 per cent traders while they controlled the island's governing institutions.⁸⁷

In such circumstances the Crown's efforts to increase imperial control by appointment of outsider governors caused serious damage to vested interests. Although John, Lord Vaughan (governor from 1675–7) made little impact on the island and alienated all parties, both the Earl of Carlisle (1678–81) and the Duke of Albemarle (1687–8) sided with the self-styled Tory group led by Henry Morgan which drew support from small planters and merchants in opposition to the Whig asiento traders.⁸⁸ Both governors stuffed Morgan's supporters into positions of power at the expense of the established Whig elite.⁸⁹ Both also embarked on populist, anti-asiento programmes—seizing Spanish ships for trading contrary to the Navigation Acts, exposing the 35 per cent traders' involvement in slave interloping, placing high taxes on exported slaves, passing an act to revalue the cur-

⁸⁷ TNA, PRO, CO 138/4, Morgan to Lords of Trade, 8 May 1681, fos. 47–8; TNA, PRO, CO 138/4, Mathew Meverill to Lords of Trade, 9 May 1684, fos. 262–3.

⁸⁸ In 1683, Lynch reported that Morgan had set up a 'loyal club' wherein 'it looked as if he designed to be head of the Tories and that therefore I must be head of the Whigs'; TNA, PRO, CO 1/53, no. 46, Lynch to Jenkins, March 1683.

⁸⁹ Only 4 of the 10 members of Council in place at the Duke's arrival remained in office by Dec. 1688. Even with the upsets under Carlisle the government personnel had shown remarkable continuity in the previous decades. Six of the 10 men who were Council members on Albemarle's arrival in Dec. 1686 had held the position since 1671 or earlier. A seventh was son of a founder member. TNA, PRO, CO 1/65, fos. 75, 314, 370; TNA, PRO, CO 138/6, fos. 88–93, 109. In April 1687, Albemarle dissolved the assembly elected in February which was not to his liking, and the franchise was extended for elections in July. All 32 members of the February assembly had been members previously but only 12 were returned in July. Eleven members were entirely new to the house. There were allegations of foul play, but those who tried to resist the duke's manipulations received stern punishment. Thirteen men were arrested for 'ryot' in Clarendon and fined a total of £2,240; TNA, PRO, CO 140/2, fo. 118; CO 138/6, fo. 210b; CO 1/65, fos. 84, 91b, 114. The duke also replaced the chief judge, assistant judges, and Provost Marshall with his own supporters; TNA, PRO, CO 138/6, fos. 82–6, 88–93; TNA, PRO, CO 1/65, fos. 61–61b.

rency which eroded the value of London debts; promoting privateering, and seizing Spanish goods. In May 1688, the *asiento* agent fled the island.⁹⁰

Neither Carlisle or Albemarle did much to promote Crown interests, as both were mainly concerned with using their periods in office to line their own pockets. However, the islanders at large did benefit: slave prices fell below £15 (island currency) as the *asiento* trade was disrupted and, according to the island's Naval Officer's returns, both the tonnage of ships trading at Port Royal and the volume of exports remained buoyant under Albemarle.⁹¹ On the other hand, the 35 per cent trade was certainly 'undone'. The *asiento* party mounted strong resistance to both Carlisle's and Albemarle's attempts to follow royal instructions to impose permanent revenue bills that would have undermined the power of the assembly which they now saw as an important bulwark against Crown 'tyranny'. In 1680, the Whig elite raised a fund of £300 to support leading 35 per cent traders, William Beeston (Speaker of the Assembly), Samuel Long (the deposed Chief Justice), and Peter Beckford (an RAC agent) in returning to London. They joined their associates (Lynch, Charles Littleton, Thomas Duck, and Rainsford Waterhouse) in using the language of the rights of the true born Englishman to lobby in defence of Jamaica's so-called ancient constitution (dating from 1662).⁹² They met with some success and, after exposing the less well-connected Morgan for his 'bold, licentious, and unlawful' patronage of the privateers (and Carlisle's collusion), they were rewarded with the appointment of Lynch, one of their own party, as governor in 1681.⁹³ Similarly, in 1688, Hender Molesworth (RAC agent and acting governor after Lynch's death) and other 35 per cent traders fled back to London, where they helped their Whig associates (including all the Jamaican merchants among the major colonial merchants of 1686) orchestrate protests and petitions against the 'arbitrary' power of some 'necessitous persons' put in power under Albemarle by which they claimed (despite strong evidence to the contrary) that the 'once flourishing island' had been 'undone'.⁹⁴ Of course, it was not the island which had been undone but the rents of the transatlantic merchant planter elite and, above all, those obtained in the lucrative Spanish trade.

As James's position became increasingly difficult, in the autumn of 1688 he moved to pacify the group of influential Jamaica merchants who were expressing such wild discontent. After Albemarle's death in October he appointed Moles-

⁹⁰ TNA, PRO, CO 138/4, Morgan to Lords of Trade, 8 May 1681, fos. 47–8; TNA, PRO, CO 140/4, minutes of Council of Jamaica, 21 March 1688; TNA, PRO, CO 138/6, Albemarle to Lords of Trade, 11 Feb. 1688, fo. 82; TNA, PRO, CO 1/65, petition of Hender Molesworth, fo. 314; TNA, PRO, CO 138/6, Albemarle to Lords of Trade, 2 May 1688, fo. 116; TNA, PRO, CO 1/64, Castillo to Bishop of Cuba, 23 April 1688, fo. 234. A Dutch *asiento* ship was also seized; TNA, PRO, CO 138/6, fos. 210–14. On Castillo, see Osborne, 'James Castillo'.

⁹¹ In fact, sugar exports were higher in 1688 than in 1687, and almost reached the peak level of 1686. The tonnage of ships entering Port Royal increased in 1688; TNA, PRO, CO 142/13, Naval Officer's Returns, Jamaica, 1680–1705.

⁹² Whitson, *Constitutional development*, pp. 70–109.

⁹³ Lynch and Littleton had acted as governors. Duck and Waterhouse were among the major colonial merchants of 1686. *C. S. P. Col.*, 1681–5, no. 11, 'Col. Long's letter', 27 Jan. 1681; BL, Sl. MS 2,724, Martin to Carlisle, 29 June 1681, fo. 225; TNA, PRO, CO 138/3, Morgan to Jenkins, 9 April 1681, fo. 480; TNA, PRO, CO 138/3, Morgan to Carlisle, 5 July 1680, fo. 236.

⁹⁴ TNA, PRO, CO 1/65, 'The humble petition of diverse of the planters and merchants trading to Jamaica', Nov. 1688, fo. 373. Molesworth was required to give bond for £100,000 before being allowed to leave; TNA, PRO, CO 138/6, Albemarle to Lords of Trade and Plantations, 11 May 1688, fos. 118–19. The list of securities reflects the membership of the *asiento* clique, and includes the RAC agents and the Heathcote brothers; TNA, PRO, CO 1/65, fo. 376.

worth to replace him, with orders to restore the island's government to the condition that it had been in before the duke's arrival.⁹⁵ Action was thwarted by the flight of the king in December, but the Whig colonial merchants who subscribed funds to the City loan that secured William in power also petitioned for the confirmation of James's orders.⁹⁶ William readily acceded to the request and the renewed orders sent to the island on 11 January were among his first acts.⁹⁷ Furthermore, the appointment of Molesworth was confirmed and, on his death, other pro-asiento governors were chosen—the Earl of Inchiquin and Beeston, a long-standing 35 per cent trader.⁹⁸

IV

The clash in Jamaica between Crown appointees and the transatlantic merchant-planter elite was part of a pattern that prevailed in the late Stuart Atlantic world. In hijacking the rules of the game, the Crown undermined vested interests throughout the empire, and alerted them to the calamitous consequences of 'arbitrary power'. On hearing the news of James's flight and the landing of William of Orange, there was a series of uprisings starting in Massachusetts where a band of rebels (including many of Dudley's council) seized and jailed Andros and his associates. The Dominion was dissolved and the colonists reinstated the governments that had been in place when James II ascended the throne in 1685. Agitation quickly spread south with rebellions in New York and Maryland, and in Antigua the chief planters pressured the governor into resignation and departure. As Dunn has emphasized, the colonial rebels and petitioners of 1688 and 1689 were not aiming at independence but, in partnership with their associates in the metropolis, they wanted to restore the balance of power that had prevailed before the centralization drive of the last Stuarts, and recover their tight grip over the political institutions that allowed them to secure rents.⁹⁹

Colonial merchant faith in the Revolution proved well placed. The settlement did avert what they characterized as the threat of Stuart absolutism and allowed the transatlantic elite to recover and strengthen the political property rights which had been eroded by later Stuart 'tyranny'. A new consolidated state did much to align the interests of the Crown and the parliamentary classes. Parliament was to meet every year with triennial elections and was given more complete control over state expenditure. Between 1689 and 1698, the Commons met for 1,300 days (almost eight times as long as in the same period under the later Stuarts).¹⁰⁰ Although the king retained his prerogative powers, they were curbed by the new financial arrangements.¹⁰¹ The Corporation of London and the livery companies recovered their charters and liberties and, as a major government creditor, the City was able to re-establish its power and influence.¹⁰² In the colonies, local elites

⁹⁵ TNA, PRO, CO 138/6, King to President and Council of Jamaica, 30 Nov. 1688, 1 Dec. 1688, fos. 145–6.

⁹⁶ TNA, PRO, CO 138/6, petition of planters and traders to Jamaica in London, 11 Jan. 1689, fo. 146.

⁹⁷ TNA, PRO, CO 138/6, letter from Prince of Orange, 11 Jan. 1689, fos. 147–50; TNA, PRO, CO 138/6, King to President and Council of Jamaica, 22 Feb. 1689, fo. 156.

⁹⁸ *C. S. P. Col.*, 1693–5, no. 285, petition of merchants and planters concerned in Jamaica, 20 Apr. 1693.

⁹⁹ Dunn, 'Glorious Revolution and America'.

¹⁰⁰ Hoppit, *Land of liberty?*, pp. 7–8, 13–30.

¹⁰¹ Roseveare, *Financial revolution*, p. 35; Epstein, *Freedom and growth*, pp. 12–37.

¹⁰² Roseveare, *Financial revolution*, pp. 33–5.

reasserted their control of constitutions and charters; assemblies were strengthened to guard against future Crown encroachments; governors were chosen, with full consultation, from within the transatlantic trading elite's own ranks (James Kendall and Francis Russell in Barbados, Molesworth and Beeston in Jamaica, Christopher Codrington in the Leewards, William Phips in Massachusetts, a realigned Andros in Virginia); and although Parliament's attempt to set up its own Committee of Trade was thwarted by the king's establishment of the Board of Trade in 1696, as an advisory body to the Privy Council it did not, unlike the earlier Council of 1675, have executive authority.¹⁰³

In alliance with their metropolitan associates, the small colonial elites strengthened their control of the rules of the game in the Atlantic world as the Crown, in effect, subcontracted the management of the empire in return for political and financial support. The deal was sealed by pursuit of an expensive war. This not only fulfilled the Crown's dynastic ambitions but also promoted the interests of the major colonial merchants by promising to contain the commercial ambitions of the French and, above all, to thwart their attempt to make themselves 'masters of the West India trade' through the Spanish succession, while also opening up massive new rent-seeking opportunities for those with the capital and connections needed to gain access to government contracting and credit.¹⁰⁴

Support for the Revolution was reflected in the political activities of the major colonial merchants of 1686. Sixteen continued to play an active part in political institutions and partisan politics after 1689 and they included only two Tories (Thomas, who had been closely associated with the later Stuarts and remained staunch in his views, and Gore, whose choices were constrained as governor of the Hamburg Company but who did business across the party divide).¹⁰⁵ Seven took civic office (six Whigs and Gore); three were elected to Parliament (all Whigs, although Gore was selected as a candidate and stood down); and nine served as colonial agents (all Whigs).¹⁰⁶ All made full use of their political influence to promote their own commercial interests but, as shown in the post-Revolution stories of the RAC and the *asiento* trade, their actions reflected pragmatism and splintered interests rather than any ideological commitment to 'free trade' and were far from positive for growth.

Although the Revolution Settlement did not deprive the Crown of its prerogative rights, the chartered companies quickly became aware that their monopolies had lost any shred of legitimacy and the RAC was, in fact, sued by those who had suffered seizure under the Stuarts.¹⁰⁷ However, whereas the Hudson's Bay Company (governed by Sir Steven Evance, a Whig,) was able to persuade Parlia-

¹⁰³ Dunn, 'Glorious Revolution and America', pp. 461–5; Steele, *Politics of colonial policy*, p. 17.

¹⁰⁴ Guttridge, *Colonial policy of William III*. Government expenditures increased from £1.7 million in the 1680s to £4.9 million during the Nine Years War; Roseveare, *Financial revolution*, pp. 2, 33–8.

¹⁰⁵ Dalby Thomas eschewed Whig associations and led pamphlet attacks on the 'monied' Whig directors of the Bank of England set up in 1694, while championing the rival Land Bank. He provided pamphlet support for the African Company, became a director in 1698, and ended his career as its Agent General on the Gold Coast (1703–11).

¹⁰⁶ In the decade before 1688, five of the major colonial merchants of 1686 took civic office (three Tories and two Whigs), although four of the Whigs (all dissenters) were included in the Common Council in 1688 as James fell out with the Anglicans. None took a seat in Parliament before 1689 (although Eyles was elected in 1679).

¹⁰⁷ TNA, PRO, T 70/82, fos. 63, 80v, 83; TNA, PRO, T 70/83, fo. 13v, 32, 36v, 46. On the case of Nightingale v. Bridges, see Sharp, 'Economic consequence'.

ment to grant it a statute monopoly for eight years, the RAC, with its close links to the Stuarts, failed to obtain similar privileges in the face of well-organized Whig opposition in which the major colonial merchants of 1686 played a prominent role.¹⁰⁸ However, as supporters of the company noted, these same Whig opponents of a statute charter had no hesitation in seeking privileges for their own enterprises and took no immediate action to ‘settle’ the African trade as this would have involved them in increased expenses. They were content to allow the company to retain a worthless monopoly and with it the obligation to cover the costs of an African establishment which soared during the war.¹⁰⁹ Not surprisingly, the company’s share price collapsed, but the major colonial merchants, such as Gilbert Heathcote and Thomas Starke, who engaged in private trade with strengthened free-rider advantages, could turn a good profit although slave prices were still constrained by the need to demonstrate the merits of ‘free’ over regulated trade.¹¹⁰

Only in 1698, after a wave of disgust at Whig corruption, was the trade officially opened and private traders required to pay a 10 per cent levy on exports to fund the African forts and other expenses.¹¹¹ Neither side was pleased: the company lost its monopoly and the private traders lost their free-rider benefits and, in fact, many of the major colonial merchants withdrew from the trade. However, planters did not gain from this apparent trade liberalization as, despite the end of the war, slave prices took a steep upward turn after 1698 and there was a suggestion that, with the easing of the competition between regulated and ‘free’ trade, the private traders were able to collude and ‘impose that Egyptian bondage upon [the planters] that they pretended to fear from the Company’.¹¹² By 1708, the price for a slave in Barbados had soared to £26.5 (almost twice the level that prevailed in the 1680s) and many small planters in the eastern Caribbean were pressing for a return to regulation. In fact, the last shreds of the fabric of monopoly were swept away in 1712, on expiration of the 1698 Act, and at the same time as the Tory administration sought a new way to profit from the slave trade with the formation of the South Sea Company and the license to supply the *asiento* contract at the expense of the Whig colonial merchants.¹¹³

While the impact of the Glorious Revolution on the slave trade was more ambiguous than is often suggested, and the end of the competition between monopolists and free traders had an adverse effect on slave prices, the Revolution gave Jamaica’s 35 per cent traders a resounding victory which they used to repair the value of the rents that had suffered damage under the Stuarts. Under the interested government of Inchiquin, and then Beeston, the *asiento* agent returned

¹⁰⁸ For discussion of the Hudson’s Bay Company’s success, see Davies, ‘Introduction’. According to Keirn, ‘Monopoly’, pp. 435, 439–44, at least 25 of the 31 members who supported the RAC voted consistently with the Tories, whereas 35 of the 41 members who opposed the Company were Whigs.

¹⁰⁹ ‘Ever since the Parliament voted that it was the undoubted right of all the subjects of England to trade to foreign parts—none of those Free Traders have ever brought to the Parliament a bill to settle the trade but still opposed what was offered by the Company . . . because those Free Traders had just cause to believe that under such a regulation whatsoever it shall be, they must pay towards what by Parliament should be thought necessary for the general interest of that trade whereas if they could continue that heavy load upon the Company only by opposing this bill, they should enjoy their trade without that expense’; *Considerations relating to the African Bill*.

¹¹⁰ The share price fell from 52 shillings in 1692 to 20 shillings in 1694; Scott, *Joint stock companies*, pp. 2, 32–35; TNA, PRO, HCA 13/82, ‘Deposition of Henry Mees’, Nov. 1695, fo. 18; Price, ‘Sheffield v. Starke’.

¹¹¹ BL, Add. MS 14,034, fo. 93; TNA, PRO, T 70/1198–9, ‘Entry Book on outgoing exports and 10% duty’.

¹¹² BL, Add. MS 14,034, fo. 113b; *Considerations relating to the African Bill*.

¹¹³ Davies, *African Company*, pp. 151–2; Keirn, ‘Monopoly’, pp. 436–7; Pettigrew, ‘Free to enslave’.

Table 3. *No. of importers of sugar and tobacco into London*

	Tobacco		Sugar	
	<i>No. of importers</i>	<i>Vol. (lbs)</i>	<i>No. of importers</i>	<i>Vol. (cwt.)</i>
1663/9	n.a.	8,196,000	n.a.	168,248
1686	292	14,161,000	812	426,925
1719	111	22,551,958	629	425,225

Sources: BL, Add. MS 36,185; Zahedieh, *Capital and colonies*; Price and Clemens, 'Revolution in scale'. Christmas 1718–Christmas 1719; Leeds City Library, Sheepscar Branch, Archives Department, Newby Hall MS 2,440; TNA, PRO, Cust3/21.

to the island and the governing Whig clique resumed the Spanish slave trade on the old favourable terms.¹¹⁴ In a report of 1708, it was claimed that Jamaica received around half the slaves shipped across the Atlantic by the English and around half of these were resold to the Spanish colonies in a trade said to be worth £150,000 a year.¹¹⁵ A small ruling clique and their associates became rich, and the protests of small planters about inadequate slave supplies and high prices fell on deaf ears. The trade continued to flourish until it was disrupted by the formation of the South Sea Company with its license to supply the *asiento* contract.

As in Jamaica, the Glorious Revolution encouraged other colonial elites to direct their capital and skill into rent-seeking enterprises, and war provided a wide range of new opportunities. Meanwhile, war drove up the net costs of productive activities and eroded the profits of small planters and traders. Property was damaged and slaves were seized. Ships and sailors were diverted into military activities, which caused a sharp rise in commercial freight rates exacerbated by the high risks of enemy attack and soaring insurance rates. The volume of trade fell in the 1690s and did not recover the level of 1686 for 30 years. The number of importers of colonial commodities into London fell steeply (table 3).¹¹⁶

However, war created a range of lucrative opportunities for those with capital and good political connections. Naval needs raced ahead of available supplies and stimulated new efforts to exploit American timber and other resources and, as with the Spanish slave trade, well-placed individuals (including a number of the major colonial merchants of 1686) sought to use political influence to secure privileged access to supplies and government contracts worth tens of thousands of pounds.¹¹⁷ In extending military operations across the Atlantic, the war also involved the transport, clothing, feeding, and payment of several thousand troops over extended periods of time, and well-placed merchants, such as the colonial agents, could line their pockets with very attractive supply contracts.¹¹⁸ Payment was fairly secure as until 1696 Parliament, with its new tighter control over state finances, was willing to use tax revenues to underwrite repayment of loans from its own

¹¹⁴ TNA, PRO, CO 138/8, Beeston to Committee of Trade, 24 Aug. 1695, fo. 56; *C. S. P. Col.*, 1693–5, no. 285, petition of merchants and traders concerned in Jamaica, 20 April 1693; Osborne, 'James Castillo'.

¹¹⁵ BL, Add. MS 14,034, 'Papers relating to the West Indies and America', 1696–1726, fos. 108–9.

¹¹⁶ Colonial imports into London were valued at £857,646 in 1686 and £838,812 in 1700; Zahedieh, *Capital and colonies*.

¹¹⁷ Albion, *Forests and sea-power*; Malone, *Pine trees and politics*; Ehrman, *Navy*, pp. 59–66, 474. On New England naval supply contracts, see TNA, PRO, CO 5/859, fos. 46–54, 57–9, 61, 62, 74, 84, 90, 151, 161; Boulton, ed., *Provincial papers*, pp. 122, 135, 142–3, 162–3.

¹¹⁸ On the high profits made by contractors, see TNA, PRO, T 48/49. On contracts for the expedition to Jamaica, see TNA, PRO, CO 138/7, fos. 233, 241, 257, 339, 340, 342, 358, 359.

Table 4. *Wealth at death of 24 of London's major colonial merchants of 1686*

<i>Wealth</i>	<i>No.</i>	<i>Merchants</i>
Bankrupt	2	Carleton, Gracedieu
Below £1,000	1	Barnes
£1–4,999	1	Tilden
£5,000–9,999	3	Lane, Richards, Thomas
£10,000–29,999	8	Gardner, Lane, Lucy, Paggen, Perry, Skutt, Stark, Walker
Over £30,000	9	John and Francis Eyles, Gore, Heathcote, Peter and Pierre Henriques, Jeffreys, Martin, Taylor

Source: Zahedieh, *Capital and colonies*.

stake-holders. In 1694, a group of mainly Whig merchants, among whom the major colonial merchants were prominent, grouped together to obtain a statute charter and exclusive privileges for the Bank of England which further raised the profits, and reduced the risks, of supplying the government with goods and services.¹¹⁹ However, a rival Tory scheme to establish a Land Bank (in which the Tory colonial merchant Thomas was involved) failed for want of subscriptions.¹²⁰

While the political conditions that prevailed in the two decades after the Glorious Revolution underpinned rising slave prices, falling numbers of participants in Atlantic commerce, and a stagnation in trade volumes, they also allowed a small number of merchants to raise themselves to vast estates. At least eight of the major colonial merchants of 1686 who died after 1689 left fortunes in excess of £30,000 which could not have been earned in commodity trade alone (table 4).¹²¹ All eight had good political connections and were heavily involved in rent-seeking activities such as the *asiento* trade, land speculation, timber, and supply contracts (and were subject to corruption charges at some stage in their careers).¹²² The career of Gilbert Heathcote, the most spectacularly successful of the group, provides a clear demonstration of the importance of political connections and rent-seeking activities in building a merchant fortune.

After serving an apprenticeship to a Baltic merchant and working for a period as a factor in Stockholm, Heathcote returned to London in 1680 with sufficient capital to start his own business and began to diversify into Jamaican trade in partnership with three brothers on the island.¹²³ As a private slave trader, and an associate of the 35 per cent trading clique which was damaged by Crown policies, Heathcote played a prominent role in the campaign that allowed the elite to recover control of island government and gave enthusiastic support to the Glorious

¹¹⁹ Dickson, *Financial revolution*.

¹²⁰ Thomas, *Propositions*.

¹²¹ Individuals rarely imported goods over the value of £20,000 and the average value of imports among the top 30 colonial importers into London in 1686 was below £10,000, much of which would have been imported on a commission of 2.5% and earned less than the 10% which was hoped for on trade on the merchant's own account. A colonial merchant was doing well to make £1,000 a year from commodity trade alone. Zahedieh, *Capital and colonies*.

¹²² Of the eight, two were disqualified from politics by religion, three were elected as MPs although Eyles did not take his seat, five were involved in City politics, and five were colonial agents in London. Cruickshanks, Handley, and Hayton, eds., *House of Commons*, vol. 4, pp. 63–4, 763–4; Zahedieh, *Capital and colonies*.

¹²³ Heathcote, *Account*; Astrom, *From cloth to iron*, pp. 161–2; Archives of Jamaica, Spanish Town, Jamaica, Powers of Attorney, 1B/11/24, vol. 8, fo. 27; vol. 9, fos. 48b–49, 105, 105b, 183.

Revolution.¹²⁴ He took immediate advantage of the new political situation and became a member of the Court of Common Council in 1689, where he kept a keen eye on his own commercial interests as he took an increasingly prominent place in City associational life and became an MP for the City in 1701.¹²⁵ He played an active part in the Whig campaigns against the East India Company, the RAC, and the cartel established by the lessees of the Legal Keys, although he also backed moves to obtain exclusive privileges for the New East India Company, the Bank of England, and the contract to supply the Russian tobacco monopoly.¹²⁶ By the 1690s, Jamaica dominated Heathcote's commodity trade and, with imports valued at £8,019 in 1695, he was London's leading Jamaican importer, although this commodity trade would not have generated a profit of more than £800 a year.¹²⁷ However, he served as agent for the governor, which gave him access to the more profitable Spanish slave trade and war-time contracting and credit. In 1695 Heathcote provided the men-of-war in Jamaica with credit of almost £6,000, and between 1701 and 1706 he remitted an annual average of £12,000 for the use of stationed naval forces.¹²⁸ As a major government lender, Heathcote had a close interest in ensuring that government credit was sound, and was among a number of contractors in the inner group who promoted the chartering and floating of the Bank of England in 1694 to secure government debt. Heathcote subscribed £8,000 in 1694 and £6,875 in 1697, and was reported to have made some £60,000 from his Bank investment between 1697 and 1700. Heathcote also took a close interest in the management of the Bank, serving as a member of the Court of Directors almost continuously from 1694 until his death in 1733 with two periods as governor (1709–11 and 1723–5).¹²⁹ Not surprisingly, he took a resolutely pro-war stance and was among the Directors of the Bank of England who obtained an audience to lobby the Queen against peace in 1711. He died worth an estimated £700,000 and was hailed as the 'richest commoner in England'.¹³⁰

The Glorious Revolution did little to promote the development of benign institutions that reduced transactions costs and promoted growth in the Atlantic economy. Rather, it allowed the parliamentary classes to settle the rules of the

¹²⁴ CLRO, Loan Accounts, MS 40/34, 40/35; Misc MS 113/25. Cruickshanks et al., eds., *House of Commons*, vol. 4, pp. 309–17.

¹²⁵ Heathcote was treasurer of the Eastland Company between 1697 and 1699, Master of the Vintner's Company in 1700, alderman from 1702 to 1733, sheriff in 1703–4, and Lord Mayor in 1710–11. He was colonel of the City's Blue regiment and an active leader of the Whiggish Honourable Artillery Company. After standing for Parliament without success in 1698, he was elected in 1700 but immediately expelled as being a trustee for circulating exchequer bills. However, he was elected in 1701 and sat until defeated in the post-Sacheverell Tory upsurge at the election of 1710. After 1715, he was re-elected for a number of West Country constituencies; Heathcote, *Account*, p. 79; Cruickshanks et al., eds., *House of Commons*, vol. 4, pp. 309–17; Horwitz, ed., *London politics*; Shaw, ed., *Calendar of Treasury Books*, vol. XVI, pp. 47, 56, 76.

¹²⁶ Jones, *War and economy*, p. 296; *H. of C. Journals*, vol. XI, p. 114; Roseveare, 'Damned combination'; Bank of England Archive, MS G 4/1, Minute Book of Court of Directors; Price, 'Tobacco adventure'.

¹²⁷ In 1695, Heathcote's total commodity imports into London were valued at £14,051; Jones, 'London overseas-merchant groups'.

¹²⁸ TNA, PRO, CO 138/7, fo. 358; TNA, PRO, CO 138/9, fo. 159; Cruickshanks et al., eds., *House of Commons*, vol. 4, pp. 309–17.

¹²⁹ Heathcote was also prominent in the New East India Company (subscribing £17,000) in which he took an active management role until the merger with the old company in 1709; Cruickshanks et al., eds., *House of Commons*, vol. 4, pp. 311–17.

¹³⁰ *Gentleman's Magazine*, vol. III, Jan. 1733, p. 47.

Atlantic game in ways that allowed the elites to secure rents which undermined competitive conditions and enriched the largest traders at the expense of smaller operators and overall growth in the export sector. As Davenant complained, it 'rained gold and silver' on the monied interest as it 'wallowed in the people's wealth'.¹³¹

V

England's extensive growth in the New World can be viewed as bringing windfall gains that did much to explain the long period of increasing commercialization and Smithian growth which culminated in the industrial revolution. Over the long run, colonial trade not only enhanced the country's supply base but also changed the incentive structure in ways that stimulated efficiency improvements across the economy. However, close examination of the interests at play in England's Atlantic world does not support the Whiggish view that the Glorious Revolution changed institutions in ways that were better for growth than those that prevailed in the earlier period. After three decades in which the competition between Crown and the parliamentary classes constrained both in their efforts to capture the profits of empire, and which saw very rapid increases in colonial output and trade, the resolution of the rules of the Atlantic game in 1689 allowed a consolidated state better to manipulate and manage the imperial economy in its own interests and ushered in a long period of slow growth. A small commercial elite was able, with Crown collusion, to secure rent-seeking enterprises and fight expensive wars, while with higher input prices, and risky trading conditions, plantation production stalled, the volume of Atlantic trade stagnated, the number of participants in colonial commerce contracted, and European rivals began a process of rapid catch-up. Growth resumed in the 1740s, as European population and demand for primary products took a steep upwards turn, although the rules of the game remained substantially unchanged until a renewed centralization drive after 1763 sparked the discontents which culminated in Revolution and independence for the northern colonies.¹³² In allowing a small elite to use political power to secure rent-seeking enterprises and engross the fruits of empire, the Revolution of 1689 was far less glorious than the Whiggish myth-makers would have us believe and did, in fact, deliver sustained damage to growth.

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¹³¹ 'A true picture of a modern Whig', in Whitworth, ed., *Works*, vol. IV, p. 125.

¹³² McCusker and Menard, *Economy of British America*, pp. 51–70.

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