MONEY, MERCANTILISM AND EMPIRE IN THE EARLY ENGLISH ATLANTIC,
1607-1697

by

Jonathan Edward Barth
A Dissertation
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Committee:

___________________________________________ Director

___________________________________________

___________________________________________

___________________________________________

___________________________________________

___________________________________________ Department Chairperson

___________________________________________ Program Director

___________________________________________ Dean, College of Humanities and Social Sciences

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Money, Mercantilism and Empire in the Early English Atlantic, 1607-1697

A dissertation submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy at George Mason University

By

Jonathan Edward Barth
Master of Arts
University of North Carolina at Charlotte, 2009
Bachelor of Arts
Appalachian State University, 2005

Director: Cynthia A. Kierner, Professor
Department of History

Spring Semester 2014
George Mason University
Fairfax, VA
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ABSTRACT

MONEY, MERCANTILISM AND EMPIRE IN THE EARLY ENGLISH ATLANTIC, 1607-1697

Jonathan Edward Barth, Ph.D.

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Dissertation Director: Dr. Cynthia A. Kierner

Money was one of the most contested issues between England and its American colonies in the seventeenth century: the common denominator impelling each side of a transatlantic drama. The currency-rooted conflict was a principal offshoot of mercantilism, the most foundational theory of empire in the early modern period. Acting in accordance to mercantilist theory, imperial officials sought to mold colonial commerce so as to privilege the monetary interests of England. But the colonists too wanted money, and recurrently engaged in acts of economic and political resistance to an imperial policy of monetary subordination. Only with the post-revolutionary settlement of the 1690s did the conflict partially resolve itself, with the generality of American colonists now tolerating a greater degree of economic and monetary sacrifice for the greater good of empire.
The word *money* at once calls to mind a near-boundless spectrum of thoughts and ideas, emotions and passions, definitions, classifications and characterizations. Some associate money with the seemingly rhythmic workings of the market economy, celebrating currency for its power to incentivize economic productivity and ingenuity. Others associate money with the unbridled pursuit of wealth, the progenitor of anti-social, even destructive behavior. Weber called money the “father of private property”; Marx called money “the god among commodities.” The Bible calls money a root of all evil.\(^1\)

But what is money? Money, strictly speaking, is a commonly-accepted medium of exchange: a tool of trade to acquire things of want or need. Money can be paper, plastic, gold, silver, copper, tin, tobacco, or sugar. Money can be a digital algorithm floating through cyberspace.

Yet in a broader sense, money is still far more than its material substance. Money is a medium not only of exchange, but also of power, control and privilege. Money is a symbol of authority, hierarchy, achievement, loss, value and worth. Money is one of the most defining features of modernity – so much so, that we can hardly imagine life

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without it. Money is practically irresistible; it is both loved and hated, and destroys relationships as often as it creates them. Money, indeed, makes the world go ‘round. Even time is said to be money.

Money, still more, is a medium of information. Money, through the price system, communicates essential economic intelligence about the subjective value-preferences of buyers and sellers. But just as importantly, money communicates a torrent of political and cultural information. The iconography of money, the substance of money, the ownership of money, all disclose a great deal about the people who use it, the economy that receives it, and the government or institution that issues it.

Money is also global. Indeed, no commodity more than silver, in the early modern era, evidenced the great extent to which the world was now interconnected. Silver was the silk that made the web of global commerce. Consider a typical commercial route at the end of the seventeenth century. A single piece of silver, extracted and minted in Peru or Mexico, traded by the Spanish for slaves at the Dutch Caribbean island of Curaçao. The Dutch islander then shipped the coin to a New York merchant for flour, who then gives the money to a Boston merchant for English manufactures. The Boston merchant, unless he takes the money to the Boston mint for conversion, then sends the coin to England for additional imported goods. Now in England, the silver – unless melted by a goldsmith to exchange for gold in Europe – is either converted at the Tower Mint into

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2 As Chapter One demonstrates, it was in the early modern period when money finally displaced land as the most sought-after commodity, beginning in Italy in the 14th and 15th centuries, and then spreading to Western Europe and England in the 16th and 17th centuries. Money, ever since, has retained this status.
English coin or shipped thousands of miles away by the East India Company to purchase spices and calicoes, if the coin indeed survived the pirates of Madagascar.

In seventeenth-century English America, money comprised typically of common agricultural goods, including tobacco, sugar, corn, peas and barley, as well as beaver skins and the ornamental wampum beads of the Native Americans. By the early-eighteenth century, paper currencies dominated most colonial economies, beginning first in New England, then spreading quickly to Carolina, New York, and Pennsylvania.

Early modern and eighteenth-century writers were especially fascinated with currency matters. One English person described money as “every where coveted, and never out of fashion.”

“It answereth all things,” stated another, “and commandeth all things under the Sun.” Defoe may have said it best. “In the Language of Trade,” he wrote, “Money is the Alphabet that forms the Sound.”

True, but we could take his metaphor still further. In the language of empire, money is the alphabet that forms the sound.

Money, most of all, is not neutral. The quantity and quality of money enormously affect the economy through which it circulates. But more importantly, money-as-information – politically, socially, and culturally – shatters all notion of so-called neutrality.

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4 Thomas Violet, *An Appeal to Caesar: Wherein Gold and Silver is Proved to be the Kings Majesties Royal Commodity* (London, 1660), 1.
Yet all too often, historians treat money as if it were neutral, assuming the existence of money in both time and space, sparring the subject from deeper analysis. Historian Harry Miskimin was certainly correct when he wrote in 1996 that “monetary history is little loved and often finds few suitors.” But why is this?

One of the most glaring problems with the old monetary history was language. Past histories too often made currency seem arcane and difficult to understand, especially for those unversed in economics. The old, classical-era of monetary history – as written between the 1870s and 1920s – was, for the most part, entirely drab and all too narrowly-focused on fine economic details, with little to no connection to any broader political, cultural, or imperial questions. Again, this was not the case for all of the histories, but many of the old works – though well-researched and quite informative – never reached anything more than a niche audience, consisting generally of numismatists. Monetary history, consequently, and understandably, earned a reputation as an uncanny, esoteric subject.

Perhaps another reason why monetary history fell so rapidly out of favor was the simple fact that for most of the later twentieth century, systematic questions regarding money and currency no longer played a significant role, or any role at all, in the public discourse. The overwhelming dominance of the United States dollar in the global

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economy seemed to render such discussion unnecessary. It was easy for the historian to
assume money when money was so easy to assume in the contemporary world.

But such was not always the case in earlier periods. From the early-nineteenth
century to the middle of the twentieth, the historical subject of currency underwent three
scholarly waves, each having something particular to say of colonial money, and each
coinciding with the currency situation of the historians’ own age.

The first wave of American monetary history came in the early- to mid-nineteenth
century, as Jackson waged war against the Bank of the United States and as Lincoln
issued Greenbacks to finance the Civil War. These early histories were generally critical
of paper currencies that had no commodity backing. “It seems almost incredible,” one
author wrote in 1840, “that our colonial ancestors should have submitted as they did, for
half a century and upwards, to the use of a currency so fluctuating and fraudulent as the
colonial paper money.”

The second wave constituted a golden age of monetary history, lasting from the
1870s through the end of the Great War, a time in which currency matters became so
prolific and controversial that the subject even infiltrated the popular culture, most
notably in Frank Baum’s *Wizard of Oz*. With this second wave, a tremendous volume of
historical literature on money swept the professional field, with entire books devoted
exclusively to the subject. Even one of the most well-known academics of the period,

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8 Richard Hildreth, *Banks, Banking, and Paper Currencies* (Boston: Whipple and Damrell, 1840), 54. For
other monetary histories from this period, see William Gouge, *A Short History of Paper Money and
Banking in the United States* (Philadelphia, 1833); Joseph B. Felt, *An Historical Account of Massachusetts
Currency* (Boston, 1839); Henry Phillips, Jr., *Historical Sketches of the Paper Currency of the American
Colonies, Prior to the Adoption of the Federal Constitution* (Roxbury, MA, 1865); John H. Hickcox, *A
History of the Bills of Credit or Paper Money Issued by New York, from 1709 to 1789* (Albany, NY, 1866).
William Graham Sumner, wrote *A History of American Currency* in 1874, just as debate over retiring Lincoln’s Greenback dollars reached a boiling point. When the Populist movement exploded on the political scene in the 1890s, many historians drew a connection between the Populist farmer and the colonial debtor-farmer, both of whom favored inflation. Nearly all academics, at the time, opposed or ridiculed the Populist movement, and so, not surprisingly, the second-wave historians were quite derogatory in their treatment of colonial currency experiments.

The Great Depression spawned a third wave in the study of American currency, one that was not nearly so critical of colonial money. In 1934, in the midst of deflationary depression, Curtis Nettels published *The Money Supply of the Colonies Before 1720*. “In this day of monetary upheaval,” he stated in the preface, “...it ought to be interesting to examine the history of the vexing questions of currency... The monetary difficulties which beset the English colonies before 1720 have a rather familiar aspect today.”

Keynes’s 1936 publication of *The General Theory of Employment, Interest and Money* greatly influenced much of this third-wave scholarship. Keynes made popular the theory

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Following the end of the Second World War, interest in American monetary history steadily waned. After the Bretton Woods Agreement in 1945, the United States dollar, now linked only loosely to gold, became the world’s reserve currency, an extraordinary privilege that signaled the peak of the American Empire. The era of dollar dominance – and the decline of older notions of commodity-backed money – demoted the currency question to the backseat (or perhaps the trunk) of mainstream political discourse. Monetary policy, for the most part, became the exclusive concern of Keynesian experts, econometrics, and a smal cadre of libertarian iconoclasts.

Currency briefly returned to the political mainstream during the inflationary 1970s, following Nixon’s severing of the final link between the dollar and gold in 1971. Not coincidently, the 1970s and early 1980s witnessed a brief spurt in historical interest in
money, with several books written predominantly on the subject. Yet the dollar soon stabilized and the United States exited the Cold War the indisputable global superpower, and again there was little reason to question or debate the American medium of exchange. Few monographs since have addressed the issue, excepting occasional mention from economic historians. A whole new set of questions occupied the attention of historians from this period: questions of culture, race, gender, and new ways of thinking and writing about political and economic history. Money was put on the backburner, if not entirely forgotten.

But money is now controversial again. Currency is creeping back into the public discourse. Since the 2008 financial crisis, currency questions have recurrently topped news headlines, and monetary policy has figured prominently in several political campaigns in Europe, Britain, and the United States. And just as telling, a recent wave of historical scholarship is slowly beginning to revisit the subject, one better informed on matters concerning culture and language, and a few of which utilize poststructural

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analysis. The fields of sociology and anthropology, too, are witnessing an explosion of interest in currency, with general calls for scholars in the humanistic studies to “demystify money,” deemed by some as one of the “most important pieces of social technology every developed.”


As this new research so aptly demonstrates, money is far more than economic. As such, the study of currency should no longer be monopolized by economists, many of whom all too often obscure the subject through hyper-specialized jargon and theoretically-dubious mathematical models. Sociologist Geoffrey Ingham, in 1998, was right to criticize the “division of intellectual labour” that so unnecessarily confined money to the economics profession. By doing so, he argued, non-economists have “taken


the existence of money for granted,” contented simply with “highly general and simple descriptions.” This dissertation is in part a response to that challenge. Historians must no longer presuppose money.

\textsuperscript{17} Ingham, “On the Underdevelopment,” 3. Joseph Schumpeter, in 1930, similarly urged that money is “subject-matter not only for economic theory, but also for sociology and, finally, for the historical, ethnological, and statistical,” see Schumpeter, “Money and Currency,” 519.
INTRODUCTION

Money was one of the most contested issues between England and its American colonies in the seventeenth century: the common denominator impelling each side of a great transatlantic drama. The currency-rooted conflict was a principal offshoot of mercantilism, the most foundational theory of empire in the early modern period. Money dictated the rules of the imperial game, and money, too, inspired colonial efforts to combat the same.

Mercantilism was a theory of economic nationalism that emphasized the role of the state in managing trade so as to maximize the accumulation of silver and gold within the nation or kingdom. Money was the prime mover of imperial policy because money ensured power and prestige. The most effective way to accumulate money was through what mercantilists called a favorable balance of trade. Trade was favorable when exports exceeded imports, causing money to flow into the country. Trade was unfavorable when imports exceeded exports, causing money to flee. Mercantilists disagreed zealously over the means to improve the balance of trade, but all agreed upon this common end. Trade begot money, and money begot power, which in turn begot more money, more trade, and more power. Such was the doctrine of mercantilism.

Colonial settlements played an integral role in this new economic order. The principal aim of the colonies, from London’s perspective, was to produce goods to help
the parent state attain a favorable balance of trade: to “increase the wealth and trade of
this nation,” as one English author put it in 1663.1 In securing this monetary objective,
imperial officials, according to theory, had to mold colonial commerce so as to privilege
the interests of London, the seat of empire, both its government and its merchants.

The pecuniary concerns of England always trumped those of its colonial
dependencies. Whenever money-seeking efforts by the colonists diverted coin from
England, the English government prohibited the practice, demanding economic
obedience from its colonial subjects. But the empire’s colonists did not always obey.
They too wanted money, and recurrently engaged in all sorts of economic and political
resistance to an imperial policy of monetary subordination. Smuggling, piracy, currency
devaluation, colonial manufacturing, and even occasional political revolt, all shared a
common monetary root.

This imperial conflict manifested fully after the English Civil War with the
Restoration of King Charles II in 1660, picking up with particular speed after 1675. A
metaphorical tug-of-war ensued: the English government and merchants pulling money
their way, the colonists pulling the opposite direction. Only after the Revolution of 1688
did the conflict partially resolve itself, though, of course, only temporarily.

Mercantilism was not only an economic system, it was also a political system:
political in the sense that colonial adherence to mercantilist law – what I call economic
obedience – was concurrently a sign and act of political allegiance to the greater aims of
empire. Because mercantilism often contradicted the self-interested aims of colonial

1 Samuel Fortrey, Englands Interest and Improvement (London, 1663), 39.
merchants and planters, the effective working of the system required that colonists first embrace the legitimacy of the political-economic framework of empire. Then, and only then, would colonists – collectively speaking – sacrifice economic self-interest for the greater good of political-economic unity.

After the Revolution of 1688 ousted James II from the throne, the royal Protestant succession and a new paradigm of imperial protection from a common French enemy profoundly transformed the colonial view of empire. Monetary subordination, by the turn of the century, became more tenable, from the colonial point of view, than at any time preceding it because the British Empire and Protestant monarch offered colonists protection in return for allegiance, the latter of which included economic obedience to the mercantilist system. Colonists, by and large, accepted the deal, and voluntarily confirmed the agreement in the early- to mid-eighteenth century.

This dissertation, however, examines the period before 1688, when this later imperial arrangement was still far from given, and altogether rejected by some. Empire, at the time, did not yet extend the same degree of protection as it would after 1688, and the threats, besides, were less immediate, making the need for allegiance less urgent from the colonial view. Economic and monetary subordination, indeed, was altogether abhorrent to many of the seventeenth-century American colonists, especially in Massachusetts Bay, resulting in a transatlantic crisis between empire and periphery in the twilight years of Stuart rule.

The organization of this study is largely chronological, but we first begin with theory. The prologue details a story of the origin of money that was especially prominent
in the early modern period, imparted through the words of early moderns themselves. Because we live in an age of digital money, paper money, credit cards and debit cards, we must first transport ourselves back to the very distant world of commodity money if we wish to truly understand and appreciate the currency concerns of our historical subjects.

Chapter One examines the revolutionary impact of American silver and gold upon the sixteenth-century global economy. Both metals flooded European commercial channels in the 150 years following Columbus’s expedition. In the wake of the decline of Spanish hegemony, the rising Western European nation-states adopted a theory known later as mercantilism. Mercantilists adjudged the balance of trade, not mining, as the most effective way to seize the silver and gold presently gushing out of Mexico and Peru. This emphasis on mercantilism contravenes the dominant historiographical trend of the last quarter-century, which has downplayed or denied the existence of any meaning at all to mercantilism, and instead unapologetically presents mercantilism as an objectively definable political-economic construct, with a coherent and meaningful set of identifiable values.²

Chapter Two considers the currency struggles and innovations of England’s first colonial settlements, beginning with Jamestown and concluding with Massachusetts Bay in the 1630s. In Virginia and the early Caribbean, planters adopted tobacco money; in New England, “country pay” and wampum became the dominant currencies. These goods were not money substitutes, but were rather money themselves. Latent imperial tension, meanwhile, even in this early period, was already brewing between tobacco planters and London officials, the latter favoring policies that monetarily prejudiced the kingdom’s staple plantations.

Chapter Three begins with the monetary contraction of the early 1640s through the final years of the Commonwealth government, arguing that it was during this period that England’s American colonies largely broke away from economic and monetary dependency. Economic depression accompanied the wake of civil war in England, and colonists responded to the monetary predicament in a variety of ways, including new export trades, currency devaluation, commercial contact with Dutch traders, and the establishment of a mint-house in Boston. Significantly, the Commonwealth Parliament, in 1651, codified mercantilism into law by passing the Navigation Act, simultaneously rejecting an influential, though highly unorthodox proposal for a land bank in England.

Chapter Four considers the first attempts by the restored Crown to instill a sense of economic and monetary subordination in its colonial settlements, though the efforts, for the most part, were very imperfect in achieving their goal. The Navigation Acts of 1660, 1663, and 1673 prohibited most colonial contact with foreign traders. Enforcing the law was a different story. The Atlantic settlements, through the mid-1670s, maintained a
considerable degree of de facto independence from English imperial control. Smuggling, privateering, colonial mints, coin revaluation, and even a land-bank proposal were all part of the general colonial effort to solve the ever-recurring currency question.

Chapter Five investigates the dismal economic condition of England in the 1670s, arguing that an English monetary crisis induced the Crown in 1675 to embark upon an aggressive colonial reform program. The Crown defaulted on its debt in 1672, trade deficits with France caused a flight of silver across the Channel, and the coinage itself was rapidly deteriorating. Though English mercantilists still agreed on the balance-of-trade doctrine, they varied widely in their prescriptive solutions to the currency problem. Little, if any, consensus existed on matters concerning commercial policy, monetary policy, and foreign relations. Behind this backdrop of monetary uncertainty, the Crown adopted a newly-aggressive imperial stance, with the goal of harnessing the money-making power of England’s American colonies.

Chapter Six analyzes the post-1675 tightening of imperial control over Jamaica and Massachusetts Bay, demonstrating that the English Crown and royal bureaucracy were very determined to capture greater profits from their increasingly profitable settlements. The Lords of Trade, a newly-created royal committee of the Privy Council, captained the forthcoming struggle. The Crown initially centered most of its attention on Jamaica, an island procuring more money for England than the entire North American mainland. For the virtually-independent Massachusetts settlement, the Crown deployed a zealous customs official named Edward Randolph. As Randolph soon discovered, the Boston mint and its pine-tree shilling, more than any other material of its time,
manifested, quite visibly, the economic, political, and cultural stakes in the contest with England.

Chapter Seven canvasses the economic and monetary state of the English empire on the eve of James II’s ascension to the throne, showing that in spite of a commercial boom in the 1680s, the imperial reform effort continued forward. Silver and gold, in the early 1680s, appeared with greater frequency in nearly all parts of North America, thanks in part to the continent’s provisioning trade to the Caribbean, but also to routine smuggling, and pirate money too had a very real impact on the currency supply of the mainland settlements. England itself enjoyed a tremendous period of commercial prosperity in the early 1680s, ushering in unprecedented sums of gold into the kingdom. The quantity of currency in a mercantilist state, however, can never be too much, and the quality of the coinage in England, besides, was still a wreck. When James II assumed the throne in 1685, he did so with a plan to politically, economically, and monetarily subordinate the colonies on a scale more radically than at any time before it.

Chapter Eight begins with the coronation of James II in 1685 and ends with colonial celebrations of the King’s overthrow just four years later. In the time between, the final Stuart King implemented a radical program of colonial reform, engaging, first, the staple plantations, and later consolidating most of the northern governments into a single political dominion, blocking the first government-approved banking institution in the history of the Americas. In England, the same years saw a sharpening of the division between the monopoly mercantilists of the Tory faction and the industrial-capital mercantilists of the Whig faction, with the former controlling government in the 1680s.
Fierce disagreement over the means to acquire money contributed partially to the 1688 Revolution, and the colonists’ dissatisfaction with the King’s money-draining policies was one of several important factors in causing them to so readily hail the ouster of James II.

The epilogue concludes with an overview of the imperial settlement in the years following the Revolution, arguing that the 1690s were the most pivotal decade in the history of English mercantilism, both at home and in its colonies. It was in the 1690s that most colonists truly began to see their subsidiary imperial position as legitimate and tenable, though the precise terms of the arrangement remained a matter of continual dispute. A great English monetary crisis in the mid-1690s, moreover, reinforced the empire’s need for colonial dependencies. London officials, after 1688, learned the lesson that voluntary colonial acceptance of the broader imperial framework was first requisite for the mercantilist state to properly function. James II had mistakenly tried to force the arrangement. The royal Protestant succession, however, as well as a new paradigm of protection against the French, assisted the colonists in voluntarily conceding their place within the empire.
PROLOGUE: A THEORY OF COMMODITY MONEY

Trade is a fundamental component of any economic system characterized by a division of labor, wherein each member of the community relies upon exchange with one another to satisfy their respective wants and needs. Absent the division of labor, each person or family unit lives within a state of economic self-sufficiency. The division of labor, by contrast, entails economic interdependency, with “each becoming an expert and skilful in his own particular art.”¹ “Different men have Geniuses adapted to a Variety of different Arts and Manufactures,” Ben Franklin remarked; some focus their energies on farming, others on making shoes, clothing, and iron tools.² Early modern and eighteenth-century writers understood trade to be an entirely natural phenomenon, “so that it is almost impossible for three persons to converse together two houres, but they will fall into talk of one bargaine or another.”³

Without money, trade requires *direct exchange*, more commonly known as barter. Through barter exchange, each person surrenders a good or service that holds less subjective value to him or her than what they gain from the opposite party. Each party acquires the good purely for consumption purposes. A New England farmer, for instance, wants flour and the neighboring miller wants corn. The farmer and miller trade the two goods, and both sides purportedly benefit.\(^4\)

Though barter occasionally entails success, the many inconveniences too often render this form of exchange “very Tediou\(^s\),” leaving trade but in a “spiritless Condition.”\(^5\) The New England farmer, for instance, wants flour, but the miller wants shoes, not corn. The local shoemaker, meanwhile, has no need for flour, but instead wants corn from the farmer who has no present need for shoes. As one Massachusetts colonist wrote, the difficulties that accompany barter are “innumerable and intolerable,” requiring that “both the Parties dealing (which rarely happens) have the like occasion, of each others Commodities.”\(^6\) Barter demands a mutual coincidence of wants, and

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discovering such a match can be unbearably difficult in a complex economy with a near-infinite variety of things available for trade.  

The solution lies in indirect exchange. The farmer discovers that the miller wants shoes and that the shoemaker wants corn. Though the farmer has no need for shoes, he trades corn to the shoemaker, and then arrives at a bargain with the miller, using the shoes as a medium to acquire his coveted flour. Indirect exchange requires two trades instead of one: the first trade involving a nonpreferred good to be used solely as a medium of exchange, the second trade finally securing the desired good.  

Under indirect exchange, the best strategy is to trade for highly marketable goods: goods that are “most universally received,” to quote classical French economist, Jean-Baptiste Say. If someone with an extra pair of shoes, for instance, desires a watch, and is unable to trade his shoes for a watch, that same person will trade the shoes for a nonpreferred good \( Y \) that any given seller of watches is most likely to accept. After trading the shoes for good \( Y \), the person then exchanges good \( Y \) for the watch. Different goods have different degrees of marketability, and successful traders will seek after those goods which “few people would be likely to refuse.”  

Observant traders notice the
success that fellow traders have in employing good \( Y \) as a medium of exchange, and are likely to emulate. A gradual convergence toward a common medium ensues as more and more traders seek after good \( Y \), not for consumption purposes, but solely for exchange purposes.\(^{11}\)

Such was the reason for the emergence of tobacco money in colonial Virginia. Tobacco, in this period, enjoyed a far wider market than a more luxury item like silk. Virginia traders, early on, perceived that because tobacco was more marketable than other goods, they could unload tobacco more readily in acts of indirect exchange. Once more traders began using tobacco as a medium of exchange, this incrementally strengthened the usefulness of tobacco for other traders in the same community, and before too long tobacco emerged the most dominant medium. For the same reason, in other parts of early America, corn, grain, rice, sugar, and beaver skins all operated as media of exchange, as the second chapter explores in more detail.

Once the convergence toward a common media of exchange sets in, the good may now be properly classified as *money*: it is now a commonly-accepted medium of exchange. Though the recipient of money does not want the monetized good for personal consumption, the trader nonetheless has confidence that he or she can offer, in a subsequent transaction, the same nonpreferred good to virtually any seller of the actual thing desired. Money, as such, is the most liquid of all assets. Those who bring

commodities to market other than money immediately find themselves at a disadvantage, and must first acquire money before they attain the goods they actually want.\footnote{12}{David Laidler, “Notes on the Microfoundations of Monetary Economics,” The Economic Journal 107, no. 433 (July 1997): 1213; White, Monetary Institutions, 6; Menger, “Origin of Money,” 250-1.}

Money, by this stage, is now the most coveted good in the trading community: the way “by which the Value of all other things are reckoned.”\footnote{13}{Nicholas Barbon, A Discourse of Trade (London, 1690), 21. For similar statements, see Malyne, Treatise of the Canker, pp. 5, 7; Child, Discourse of the Nature, 14; Law, Money and Trade, 11; Witherspoon, Essay on Money, 3; Harris, Money and Coins, Part I, 36-7; Philips, State of the Nation, 40; [Hugh Vance], An Inquiry into the Nature and Uses of Money (Boston, 1740), 25; John Asgill, Several Assertions Proved, In Order to Create Another Species of Money than Gold and Silver (London, 1696), 7; Jacob Vanderlint, Money Answers All Things, or, An Essay to Make Money Sufficiently Plentiful Amongst All Ranks of People (London, 1734), 2.}

Money is “the Standard of Trade”; “a scale to weigh one thing against another,” so that it “becomes possible to compare the values of goods of various kinds.”\footnote{14}{John Cary, An Essay on the Coyn and Credit of England (Bristol, 1696), 5; Dalby Thomas, An Historical Account of the Rise and Growth of the West-India Collonies (London, 1690), 2; Rousseau, Emile, 200. On the same page, Rousseau added, “It is difficult to make a direct comparison between various things, for instance, between cloth and corn; but when we find a common measure, in money, it is easy for the manufacturer and the farmer to estimate the value of the goods they wish to exchange in terms of this common measure.” Marx, for this reason, called money the “socially-recognized universal equivalent,” see Karl Marx, Capital: A Critique of Political Economy, Volume I: The Process of Capitalist Production, ed. Frederick Engels, trans. Ernest Untermann (1867; repr., New York: The Modern Library, 1906), 98.}

As such, Say compared money to “vehicles employed to convey to market the produce of a farm” which then “bring back the articles that have been purchased with the produce.”\footnote{15}{Say, Political Economy, 153.}

Like the wagon-cart, money is not the object of ultimate desire. People desire money not for its use-value, but for its exchange-value. Its significance, like the wagon cart, comes in quickening and easing trade, and in overcoming the virtually insurmountable “Difficulties that arose from Bartering.”\footnote{16}{Philips, State of the Nation, 40.}

The foregoing theory begs the question: what was it about silver and gold that elevated these two metals – which have little consumptive value beyond ornamental uses

\footnote{12}{David Laidler, “Notes on the Microfoundations of Monetary Economics,” The Economic Journal 107, no. 433 (July 1997): 1213; White, Monetary Institutions, 6; Menger, “Origin of Money,” 250-1.}
\footnote{13}{Nicholas Barbon, A Discourse of Trade (London, 1690), 21. For similar statements, see Malyne, Treatise of the Canker, pp. 5, 7; Child, Discourse of the Nature, 14; Law, Money and Trade, 11; Witherspoon, Essay on Money, 3; Harris, Money and Coins, Part I, 36-7; Philips, State of the Nation, 40; [Hugh Vance], An Inquiry into the Nature and Uses of Money (Boston, 1740), 25; John Asgill, Several Assertions Proved, In Order to Create Another Species of Money than Gold and Silver (London, 1696), 7; Jacob Vanderlint, Money Answers All Things, or, An Essay to Make Money Sufficiently Plentiful Amongst All Ranks of People (London, 1734), 2.}
\footnote{14}{John Cary, An Essay on the Coyn and Credit of England (Bristol, 1696), 5; Dalby Thomas, An Historical Account of the Rise and Growth of the West-India Collonies (London, 1690), 2; Rousseau, Emile, 200. On the same page, Rousseau added, “It is difficult to make a direct comparison between various things, for instance, between cloth and corn; but when we find a common measure, in money, it is easy for the manufacturer and the farmer to estimate the value of the goods they wish to exchange in terms of this common measure.” Marx, for this reason, called money the “socially-recognized universal equivalent,” see Karl Marx, Capital: A Critique of Political Economy, Volume I: The Process of Capitalist Production, ed. Frederick Engels, trans. Ernest Untermann (1867; repr., New York: The Modern Library, 1906), 98.}
\footnote{15}{Say, Political Economy, 153.}
\footnote{16}{Philips, State of the Nation, 40.}
– to the status of money? For thousands of years, silver and gold functioned as money over large parts of the globe. Ancient Mesopotamians, as far back as 2500 BC, used rings and sheets of silver as media of exchange, and the first coined silver appeared in Greek cities off the coast of Asia Minor in the seventh-century BC.\textsuperscript{17} Gold functioned as money in the ancient Persian Empire, and the Macedonian Empire, under Alexander the Great, minted the first gold coins.\textsuperscript{18} The silver \textit{denarius} and gold \textit{aureus} were the principal coins of Rome dating back to the third-century BC, and remained in circulation in medieval Europe.\textsuperscript{19} Silver was money in the Byzantine and Ottoman empires, as well as in China under the Sung and Ming dynasties.\textsuperscript{20}


\textsuperscript{18} Kevin Greene, \textit{The Archaeology of the Roman Economy} (Berkeley: University of California Press, 1986), 48; Biers, \textit{Archaeology of Greece}, 325.

Silver and gold could be properly called the first global currency, a seemingly mysterious phenomenon that early moderns often pondered. Many writers concluded that the two metals were naturally conducive for indirect exchange. Both metals, it seemed, contained intrinsic properties logically suitable for money. “Nature indeed seems to prompt Mankind to this General Agreement,” Defoe argued. China, Japan, and central Asia “had for Ages before we Corresponded there, dignifi’d these Metals as the Mediums of Exchange.”21 “It cannot be denied,” wrote another, “that they have been used for this purpose in fact from the earliest times.”22 Rice Vaughn, the first English writer to devote an entire monograph to currency, argued in 1630 that the repeated use of silver money in the Hebrew Old Testament constituted “most undoubted” evidence that God himself had predisposed the metal for monetary use.23

The argument, right or wrong, insisted that gold and silver’s beauty, divisibility, fusibility, durability, portability, homogeneity, and impressibility, all made the two metals most seemly for monetary use.

University of Michigan Press, 1999); Ferguson, Ascent of Money, 25; Harris, ed., Monetary Systems, 112-266.
22 Witherspoon, Essay on Money, 9.
23 Rice Vaughn, A Discourse of Coin and Coinage (1630; London, 1675), 13-4. For others who also referenced the use of silver currency by the likes of Abraham, Jacob, and Solomon, see Malynes, Consuetudo, 2: Addition to the Present Melancholy, 10-11; [William Douglass], Postscript, To a Discourse Concerning the Currencies of the British Plantations in America, in CCR, 4:52.
First, before silver and gold became money, the two metals must have been, as Aristotle argued, “intrinsically useful.” Some pointed to their “bewtie, swetnes and brightnes,” or “the Agreeableness of their Colour,” as reason for their initial use. “They are used to make Rings, Jewels, Spoons, Cups”; they had, as John Law noted, “Value in Barter.” Even in cultures that did not adopt these two metals as money – ancient India, for example, or the pre-Columbian Aztecs – the people assigned great ornamental value to both. “Even the Nations of America,” Defoe wrote, “...found out the Beauties and Excellencies of Gold and Silver, made themselves Vessels and Ornaments of them, heap’d them up as their Treasure, and Exchang’d them.”

The beauty of silver and gold made them “Universally esteemed,” but this was merely a secondary characteristic. There were other, far more important properties that ultimately contributed to their emergence as money: “irresistible reasons,” to quote Smith.

Divisibility and fusibility was two of the more commonly referenced properties of gold and silver: divisible in the sense that one can easily cut large pieces into small

24 Aristotle, Politics, 42.
25 Hales, Common Weal, 75; Explaining the Nature of Money, 83. Also see Thomas Milles, The Customers Alphabet and Primer (London, 1608), 75; Franklin, Modest Enquiry, 19; Briscoe, Discourse of Money, 13.
26 Addition to the Present Melancholy, 10; Law, Money and Trade, 10. Also see Asgill, Several Assertions Proved, pp. 6-7, 14; Harris, Money and Coins, Part I, 44; Witherspoon, Essay on Money, 11.
29 Addition to the Present Melancholy, 9.
30 Smith, Wealth of Nations, Bk. 1, Ch. IV, p. 20.
pieces without altering its substance; fusible in the sense that small pieces may easily unite into a large piece. As one Elizabethan writer noted, this distinguished metals from other goods like “precious stones,” which may “not be devided without perishing of the substaunce, nor put againe together.”31 The potential for division and fusion, Smith argued, is “a quality which no other equally durable commodities possess,” including jewels, wrote Locke.32 Contrast this to the ancient Greek use of cattle. In the Homeric epics, for instance, the armor of Diomedes cost the mythical hero nine oxen.33 “A warrior that wished to arm himself at half the price,” Say replied, “must have been puzzled to pay four oxen and a half.”34

Silver and gold are also highly durable: they “contineweth longest with out perishinge” or disintegrating over time35 As such, the money may be “preserved or laid up” without being “speedily corrupted,” despite “passing from hand to hand.”36 They are the “most incorruptible of all Metals,” Defoe wrote, “...and preserve their Beauty under

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31 Hales, Common Weal, 72. Locke also made this point with respect to jewels, in Further Considerations Concerning Raising the Value of Money (London, 1695), 21.
32 Smith, Wealth of Nations, Bk. I, Ch. IV, p. 20; Locke, Further Considerations, pp., 21, 23. Locke writes: “Jewels too are Treasure, because they keep without decay; and have constantly a great value, in proportion to their Bulk: But cannot be used for Money, because their value is not measur'd by their quantity; nor can they, as Gold and Silver, be divided, and keep their value.” Other writers who praised the divisibility and fusibility of gold and silver include Law, Money and Trade, 7; Briscoe, Discourse of Money, 13; Asgill, Several Assertions Proved, 15; Explaining the Nature of Money, 83; Harris, Money and Coins, Part I, pp. 36-8, 43; Smith, Wealth of Nations, Bk. I. Ch. IV, pp. 23-4; Witherspoon, Essay on Money, 16; Say, Political Economy, 222; David Ricardo, Principles of Political Economy and Taxation, 3rd ed. (London, 1821), 79.
34 Say, Political Economy, 221..Also see Malynes, Treatise of the Canker, 7; Witherspoon, Essay on Money, 24.
35 Hales, Common Weal, pp. 72, 74.
36 Witherspoon, Essay on Money, 16.
all the Accidents of Time and Nature.”37 The relative abundance, to this day, of ancient Roman silver coins attests to their remarkable resilience.38 Metals, of course, are not the only durable commodity. Locke believed that the durability of cowry shells was a reason for their adoption as money in western Africa, ancient India, and the Pacific islands. Meanwhile, Locke argued, a major drawback of tobacco money in Virginia was that tobacco will “decay and perish… if they are not consumed by use.”39

Relative to other goods, silver and gold are also highly portable, possessing unusually high ratios of value for their comparatively small size. This renders the cost of transportation from one area to another considerably lower than the cost of transporting other goods, like salt or grain.40 “No commodities can be more easily transported from one place to another,” Smith argued; “a small handful of Money may buy Cart-Loads of some other things,” stated another.41 Contrast this to copper, also historically used as money, but possessing a lower ratio of value for its size. Copper plate-money in

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37 Defoe’s Review, 3:19. For similar statements on the durability of the metals, see Malynes, Treatise of the Canker, 6; Briscoe, Discourse of Money, 13; Asgill, Several Assertions Proved, 15; Law, Money and Trade, 7; Philips, State of the Nation, 40; Harris, Money and Coins, Part I, pp. 36-7, 41, 43, 99; Explaining the Nature of Money, 83; Smith, Wealth of Nations, Bk. I, Ch. IV, p. 23; Say, Political Economy, 222; Ricardo, Political Economy, 79.
38 Greene, Roman Economy, 53.
40 Jean-Baptiste Say noted that salt was used as money in Ethiopia, and responded that if salt was the medium of exchange in his native France, “a man must take a mountain of salt to market to pay for his weekly provisions;” Say, Political Economy, 221. Smith also mentions salt as a medium of exchange in Ethiopia, in Wealth of Nations, Bk. I, Ch. IV, p. 23.
41 Smith, Wealth of Nations, Bk. IV, Ch. I, p. 404; Addition to the Present Melancholy, 10..
seventeenth-century Sweden weighed up to forty-three pounds, and copper money in the Chinese Sung Dynasty traded for roughly 1/1000th of an ounce of silver. Critics of copper money commonly labeled the metal’s “bulkiness intolerable,” and so historically copper has only been used for smaller transactions.

The ancient Spartans used a bulky iron currency, and the pre-imperial Romans tried a bronze money. The denomination of Roman bronze money was the *as*, a one-pound bar. By the third-century BC, Rome had converted to the silver *denarius*, one *denarius* being equal to sixteen bronze *asses*. It was the greater portability of silver that made it more convenient than bronze. In light of this, some writers believed the “Scarcity” of silver and gold to be a positive characteristic that preserved its portability. “If gold and silver were only twenty times as plentiful as they are at present,” argued an eighteenth-century American writer, “they would be quite unfit for general circulation”: they would suddenly become, in the words of another, “too bulky to be made the Standards of Trade.”

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Homogeneity, or sameness in value, was yet another property of the silver and gold that allegedly gave the two metals a distinct advantage over other goods. Tobacco, wheat, jewels, and livestock all possess different grades of quality, but as Locke pointed out, “an Ounce of Silver is always of equal value to an Ounce of Silver, and an Ounce of Gold to an Ounce of Gold.”46 They have a “sameness of quality all over the world,” Say wrote, “whether it came from the mines of Europe or America, or from the sands of Africa.”47

Impressibility, or the ability to press the metal into coins, further distinguished silver and gold from other goods, including diamonds or jewels. They are “capable of receiving a stamp or impression,” Say wrote, “certifying the weight of the piece, and the degree of its purity,” thus avoiding the tedious process of having to weigh the two metals on a scale before completing a transfer.48 Aristotle also appreciated this unique and specially-convenient property of metallic money. Writing only a few centuries after the invention of coins, the Greek philosopher recalled that “the value was at first measured by size and weight, but in process of time they put a stamp upon it, to save the trouble of

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46 Locke, Further Considerations, 27.
47 Say, Political Economy, 31. Also see Law, Money and Trade, 4; Harris, Money and Coins, Part I, pp. 35, 38-9, 46; Witherspoon, Essay on Money, pp. 3, 24, 27.
48 Say, Political Economy, 256. For similar statements, see Rousseau, Emile, 199; Malynes, Treatise of the Canker, 7; Smith, Wealth of Nations, Bk. I, Ch. IV, pp. 25-6; Defoe’s Review, 3:25; Harris, Money and Coins, Part I, pp. 44, 48, 53; Asgill, Several Assertions Proved, 15; Thomas Milles, The Customers Replie, or, Second Apologie (London, 1604), 14-5; Roger Coke, A Treatise Concerning the Regulation of the Coyn of England, and how the East-India Trade may be Preserved and Encreased (London, 1696), 5.
weighing and to mark the value.”\textsuperscript{49} Some additionally argued that the “peculiarity of their colour” and the distinctiveness of “their ring” made it easy to detect false pieces.\textsuperscript{50}

Silver and gold, unlike many other goods, are also “well distrubted geographically,” but because mines are not in every region, the people in such cases must acquire gold and silver by exporting native products: “in the same manner,” Smith wrote, “as one that has no vineyards of its own must draw its wines.”\textsuperscript{51} “In Countries where Domestick Mines do not supply it,” Locke stated, “nothing can bring in Silver but Tribute or Trade: Tribute is the effect of Conquest; Trade, of Skill and Industry.”\textsuperscript{52}

Mining requires a great deal of time, labor, and capital, and so a region producing silver or gold must obtain non-metallic necessities – clothing, iron, or food – from foreign lands that devote time, labor, and capital to the production of other goods than money. In this way the metals spread outside of the gold- or silver-producing region, a process rendered easier, Smith argued, by their portable nature.\textsuperscript{53} For this reason, argued another, countries without mines – such as England or France – “are upon an equal Foot with

\textsuperscript{49} Aristotle, \textit{Politics}, 42. Other writers who referenced this property as a reason to prefer the metals over other commodities include Hales, \textit{Common Weal}, 72; Law, \textit{Money and Trade}, pp. 7, 12; Locke, \textit{Further Considerations}, pp. 5, 8; Vaughn, \textit{Discourse of Coin}, 12-3; Menger, “Origin of Money,” 255.

\textsuperscript{50} Menger, “Origin of Money,” 255. Still others argued that the price of the two metals was remarkably more stable than any other commodity, and “less subject to a sudden rise or fall of its value,” with changes in price “not usually perceptible,” see Harris, \textit{Money and Coins, Part I}, 75-6; Vance, \textit{Uses of Money}, 25; William Gouge, \textit{A Short History of Paper Money and Banking in the United States}, 2 vols. (Philadelphia, 1833), 1:10.


\textsuperscript{53} Smith argued that this process is made easier because unlike “other commodities, which are hindered by their bulk from shifting their situation,” gold and silver are “more easily transported from one place to another... from the places where they exceed, to those where they fall short of this effectual demand,” Smith, \textit{Wealth of Nations}, Bk. IV, Ch. I, p. 403.
other Countries that have Mines in their Possession.”\textsuperscript{54} The “Digging and Refining of those Metals,” indeed, requires so much labor and capital, Locke argued, that a nation may be better off not having any mines at all, relying instead on foreign trade to acquire money.\textsuperscript{55}

The foregoing argument that silver and gold are the “cheefest materialls” for money encountered fierce opposition, over the course of many centuries.\textsuperscript{56} One paper-currency advocate in colonial Massachusetts insisted that only “Insignificant Fools” value silver and gold, which he called “good for nothing.”\textsuperscript{57} Another paper-currency advocate in England argued in 1661 that “there hath not been (at least not yet) a sufficient quantity of either of them to supply all nations.”\textsuperscript{58} Mankind, these writers argued, “put an Imaginary Value on Silver and Gold”; “Custom has made many ignorant prejudiced people think… Silver and Gold… the best and most convenient medium.”\textsuperscript{59}

Early modern opponents of silver and gold money commonly argued that extrinsic value mattered more than intrinsic value. One English critic in 1683 defined money as anything “the Government of each Dominion sets a mark and value on” – that “Extrinsick Value” trumped “intrinsick Worth.”\textsuperscript{60} English men and women valued the

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\textsuperscript{54} Wood, \textit{Survey of Trade}, 332.
\textsuperscript{55} Locke, \textit{Some Considerations}, 14. English writer Francis Cradock disagreed, writing, in 1661, “Such Kingdoms or Countreys whose Mines of either Gold or Silver are but inconsiderable (if any at all) must... part with their best Staple Commodities oftentimes to great disadvantage, to purchase what they want from that great Merchant of Gold and Silver, the King of Spain,” Francis Cradock, \textit{Wealth Discovered, or, An Essay upon a Late Expedient for Taking Away All Impositions, and Raising a Revenue Without Taxes} (London, 1661), 7.
\textsuperscript{56} Quotation from Milles, \textit{Customers Alphabet}, 75.
\textsuperscript{57} Wise, \textit{Word of Comfort}, 5.
\textsuperscript{58} Cradock, \textit{Wealth Discovered}, 7.
\textsuperscript{59} \textit{Weekly Rehearsal} (Boston), 18 March 1734; \textit{New-Hampshire Mercury} (Portsmouth), 6 September 1786.
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English pound and shilling for the legal denomination, not for the metal. “It is not Material upon what Metal the Stamp be set... Brass, Copper, Tin, or any thing else,” Nicholas Barbon, an English Tory, argued in 1690; money has “its sole Value from Law.” Iron, after all, is a “much more Useful Metal, than either Gold or Silver.”61 Some pondered a currency “made of lether.”62 Sir Thomas More even had the people in Utopia use gold and silver for “commonly chamber-pots,” hanging gold chains on the necks of criminals. The Utopians regarded silver and gold with “reproach and infamy,” he wrote, and gave the two metals – along with pearls and diamonds – to young children as “toys and trifles.” Only the “folly of men,” More argued, attributed any worth at all to silver and gold.63

Proponents of metallic currency staunchly replied that the legal, extrinsic denomination was secondary to the money. The metallic content was foremost, and the ancient ‘choosing’ of silver and gold for money happened neither arbitrarily nor by accident. “Money is not regarded for the Name-sake, but for true worth,” one English

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61 Barbon, Discourse of Trade, pp. 21, 26-7. For similar statements, see John Colman, The Distressed State of the Town of Boston Once More Considered (Boston, 1720), 20; Cradock, Wealth Discovered, 4; Lowndes, Report Containing an Essay, 56-8. Historian Jennifer Baker argues that because the extrinsic value of coin was no longer synonymous with the actual weight of the coin (the English pound was no longer an actual pound of silver), a “new concept of monetary value emerged,” whereby the English pound became a symbolic, “imaginary unit” provided by the government. The citizenry, she writes, was no longer concerned with the metallic content, but solely with the face value: extrinsic over intrinsic value, see Jennifer J. Baker, Securing the Commonwealth: Debt, Speculation, and Writing in the Making of Early America (Baltimore: Johns Hopkins University Press, 2005), 9-10. The problem with this argument is that prices always rose whenever monarchs increased the extrinsic value of coin, such as during the Great Debasement, described later in this prologue.

62 Hales, Common Weal, 33. Hales was criticizing this position.

writer responded in 1608.⁶⁴ "If any man think that this has happened by accident," replied another, “or through the whim or caprice of mankind, as one would suspect from the language sometimes used in speech and writing, he is greatly mistaken. No effect of whim or accident ever was so uniform or so lasting."⁶⁵ “There is nothing mystical in its nature,” insisted one American writer: “Men chose gold and silver for the material for money for reasons similar to those which induced them to choose wool, flax, silk, and cotton, for material for clothing, and stone, brick, and timber, for materials for building.”⁶⁶ Even John Law, the Scottish economist best known for introducing paper money to France, argued that silver had “Qualities fitting it for Money, which other Goods had not.” Law simply believed that a paper currency was preferable to a commodity standard.⁶⁷

The debate over the legitimacy of silver and gold money raged on for several centuries, beginning as early as the fifteenth century and continuing forward into the early-twentieth century, producing large bodies of work on all sides. What explained the first adoption and continued use of silver and gold: sound rationality or misguided custom? Locke famously argued that silver and gold have “intrinsick value.”⁶⁸ But as

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⁶⁴ Milles, Customers Alphabet, 75-6. John Hales, in 1581, argued that “golde and silvere is the stuffe moste meetyst for coyne to be stryken in,” see Hales, Common Weal, 6.
⁶⁵ Witherspoon, Essay on Money, 9. For similar statements see, Vaughn, Discourse of Coin, 5; Say, Political Economy, 256; Explaining the Nature of Money, 83; Menger, “Origin of Money,” 252-3; Hales, Common Weal, 33.
⁶⁶ Gouge, Paper Money, 1:8-10. People indeed, he added, “would find it difficult to calculate its exact value in the fractional parts of a horse or a cow, and pounds of lead or of iron would be a very inconvenient circulating medium.”
⁶⁷ Law, Money and Trade, 13.
⁶⁸ Locke, Further Considerations, 1. Locke also stated, however, that “Gold and Silver, being little useful to the Life of Man... has its value only from the consent of Men,” Locke, Two Treatises, Bk. 2, Sec. 50, p. 268. Also see Child, Discourse of the Nature, 18.
Law countered, no commodities have intrinsic value; rather, “goods change their Value, from any Change in their quantity or in the Demand for them.” Absent demand, Law stated, “no Goods have any Value.” Value, in other words, is entirely subjective: a cultural construction; “nothing in itself hath a certain Value.”

The subjective value of silver and gold, Law argued, derived from three principle sources, two intrinsic and one extrinsic. First, their ornamental beauty; second, the aforementioned “Qualities which fitted it for the use of Money.” But just as importantly, silver and gold “received an additional Value equal to the greater demand its Use as Money occasioned.” In other words, those who had no interest in the intrinsic qualities of the two metals nevertheless demanded silver and gold because social convention or government itself had made them the media of exchange. Might not government, then, place its stamp upon any material at all, and thus make it money?

Governments, indeed, played a very active role historically in currency matters. Governments determined the quantity and fineness of the metal contained within the unit of account, such as the English pound or German mark. In the seventeenth and eighteenth centuries, for instance, the English pound sterling contained roughly four ounces of silver, and the shilling contained roughly one-fifth of an ounce of silver. English merchants recorded prices, then, not in ounces of silver, but in pounds, shillings, or pence: twelve pence (12d) in a shilling, and twenty shillings (20s) in a pound (£1).

69 Law, Money and Trade, 4, 10. Rice Vaughn also argued that “Use and Delight” and “Rarity and Abundance” – that is, demand and supply – combine to determine “value and price,” Vaughn, Discourse of Coin, 19.

70 Barbon, Discourse of Trade, 27.

Monarchs traditionally maintained a strict monopoly over the minting of coins, deeming it a critical part of the royal “Prerogative and Mark of Sovereignty.” In most, though not all, countries, foreign coin was “forbidden to be receiv’d,” and first had to go to the mint for conversion. The significance lay almost entirely in the symbolic. The circulation of money stamped with the image of the king communicated a powerful message, “the recognition of his authority by the whole nation,” Rousseau stated. When asked if Jews should pay taxes to Caesar, for instance, Christ asked whose face the coin bore. It bore Caesar’s. “Gold and Silver is proved to be the Kings Majesties Royal Commodity,” one writer celebrated upon the Restoration of the English Crown in 1660. To coin money privately was “to presume upon the Majestie of Soveraigne Princes, to profane the Sacred Seate of Justice, and to contemne publicke Authority.” Such “sinne of Presumption” deserved nothing short of a traitor’s death.

A common defense of this royal monopoly was that it was “for the greater Convenience of the People.” “Onely by publicke authority” would the kingdom

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72 Quotations from Briscoe, Discourse of Money, 11. For more on the royal monopoly on coinage, see Locke, Further Considerations, pp. 5, 8-9; Vance, Uses of Money, 25; Menger, “Origin of Money,” 255; Coke, Regulation of the Coyn, 6; Daniel Defoe, A Plan of the English Commerce (London, 1728), 3. Jean-Baptiste Say opposed units-of-account, arguing, “do wheat, chocolate, or was, change their name by the mere act of apportioning their weight? A pound weight of bread, chocolate, or of wax candles, is still called a pound weight of bread, chocolate, or wax candles. Why, then, should not a piece of silver, weighing five grammes, go by its natural appellation? Why not call it simply 5 grammes of silver?” see Say, Political Economy, 256-7.
73 Rousseau, Emile, 200. John Briscoe in 1696 likewise called coinage “a Prerogative and Mark of Sovereignty... justly called the Kings Coin,” Briscoe, Discourse of Money, 11.
74 Thomas Violet, An Appeal to Caesar: Wherein Gold and Silver is Proved to be the Kings Majesties Royal Commodity (London, 1660). This monopoly was just, another, wrote, because the “Prince being as it were the father of the family,” see Malynes, Treatise of the Canker, 2.
75 Milles, Customers Replie, 2.
76 Milles, Customers Alphabet, 72; Milles, Customers Replie, pp. 2, 15.
77 Law, Money and Trade, 9.
“maintaine a certayne evenhood or equality” in its money. Private mints might deceptively coin money with less silver and gold than advertised. And yet historically, the amount of metal in each royally-minted coin was rarely constant. The English pound, for instance, initially represented a literal pound of silver. Until the nineteenth century, the pound sterling was never an actual coin; it was simply a unit of account. Because of the enormous value of the pound, almost all of the silver coins in medieval England were pence: even the shilling was not an actual coin until 1504. By the turn of the seventeenth century, however, English monarchs, over many generations, had gradually debased the pound to roughly one third of the original weight of silver.

Monarchs often exploited their monopoly rights by suddenly lowering the silver content of the denominational unit, or by charging exorbitant fees at the mint: a practice known as debasement or seigniorage. Seigniorage was a key source of revenue for any monarch, whether in times of emergency, or simply for his Majesty’s pleasure. The King would call all money into the mint, re-coin the money with less silver than previously,

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and then return the coins to the people with the same face value as before: minting silver
of “the halfe pound,” for instance, “with the marke of the pound.” The “Intrinsick”
value was now less, but the “Extrinsick Denomnation” remained the same. The
remaining silver, of course, entered the royal treasury: an enormous transfer of wealth, to
the King’s “private Gain, and the Peoples Loss.” Prices adjusted soon after, with goods
now costing a greater number of shillings or pence than before: evidence that intrinsic
value trumped extrinsic value, at least during this period.

The most notorious case was under Henry VIII, during the so-called Great
Debasement of 1545-1551. The century before, in 1464, Edward IV devalued the pound
by 20 percent, so that £1 equaled six ounces of silver, half of what it initially represented
(twelve ounces in an English troy pound). Henry VIII, in two separate debasements in
1527 and 1543, devalued the pound further, to less than five ounces of silver. The Great
Debasement occurred shortly thereafter. Between 1545 and 1551, the Tudor kings, Henry
VIII and then Edward VI, debased the pound by 83 percent, and £1 now represented less
than a single ounce of silver. Henry did this by adding copper alloy to the coin, so that by

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81 Hales, Common Weal, 77. For another contemporary English account of the gradual decline in the value
of the English pound, see William Hodges, The Groans of the Poor, the Misery of Traders, and the
Calamity of the Publick (London, 1696), 16; [William Douglass], An Essay, Concerning Silver and Paper
Currencies: More Especially with Regard to the British Colonies in New-England (Boston, 1738), 2;
[William Douglass], A Discourse Concerning the Currencies of the British Plantations in America,
Especially with Regard to their Paper Money (Boston, 1740), 5.
82 Quotation from Lowndes, Report Containing an Essay, 57.
83 Quotation from Defoe’s Review, 3:26. Also see Say, Political Economy, 256-7; Harris, Money and Coins,
Part II, 47-8. William Lowndes, Secretary of Treasury, defended this practice in Report Containing an
Essay, 56-8
84 Harris, Money and Coins, Part II, p. 2; N.J. Mayhew, “Population, Money Supply, and the Velocity of
4.
85 Harris, Money and Coins, Part II, p. 2; C.G.A. Clay, Economic Expansion and Social Change: England,
1551, the English coin was only 25 percent silver and 75 percent copper. Prices across the kingdom soared, and the Tudor treasury profited nearly £1.3 million.\textsuperscript{86} Henry VIII, unlike any other, was able to “stretch his Prerogative very far upon his People,” and effectively used debasement as a roundabout way to raise money for Continental wars without having to increase taxes directly.\textsuperscript{87}

Shortly after, in 1561, Elizabeth I administered a greatly ambitious program of currency reform, “to Amend that Error of her Father,” as one writer put it.\textsuperscript{88} Elizabeth returned the fineness of English coin back to 92.5 percent silver, and in so doing, had to recoin the debased money of the last fifteen years. Of the 631,950 pounds of metal received by the mint for recoinage, the collected sum included only 244,416 pounds of actual silver, the rest was copper. The English pound, with Elizabeth’s reforms, now represented four ounces of silver, and the coinage remained virtually unchanged from


\textsuperscript{87} Quotation from Lowndes, \textit{Report Containing an Essay}, 29.

\textsuperscript{88} Quotation from Speech of Sir Robert Cotton before the Privy Council, 2 Sept. 1626, in \textit{Select Collection}, 126. Elizabeth received tremendous praise from early modern English writers for this decision, see Lowndes, \textit{Report Containing an Essay}, 29-30; Coke, \textit{Regulation of the Coyn}, 5; Harris, \textit{Money and Coins, Part I}, 53-4. Yet one English writer, in 1604, defended the debasement under “that famous Prince” as “upon good considerations and purposes, and for the great benefite of his people, and common Wealth,” see Milles, \textit{Customers Replie}, 19.
that point forward, with only slight alterations made at the turn of the seventeenth century. 89

Though the history of coinage is relatively easy to trace, the origins of commodity money remain highly disputed to this very day, just as they were in earlier times. On the one hand is the theory outlined above: a bottom-up, organic theory of the origins of money emphasizing an evolution from barter to indirect exchange. 90 Money was a


Geoffrey Hodgson seems to mostly agree with this theory of money, calling the “evolutionary explanation of the emergence of money... important and valuable,” but argues that through “potential quality variation, the spontaneous process of evolution of the monetary unit may break down, possibly requiring the intervention of the state, or another overarching authority,” see Geoffrey M. Hodgson, “Carl Menger’s Theory of the Evolution of Money: Some Problems,” *Review of Political Economy* 4, no. 4 (1992): 408. Also see Jean-Paul Chavas and Daniel W. Bromley, “On the Origins and Evolving Role of Money,” *Journal of Institutional and Theoretical Economics* 164, no. 4 (Dec. 2008): 624-51; Nigel Dodd,
“spontaneous... social procedure,” to quote Carl Menger, that theory’s foremost proponent.91 Menger famously detailed this “spontaneous” procedure in 1892, but the general theory predated Menger by hundreds of years. One writer in colonial Massachusetts, for instance, described the process as happening “insensibly, and without any previous design.”92 Some even spoke of “the Invention of Money,” out of which silver and gold “grew into greater estimation.”93 “By degrees therefore, and in a long Process of Time... ‘tis deriv’d down to us,” Charles Davenant, an English economist, wrote in 1698; “these Mettals being qualified, as before observed, far beyond any other Materials.”94 Even Marx belongs to this group, writing in Capital of “the fitness of the physical properties of these metals for the functions of money... by nature fitted...
Gradually it began to serve, within varying limits, as universal equivalent.”95

The state theory represents the competing view of the origins of money, a top-down perspective emphasizing the role of government in initially dictating what constitutes money. Because the state monopolized the issuance of currency for centuries,

92 Explaining the Nature of Money, 83.
93 First quotation from Philips, State of the Nation, 39; second quotation from Malynes, Treatise of the Canker, 6. Also see John Locke, Two Treatises of Government (London, 1690), Secs. 46-50, pp. 264-8; Dudley North, Discourses Upon Trade (London, 1691), pp. 2, 6, 10; Harris, Money and Coins, Part I, 37; Asgill, Several Assertions Proved, 7; Douglass, Silver and Paper Currencies, 1.
94 Davenant, Discourses on the Publick Revenues, 2:7; Explaining the Nature of Money, 83.
95 Marx, Capital, Vol. 1, 101.M Marx, on p. 106, further called gold “the equivalent commodity par excellence.” Marx’s inclusion in this group is interesting, for he disparaged money for its supposed objectification and alienation of the products of human labor. “Gold,” he argued, “is now money with reference to all other commodities only because it was previously, with reference to them, a simple commodity. Like all other commodities, it was also capable of serving as an equivalent... Gradually it began to serve, within varying limits, as universal equivalent. So soon as it monopolises this position in the expression of value for the world of commodities, it becomes the money commodity.” See Marx, Capital, Vol. 1, pp. 81, 99-106, 116.
even millennia, some economists and sociologists have attributed the origins of money to the state as well. “Money is a creature of law,” the German economist, Georg Friedrich Knapp, famously argued in 1905.96 The state gives value to money – indeed, defines money – by accepting it for taxes, fines, and all other public payments.97

Whichever view is actually correct is beyond the scope of this prologue. Early moderns generally understood the origins of commodity money in the fashion and mode described on the foregoing pages. Whether or not things truly happened “that way” is irrelevant to this study. Let others debate the true origins of money, if indeed it is possible to determine with absolute certainty. As Schumpeter once stated, we know why society invented money, but it is very different to ask how society invented money.98 The intent of this prologue, then, was not to answer the (unanswerable?) question of how money came to be. The objective here was to demystify silver and gold for the twenty-first


98 Joseph Schumpeter was critical of all absolute theories of the origins of money, simply on the basis that such theories can neither be proven nor disproven. Schumpeter sympathized with the view that money originated organically, but, in the end, he believed that it is “futile to strive for the correct ‘theory,’” see Joseph A. Schumpeter, “Money and Currency,” orig. written, 1930, repr., Social Research 58, no. 3 (Fall 1991): 525-31.
century reader. And so this is the world we examine in the following work: a world ruled by none other than commodity money.
American silver and gold flooded the global marketplace in the sixteenth and seventeenth centuries, transforming political, economic and cultural institutions across most of the world. Spain was the original benefactor of this monetary revolution, but by the final quarter of the sixteenth century, other Atlantic-bordering European states steadily arose to challenge Spanish hegemony, pursuing trade rather than mining for the acquisition of metals. The precipitous decline of Spain, and the equally surprising rise of England and the Netherlands, affirmed the virtue of this new economic order, known later as mercantilism.

Mercantilism was a theory of economic nationalism that emphasized the role of the state in managing trade so as to ensure the accumulation of as much silver and gold as possible within the nation or kingdom. Mercantilist theory offered governments a far more efficient way to amass power, wealth, and treasure than the less-sophisticated means employed by the Spanish in the sixteenth century. Shunning the older model of discovering mines replete with precious metals, European states now aggressively focused their attention upon maintaining a favorable balance of trade, inaugurating an age of relentless commercial warfare in the quest for New World metals, a system under which overseas plantations would play an eminent role.
On the eve of the sixteenth century the most lucrative trade routes passed through the Middle East into Asia, drawing silk, cotton, and spices to European markets via the Mediterranean. The silver mines of present-day Germany, Austria, and the Czech Republic furnished European traders with the money to purchase Eastern imports from Italian merchant-middlemen. The Italian merchants then exchanged central European silver to the Near East for additional goods to market all over Europe.¹ The Italian city-states and their merchant-middlemen flourished greatly from this trade network, prompting the establishment of the first European banks in Venice, Florence, Genoa, Milan, and Rome.²

Silver was the primary medium of exchange in the European commercial centers of the fifteenth century, though gold coins periodically arrived from the western Sudan and Gold Coast (Ghana), traveling by Moorish caravans across the African Sahara to the


eastern Mediterranean.\(^3\) The older feudal world in which static, immobile landholdings constituted wealth, slowly gave way to a commercial world demanding fluid capital and a vibrant class of merchants for the distribution of international goods, setting the stage for silver and gold to supplant land as the most desirable commodity in Europe.

Western Europe initially occupied the periphery of these early trade networks, but as the fifteenth century progressed, the desire to break Italian commercial hegemony led some of these Atlantic-bordering states to look southward around the continent of Africa for an Eastern sea-passage. The rise of the Ottoman Empire – the “common enemie of Christendome” – further aroused this European appetite for alternative trade routes, especially after the capture of Constantinople in 1453.\(^4\) Portuguese explorers began scouting the West African coast for gold in the latter half of the fifteenth century, and in 1488 Bartolomeu Dias successfully rounded the Cape of Good Hope. Ten years later Vasco da Gama reached the continent of India for Portugal, initiating a tremendous commercial shift from the Mediterranean to the Atlantic.\(^5\)

And yet the extraordinary length of this newfound passage encouraged still other Europeans to speculate upon a western oceanic route. Two decades before Columbus’s inaugural voyage, Italian mathematician and astronomer Paolo Toscanelli predicted to Portuguese officials that a western route to Asia would bring them “gold and silver, [and]
all sorts of gems, and spices,” as well as contact with “learned men, philosophers, and expert astrologers.” Ferdinand and Isabella ultimately took the advice to heart and in 1492 the Spanish Crown sent Columbus on an unprecedented voyage for Asia. Less than three decades later Magellan had successfully circumnavigated the globe for Spain. “These were the events that broke the monopoly of the Mediterranean cities,” historian Charles McLean Andrews remarked, “substituting the Atlantic for the Mediterranean as the scene of commercial activity and rivalry.”

The shift in the balance of power from Mediterranean to Atlantic was, on its own terms, momentous, but the impact of the discovery of massive quantities of gold and silver was perhaps still greater, revolutionizing the entire global economic system. After Columbus landed in the Caribbean, he and his crew found that many of the natives – who “held our arrival to be a great marvel” – fastened pieces of gold to their ears and noses, some wearing “very large rings of gold on their arms and legs.” One indigenous leader reportedly owned “great cups full” of gold, while others shared knowledge of islands possessing “more gold than earth.” Native Americans esteemed gold and silver for ornamental and sacred purposes. As one Spaniard noted, “they also take pleasure in the beautie of gold... they believe a certaine godly nature to be in golde.”

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6 Paolo Toscanelli to Fernao Martins, 24 June 1474, in Clements R. Markham, ed., The Journal of Christopher Columbus (During his First Voyage), (London: The Hakluyt Society, 1893), 7.
8 Journal of Christopher Columbus, pp. 43, 56. For references to the wearing of gold jewelry by West Indian natives, see pp. 39, 40, 42, 44, 48, 50, 65, 73, 107, 112, 137.
9 Ibid., pp. 39, 156.
European arrivals, silver and gold signified far more than mere aesthetic beauty or mystical appeal. The two metals also happened to be the most commonly-used and highly sought-after commodities in a vast exchange network extending from Europe to Asia.

A frantic search for gold ensued, and in his diary Columbus mentioned the quest no fewer than sixty-five times within a three-month period. Columbus became obsessed with finding the metal’s source, believing “that our Lord would point out where the gold has its origin.” In the meantime, his crew bartered glass beads and other goods never before seen by the natives for gold pieces. “They looked upon any little thing that I gave them as a wonder,” Columbus recorded. In one instance he bragged of his admiral “receiving large [gold] pieces the size of two fingers in exchange for a needle.”

“Without doubt, there is in these lands a vast quantity of gold,” he concluded only one month after arrival.

The Spanish colonizers finally discovered the source of the gold after invading present-day Mexico. Early in 1519 colonial officials in Vera Cruz reported that “all the natives wore gold rings,” as well as silver jewelry. When Cortés and his men arrived in

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*Journal of Christopher Columbus*, 116. “Our men moved with great hope and hunger of golde,” another writer recalled in 1530, see Anghiera, *De Novo Orbe*, 72.


*Journal of Christopher Columbus*, 73.

the Aztec capital of Tenochtitlan in November of that year, the Spaniards encountered a thriving metropolis with a population exceeding the largest cities of Europe. The city boasted “many large and beautiful houses” with “many squares where trading is done,” squares where “more than sixty thousand people come each day to buy and sell.” The city’s marketplace not only offered gold and silver ornaments, but also earthenware, maize, fish, eggs, meat, copper, brass, medicinal herbs, sugar, wine, and even “shops like barbers where they have their hair washed and shaved.”

Cacao beans (dzehui) and cotton textiles (quachtli) were the media of exchange in the Tenochtitlan marketplace, with cacao used for smaller purchases and quachtli used for larger purchases. Cacao was a convenient medium for its exceptional portability and relative durability. The bean arrived from distant lowland areas by way of a costly trade route to central Mexico – only the nobility could regularly afford the drink produced by it – rendering cacao scarce enough to possess a high ratio of value for its size. “Currencies had supplemented the bartering of goods before the arrival of the Europeans,” Kevin Terraciano, historian of Mesoamerica tells us.


marketplace took the Europeans by complete surprise. As Bernal Díaz later recalled, “With such wonderful sights to gaze on we did not know what to say, or if this was real what we saw before our eyes.”18

To the Spaniards, of course, the greatest attraction of the city was the stunning abundance of gold and silver ornaments. When Cortés’s party finally convened with Montezuma, the Aztec ruler presented them with a wide assortment of “high quality” gold and silver gifts, ornaments the Spanish commander deemed “so marvelous that considering their novelty and strangeness they are priceless.”19 Díaz later described Montezuma as “decorated with gold work, silver, [and] pearls,” with a “very rich necklace, made of golden crabs, a marvelous piece of work,” and with sandals “the soles of which are of gold.”20 In the city marketplace the Spaniards found elaborate gold buckles and feather headdresses with gold bells attached, “things so remarkable,” Cortés wrote, “that they cannot be described in writing nor would they be understood unless they were seen.”21 One Aztec later recounted that upon seeing these items, “the Spaniards grinned like little beasts and patted each other with delight... they hungered like pigs for that gold.”22

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19 Cortés, Letters from Mexico, 100. Also see Broken Spears, pp. 23-4, 63, 66-8, 128. “The Spaniards immediately stripped the feathers from the gold shield and ensigns,” one Aztec later recounted, see Broken Spears, 68.
21 Cortés, Letters from Mexico, 266.
22 Broken Spears, pp. 51, 68.
Seemingly unable to control himself, Cortés accordingly “begged him to show me the mines,” seizing Montezuma as prisoner in his own palace and successfully demanding an enormous ransom of gold for his release. After a two year struggle and eight-month siege of the city, Tenochtitlan fell in August 1521 after the conquerors “destroyed and razed it to the ground.” Cortés and his men confiscated the gold of the city and of the fleeing inhabitants, melted the ornaments down – except for the “best items” – and then delivered a fraction of the treasure, the “Royal Fifth,” to Charles V in Spain. “The remainder of the gold was divided up between myself and the other Spaniards,” a sure motivation to use any means necessary to conquer and subdue the people.23

Over the next several years the Spaniards scoured the land for gold, wreaking havoc over the native population to satisfy their insatiable lust for metal. Two decades later Bartolomé de las Casas graphically depicted the “infinite acts of evil.” The conquerors, he wrote, set fire to straw houses at night so they might steal gold jewelry without resistance. “They would slay any they desired, and those whom they took alive they would torture them to death, in order they might tell them of other villages with gold.” In present-day Guatemala, according to de las Casas, Spaniards had the principal leaders “burned alive... for no reason but that they would not give them gold.”24

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23 Cortés, _Letters from Mexico_, pp. 100, 171, 440. Also see Broken Spears, pp. 66-8, 118, 120-4, 141. For more on the Spanish conquest of Mexico between 1521-24, see Knight, _Mexico: From the Beginning_, pp. 201-2, 221-40; Hugh Thomas, _The Golden Empire: Spain, Charles V, and the Creation of America_ (New York: Random House, 2010), pp. 3-14, 63-80.

24 Bartolome de las Casas, _An Account, Much Abbreviated, of the Destruction of the Indies_, ed. Franklin W. Knight, trans. Andrew Hurley (1542; Indianapolis: Hackett Publishing Company, 2003), pp. 23-4, 39, 65, 79. For an Aztec account of Spanish violence and torture in gold confiscation efforts, see Broken Spears, pp. 116-24, 141-2. Word quickly spread of the destruction caused by the Spanish; Cortés reported in 1526
temptation for wealth and treasure was simply too great to resist, and in 1526 Cortés happily notified the Hapsburg king that “in the short while that I have been in this land, I believe more wealth has been remitted to Your Majesty” than the total sum delivered since the time of Columbus.25

The Spanish conquerors then hastily opened up mines throughout the country, forcibly recruiting natives to perform what de las Casas called “intolerable work.”26 Prior to the 1540s treasure confiscation accounted for most of the incoming metal (generally gold), and the first colonial mint opened in Mexico City in 1536.27 Following the 1545 discovery of Peruvian silver deposits at Potosí, however – as well as additional deposits at Zacatecas in northern Mexico the following year – silver took off as the leading commodity exported from the New World. Peak silver production amounted to roughly 300 tons annually in the latter half of the century, with the Potosí mine supplying as

\[ \text{that upon landing nearby the Yucatan peninsula, “the inhabitants of that and all the neighboring towns had left their homes and fled to the mountains and forest,” Cortés, Letters from Mexico, 406. De las Casas was not the only sixteenth-century writer to condemn this behavior; Richard Hakluyt of England scorned the Spanish for governing the Americas with “all pride and tyranie,” arguing that the natives were rather “desirous of libertie and freedome… humanitie, curtesie,” Richard Hakluyt, A Discourse Concerning Western Planting (1584; repr., Cambridge Press, 1877), 159.} \]

25 Cortés, Letters from Mexico, 439.
much as 60 percent of the world’s supply of silver. In 1565 a second mint opened in Lima, Peru, churning out ineffable sums of silver money. The population of Potosí – located in the Andes Mountains at an altitude of over 15,000 feet – rose from near zero before 1545 to 160,000 a half-century later, as large as the city of Paris. This discovery, argues Niall Ferguson, “changed the economic history of the world.” Between 1556 and 1783, thanks in part to new mining technology, the mountain yielded roughly 45,000 tons of silver.

The principal coin to emerge from this mass profusion of silver was the ‘piece-of-eight,’ so-called because it had the silver content of eight reals (royals), a smaller denomination of Spanish money (Figure 1). The Spanish piece-of-eight soon dominated the Atlantic commercial world, though most European nations, including England, required the money be re-minted before entering internal circulation. Coinage was a “principal point of Sovereignty,” and it was a “dishonour” for subjects to utilize coin bearing the symbols or image of a foreign king. Yet because English law did not prohibit the use of foreign coin within its colonial possessions, the Spanish piece-of-eight

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29 Elliott, Empires of the Atlantic World, 93-4; Ferguson, Ascent of Money, 24. The second mint opened in Lima before moving directly to Potosí in 1574.
31 Ferguson, Ascent of Money, pp. 22, 24; Hamilton, American Treasure, 195; Bakewell, Silver Mining, 150-80; Cunningham, Growth of English Industry, 165. The Crown’s decision to grant mining rights to private entrepreneurs – so long as the miners returned a portion to the Spanish treasury – spurred production even further.
33 Rice Vaughn, A Discourse of Coin and Coinage (1630; repr., London, 1675), 83. For more on this historical connection between coinage and political sovereignty, see Bruce Carruthers and Wendy Nelson Espeland, “Money, Meaning and Morality,” American Behavioral Scientist 41, no. 10 (Aug. 1998): 1391-2.
later became the predominant coin of the English colonies, actively circulating in North America well into the nineteenth century, until the Coinage Act of 1857 revoked its legal tender status in the United States.\textsuperscript{34}

The rich silver deposits in New Spain and Peru, of course, rendered the two vice-royalties enormously profitable for the Spanish Crown. Output reached its highest levels in the 1590s, and silver constituted roughly 95 percent of total exports from Spanish America in 1595.\textsuperscript{35} The huge revenue stream transformed Spain into the most powerful and wealthy state in Europe, encouraging an aggressive policy of military adventurism by the Hapsburg Crown, so that the Spanish Empire came to include Portugal, the Netherlands, the Philippines, Peru, Mexico, and large segments of Italy.\textsuperscript{36}

This rapid turn in geopolitical events astounded, impressed, but mostly panicked the rest of Europe. Lacking the military and naval might to effectively confront the new empire conventionally, privateering became the order of the day in the latter half of the sixteenth century. Privateers sailed under government-granted commissions of war, with permission to keep a portion of the spoils of any enemy vessel they attacked. Privateering was a useful option when a kingdom needed armed vessels quickly, but lacked the time

\textsuperscript{34} John McCusker estimates that as many as one-half of the coins used in English America were pieces of eight, see John J. McCusker, \textit{Money and Exchange in Europe and America, 1600-1775: A Handbook} (Chapel Hill: University of North Carolina Press, 1978), 7.
\textsuperscript{35} Knight, \textit{Mexico: Colonial Era}, 175; Clay, \textit{Economic Expansion}, 1:33.
\textsuperscript{36} Elliott, \textit{Empires of the Atlantic World}, 95; Flynn, “Fiscal Crisis,” 139; Kindleberger, \textit{Financial History}, 26; Andrews, \textit{Colonial Period}, 1:15; Nussbaum, \textit{History of the Dollar}, 11. J. H. Elliott argues that “if Henry VII had been willing to sponsor Columbus’s first voyage... 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 declining influence of parliament in national life, and the establishment of an absolutist English monarchy financed by the silver of America,” Elliott, \textit{Empires of the Atlantic World}, 411.
or money to construct them. Of the 197 English vessels used to stop the Spanish Armada in 1588, for instance, only 34 belonged to the English Navy; privateers made up the remainder.

Throughout England, France and the revolting Dutch provinces, affluent merchants and landowners sponsored scores of privateers to plunder Spanish silver fleets. After the Anglo-Spanish War began in 1585, as many as two hundred English privateers annually embarked for the Caribbean in service of the Elizabethan Crown. Sir Francis Drake remains the most well-known privateer, circumnavigating the globe in

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40 Quinn, *England and the Discovery of America*, 204; Latimer, *Buccaneers of the Caribbean*, pp. 4-5, 11-23. Between 1550 and 1624, English activity in the Caribbean included 300 voyages of as many as 25,000 sailors and 900 ships, see Games, *Web of Empire*, 125.
the 1570s and plundering as much £600,000 worth of silver.\textsuperscript{41} When Drake returned from his voyage in 1580 – five years before the formal declaration of war – the Spanish ambassador in England demanded a return of the treasure but received no official reply from Elizabeth, an implicit royal endorsement of privateering.\textsuperscript{42} “The Wealth they brought Home, not only enrich’d themselves, but the whole Nation,” Defoe later recalled, “…Spain could not bring home her American Treasures, without her Majesty’s Leave.”\textsuperscript{43}

Yet even when the two metals passed safely across the Atlantic, Spanish silver and gold fell quickly into the hands of rival European powers. Spanish merchants in droves exported money for imported goods made elsewhere in Europe, namely woollen cloth and linen. In a vain attempt to retain incoming coin within the kingdom, Spanish officials threatened death for any offender caught exporting money without a government license, but merchants continued clandestinely anyway.\textsuperscript{44} Spain was not the only country to prohibit the unlicensed export of coin – English law also banned the practice – but the unparalleled quantities of money entering Spain in the sixteenth century made the prohibition nearly impossible to enforce.\textsuperscript{45}


\textsuperscript{42} Beer, \textit{British Colonial System}, 7-8.

\textsuperscript{43} Daniel Defoe, \textit{A Plan of the English Commerce} (London, 1728), 147-9.


The ban was still effective enough to cause a spike in prices across all of Spain. The influx of silver precipitated a dramatic fall in the value of money, requiring traders to spend greater sums of silver to purchase the same quantity of goods. One French traveler to Spain even remarked that it was a popular saying that “everything is dear in Spain, except silver.” Wages rose at a disproportionate rate to overall prices, with real wages falling by roughly one-fifth despite the increased quantity of silver that workers now received for their labor. Spanish manufacturing suffered immeasurably from the inflation. Spanish cloth and other domestic manufactures were now far more expensive than its foreign competition, discouraging Europeans from importing Spanish goods and encouraging Spaniards to import less expensive Dutch, French, and English goods. The result was a flight of coin from Spain, a lagging manufacturing sector, depressed economy, and the beginning of the long decline of the Spanish Empire.

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47 Hamilton, American Treasure, 278-81; Cunningham, Growth of English Industry, 169-70. Whenever there is a sudden influx of money, one English writer noted in 1757, “great numbers of individuals will grow richer... till you come to the lowest class, who, though their wages are raised, will yet find little or no advantage by this torrent of money,” see Joseph Harris, An Essay upon Money and Coins: Part I, The Theories of Commerce, Money, and Exchanges (London, 1757), 84.


49 Spanish writer Martin Gonzalez de Cellorigo wrote in 1600: “Our Spain has its eyes so fixed on trade with the Indies, from which it gets its gold and silver, that it has given up trading with its neighbours,”

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Like water overfilling its container, silver and gold spilled across the continent of Europe, resulting in a fivefold increase in Continental prices by the mid-seventeenth century. According to one estimate, the total European money supply rose from £34 million at the beginning of the sixteenth century to £155 million by the end of the century. Prices varied from region to region, but generally began their upward move after 1515, rising with particular rapidity between 1540 and 1600, and continuing at a slower rate until the end of the 1640s.\(^50\) A simultaneous rise in European urbanization and population levels played a supplementary role in the so-called Price Revolution, but the inundation of silver, and its subsequent fall in value, contributed most to the price phenomenon.\(^51\) Spain became the “Fountain of Mony”; “the Cistern and Receptacle of


In years past, the historiographical debate over the causes of the Price Revolution has been especially vibrant, with the debate revolving over whether demographic or purely monetary factors ultimately sparked the rise in prices. The demographic argument is that the rising population (coupled with urbanization) generated an increased demand for goods and hence promoted a rise in the velocity of money, contributing to a rise in prices. The monetarist explanation is that a sudden increase in the supply of any commodity will cause the value of that commodity to fall. I lean more towards the monetarist view (in seventeenth-century Virginia, for instance, tobacco overproduction meant that Virginians needed more tobacco money than before to purchase goods), but nevertheless historians must not discount the role that demographic (or demand-based) changes also played in the Price Revolution. For the demographic argument, see Harry A. Miskimin, “Population Growth and the Price Revolution in England,” *Journal of European Economic History* 4 (Spring 1975): 179-85; Jack A. Goldstone, “Urbanization and Inflation: Lessons from the English Price Revolution of the Sixteenth and Seventeenth Centuries,” *American Journal of Sociology* 89, no. 5 (Mar. 1984): 1122-1160; Jack A. Goldstone, “Monetary Versus Velocity Interpretations of the ‘Price Revolution’: A Comment,” *The Journal of Economic History* 51, no. 1 (Mar. 1991): 176-81; James C. Riley, “Monetary Growth and Price Stability: France, 1650-1700,” *The Journal of Interdisciplinary History* 15, no. 2 (Autumn 1984): 235-54; James C. Riley and John J. McCusker, “Money Supply, Economic
almost all the Gold and Silver, which is thence dispersed into the rest of Europe.”\textsuperscript{52} “This treasure passeth from them as if it were conveyed by a channel,” remarked one English writer in 1601.\textsuperscript{53}

Both metals fell considerably in value, but silver fell at a greater rate than gold.

Between 1500 and 1650 total gold imports amounted to roughly 180 tons, but silver imports amounted to nearly 16,000 tons.\textsuperscript{54} The silver-gold ratio changed accordingly: in

\textsuperscript{52} Mun, England’s Treasure, pp. 34, 61; Vaughn, Discourse of Coin, 82. Also see John Hales, A Discourse of the Common Weal of this Realm of England (1581; New York: MacMillan and Co., 1893), pp. 33, 187; Gerard Malynes, Consuetudo, vel, Lex Mercatoria: or, the Ancient Law-Merchant, 3rd ed. (1620; London, 1686), pp. 177, 193; Francis Cradocke, Wealth Discovered, Or, An Essay upon a Late Expedition for Taking Away All Impositions, and Raising a Revenue Without Taxes (London, 1661), 7; Sir William Hodges, The Groans of the Poor, the Misery of Traders, and the Calamity of the Publick (London, 1696), 20; John Briscoe, A Discourse of Money (London, 1696), pp. 19, 63; [Hugh Vance], An Inquiry into the Nature and Uses of Money (Boston, 1740), 26; Robert Johnson, Nova Britannia: Offering Most Excellent Fruites by Planting in Virginia (London, 1609), B3.

\textsuperscript{53} Gerrard De Malynes, A Treatise of the Canker of Englands Common Wealth (London, 1601), 10; latter quotation from Malynes, Consuetudo, 64.

\textsuperscript{54} Braudel, Prices in Europe, 445; Flynn and Giraldez, “Silver Spoon,” 202.
1519, roughly 11 ounces of silver purchased one ounce of gold, but by 1640, one ounce of gold required at least 15 ounces of silver. The drastic fall in the value of silver bankrupted many of the central European silver mines, as the cost of production now exceeded the value of the extracted metal. The price of the metal would have fallen further had household consumption of silver not risen concurrently. Because silver was now cheaper than before, affluent Europeans began using the metal for silverware utensils, pots, plates and other household products formerly made of iron, tin, and brass. Silver plate became a new way of storing wealth: a “resource in case of emergency.” Nicholas Barbon may have exaggerated only a little when he argued in 1690 that absent the consumption of “Plate,” silver “would not have much exceeded the Value of Tin, or Copper.”

Perhaps more importantly, the profusion of American silver resulted in a rapid expansion in global commerce. European demand for Chinese tea, spices, porcelain, silk, Indian cotton, and other Eastern goods far outstripped Indian and Asian demand for European goods, and American silver conveniently made up the trade deficit. By the seventeenth century, European merchants exported as much as 150 tons of silver annually

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55 Kindleberger, *Financial History*, 26. “Silver is now quantity for quantity, of three or four times less value, than it was two or three centuries ago,” one English writer remarked in 1757, see Harris, *Money and Coins, Part I*, 63. Also see Philips, *State of the Nation*, 41.
57 Harris, *Money and Coins, Part I*, 99-100. “There seems then no method so effectual for the securing of a dead stock of treasure, in any country, as the encouraging the use of plate, by making it fashionable,” Harris, the English mint-master, wrote in 1757.
to India and China.\textsuperscript{59} European critics of the silver trade to Asia cunningly noted the irony of Europeans ridiculing Native Americans for exchanging large pieces of gold for glass and iron wares, while European traders exchanged enormous sums of silver for Asian novelties. “Some men do wonder as it were,” wrote Gerard Malynes of England, “at the simplicity of the West Indians, Brasilians and other nations, in giving the good commodities of their countries, yea, gold, silver, and precious things, for beades, bels, knives, looking-glasses, and such toyes and trifles... nay, we our selves are guilty of the like simplicity,” exchanging American treasure for “dainties and delicacies of superfluous things.”\textsuperscript{60}

European merchants profited enormously as intermediaries between the silver supply in the Americas and the silver demand in Asia.\textsuperscript{61} China had converted to a silver currency around the mid-fifteenth century, resulting in a surge in Chinese demand for the white metal, and China boasted almost one-quarter of the world’s population, with cities up to seven times greater than the largest cities in Europe.\textsuperscript{62} Western European merchants, first the Portuguese and then the Dutch and English, could now obtain

\textsuperscript{59} Flynn and Giraldez, “Silver Spoon,” 203. In 1725 Erasmus Philips wrote, “It is not unlikely but that of the Silver that has been brought into Europe since 1602, there has been above 150 Millions buried in the East-Indies,” Philips, \textit{State of the Nation}, 7. For more on the mass export of silver to the East Indies, see Dodd, \textit{History of Money}, 200.

\textsuperscript{60} Malynes, \textit{Treatise of the Canker}, 68-9. Charles Davenant, in 1699, likewise called the East Indies an “inexhaustible Mine of Vanities,” see include Charles Davenant, \textit{An Essay upon the Probable Methods of Making a People Gainers in the Ballance of Trade} (London, 1699), 88. Some critics of the East Indian trade even called the Portuguese “enemies to Christendome, for they caried away the treasure of Europe to enrich the heathen,” [Robert Kayl], \textit{The Trades Increase} (London, 1615), 32. Kayll did not share this view, but merely cited a common (and, in his view, misguided) opinion. One English writer, however, conjectured that the “considerable quantity of bullion” to the East Indies positively saved Europe from an enormously massive fall in the price of silver, see Harris, \textit{Money and Coins, Part I}, 74.

\textsuperscript{61} Flynn and Giraldez, “Silver Spoon,” 203.

\textsuperscript{62} \textit{Ibid.}, 206-8; Ferguson, \textit{Ascent of Money}, 28.
unprecedented quantities of Eastern desirables with American silver. Indeed, American silver was largely responsible for Western Europe’s meteoric rise as the global, hegemonic center for political and commercial power. As one English writer acknowledged in 1670, if Europeans “were not supplied out of the Spanish West-Indies, these Trades must either be discontinued, or these Western parts of the World, in a short time, would be utterly impoverished by them.”

American silver was the chief impetus behind this global revolution, and the silver coins that crossed the Atlantic, Pacific and Indian oceans manifested, in the most visible way, the prodigious expansion in worldwide commerce since the sixteenth century. “The singular product most responsible for the birth of world trade was silver,” argue historians Dennis Flynn and Arturo Giraldez. Silver indeed became the first global currency. “In any Country that hath Commerce with the rest of the World,” Locke correctly noted in 1692, “it is almost impossible now to be without the use of Silver Coin.”

As global trade flourished, the Spanish Empire prolapsed into severe decline. The religious wars of the early-seventeenth century further drained the Hapsburg treasury, and

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63 Carole Shammas, “America, the Atlantic, and Global Consumer Demand, 1500-1800,” OAH Magazine of History 19, no. 1 (Jan. 2005): 61. Earl J. Hamilton also argues that the influx of American gold and silver directly contributed to an expanded European emphasis on the spice trade, see Hamilton, American Treasure, 46. Also see Knight, Mexico: Colonial Era, 175.
64 Coke, Discourse of Trade, 12.
65 Shammas, “America, the Atlantic,” 61-2; Kindleberger, Financial History, 26; Nussbaum, History of the Dollar, 10.
67 [John Locke], Some Considerations of the Consequences of the Lowering of Interest, and Raising the Value of Money (London, 1692), 75. For a similar statement, see Philips, State of the Nation, 50.
the money expended to maintain armies in foreign lands leaked additional coin into occupied territories. “That canker of war doth infinitely exhaust their treasure, and disperse it into Christendom, even to their enemies,” one English writer remarked in 1628.68 After American silver production fell in the 1620s and 1630s, the Spanish treasury received only one-third of the quantity of silver taken in during the 1590s, and silver shipments declined even further by mid-century.69 Financial crisis ensued, the public debt exploded, and the Spanish Crown habitually defaulted on its debt obligations through the rest of the century.70 Spanish American silver mining enjoyed revival in the final decades of the seventeenth century, with periodic spurts of growth throughout the eighteenth century, but by this point in time, the empire had long descended from the top tier of the European power structure.71 Spain had fallen into the same trap that Aristotle had warned of two millennia earlier in Politics: “He who is rich in coin may often be in want of necessary food... like Midas in the fable, whose insatiable prayer turned everything that was set before him into gold.”72 In one of the greatest ironies in history,

69 Flynn, “Fiscal Crisis,” 139; Knight, Mexico: Colonial Era, 175-7; Elliott, Empires of the Atlantic World, 227-8.
70 Hamilton, American Treasure, 79; Ferguson, Ascent of Money, 75; Knight, Mexico: Colonial Era, 177. Once the “Lord of all the Treasure of the West-Indies,” the king of Spain was now, in the words of English writer Roger Coke, the “poorest and weakest Prince of Christendom,” see Coke, Discourse of Trade, 11. Also see Briscoe, Discourse of Money, 19; Mun, England’s Treasure, pp. 57-61; Malynes, Consuetudeo, pp. 64, 193; Josiah Child, Brief Observations Concerning Trade, and Interest of Money (London, 1668), 9; Waterhouse, Declaration of the State of the Colony, 31-2; Davenant, Discourses on the Publick Revenues, 2:61-6; Speech of Sir Robert Cotton before the Privy Council, 2 Sept. 1626, in Select Collection, pp. 125, 140.
71 Knight, Mexico: Colonial Era, pp. 133, 175-7, 212-4. These periods of mining revival in New Spain, under Bourbon rule, include 1695-1725, 1745-60, 1770-85, 1795-9, with periods of stagnation falling in between.
the metal for which the Spaniards destroyed others to acquire destroyed Spanish dominance itself.

Out of the sixteenth-century monetary revolution emerged an ideology later known as mercantilism. Mercantilism was a theory of economic nationalism that emphasized the role of the state in managing trade in such a way as to maximize the accumulation of gold and silver within the nation or kingdom. Gold and silver indicated power, wealth, and prestige, and thus enjoyed preeminence over all other commodities, for money, unlike other goods, is of “general Use almost everywhere,” something that “everybody will accept, and with the Tender of which, I may be sure to obtain whatever I want.” Gold and silver, for both the people and the nation, guaranteed “Strength, Power, Riches and Reputation.” Mercantilists, indeed, viewed their economies “as a kind of national joint stock trading company,” Joyce Appleby writes. Rather than compete with one another, the citizens of each nation-state cooperated in a joint effort of competition against rival nations over precious metals. Power was the endgame of mercantilism, and silver and gold were the tools by which to achieve that power.

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The prodigious decline of Spanish hegemony taught the mercantilists two lessons: first, the futility of seeking riches through mining only, and second, the utmost importance in securing a favorable balance of trade. Spain, as the mercantilists saw it, had foolishly sought to live by money alone, assigning a secondary role to manufacturing, commerce and agriculture. The need to secure manufactured goods and agricultural staples, however, soon caused the metals to flee the kingdom to purchase the same from foreign rivals. Unfavorable trade balances, i.e., trade deficits, were singularly responsible for the economic bankruptcy of Spain.\textsuperscript{77}

A favorable balance of trade resulted from exports exceeding its imports, whereby money made up the balance and entered the kingdom. If imports exceeded exports, money left the kingdom to make up the deficit. The balance of trade was not unlike a “paire of Scales,” Edward Misselden of England wrote in 1623. If exports “waigh downe and exceed in value the forraigne Commodities imported... the overplus thereof must needs come in in treasure.”\textsuperscript{78} “Wee must ever observe this rule,” Thomas Mun wrote in \textit{England’s Treasure by Forraign Trade}, “to sell more to strangers yearly than wee consume of theirs in value.” The subtitle of Mun’s influential 1628 tract embodied the mercantilist view well: \textit{The Ballance of our Forraign Trade is the Rule of our}

\textsuperscript{77} “The Spaniards Intense and singular Industry in their Mines for Gold and Silver,” English mercantilist Josiah Child observed, “...doth cause them to neglect in great measure Cultivating of the Earth, and producing Commodities from the growth thereof,” see Child, \textit{New Discourse}, 193. Erasmus Philips similarly argued: “Even Money itself without Trade, like stagnated Water, is of little use to the Proprietor. Spain is a living Instance of this Truth; the Mines of Peru and Mexico made that People think themselves above Industry; an Inundation of Gold and Silver swept away all useful Arts, and a total neglect of Labour and Commerce,” Philips, \textit{State of the Nation}, 2.

Treasure.\textsuperscript{79} The balance of trade was simply a vehicle – the means – by which a nation acquired gold and silver, itself a means to acquire the ultimate end, power.

The balance-of-trade doctrine gained enormous popularity in the early part of the seventeenth century, and remained a central pillar of mercantilist theory for the next 150 years. Elizabeth’s economic advisor, Gerard Malynes, put it this way in 1601: “an overbalancing of forraine commodities with our home commodities,” he wrote, “…draweth away our treasure & readie money, to the great losse of the commonweale.”\textsuperscript{80}

Sir Francis Bacon, in 1616, also weighed in on the matter, exhorting utmost care “that the exportation exceed in value the importation: for then the balance of trade must of necessity be returned in coin or bullion.”\textsuperscript{81}

Mercantilists often compared the nation to “estates of private persons.” Just as the individual must properly balance his income and expenses, Mun argued, so too must any

\textsuperscript{79} Mun, England’s Treasure, 11. Common usage of the phrase ‘balance of trade’ did not emerge until the early-seventeenth century, but the notion of a causal relationship between money, imports, and exports long existed before then, see Jacob Viner, Studies in the Theory of International Trade (New York: Harper & Brothers Publishers, 1937; repr., Clifton, NJ: Augustus M. Kelley Publishers, 1975), 8. It was an “infallible argument,” one English writer remarked as early as 1549, that the “only means to cause much bullion to be brought out of other realms” was the assurance that a “great quantity of our wares may be carried yearly into beyond the seas and less quantity of their wares be brought hither,” Policies to Reduce this Realm of Englende Unto a Prosperous Wealthe and Estate (London, 1549), cited in Viner, Theory of International Trade, 7. Other European polemicists of the sixteenth century likewise promoted this view, see [Clement Armstrong], A Treatise Concerning the Staple and the Commodities of this Realm (London, 1530); Considerations for the Restraynte of Transportinge Goulde Out of the Realm (ca. reign of Elizabeth); both texts cited in Viner, Theory of International Trade, 7.

\textsuperscript{80} Malynes, Treatise of the Canker, 55. On the second page, Malynes wrote, “The Prince (being as it were the father of the family) ought to keep a certaine equality in the trade or trafficke betwixt this realme and other countries, not suffering an overbalancing of forraine commodities with his home commodities, or in buying more then he selleth. For thereby his treasure and the wealth of the realme doth decrease.” Also see pp. 3-4.

kingdom, “for so undoubtedly the remainder must returne to them in treasure.” To do otherwise, another wrote, was not unlike a “man having an Estate of £1000 per annum, and spends yearly above it.” In such a case, “Impoverishment seems unavoidable, for then our ready Money must go out to even the Ballance.”

By the second half of the seventeenth century, the balance-of-trade doctrine saturated nearly all economic discourse. Indeed one is hard-pressed to find a single commercial tract ignoring the principle. “It is agreed by all that pretend to understand Trade,” an Englishman wrote in 1689, “…that there is no way in the World for a Country to grow rich by Trade but by setting this Balance right.” “We can never Export too much,” Carew Reynell, a prominent Whig, wrote in 1685; England must set upon “making and producing those things that draw in Money continually.” Another English Whig, John Pollexfen, explained it this way in 1697: “Asia and Europe afford but inconsiderable parcels of Gold and Silver, most comes from the West-Indies, and Coast of Africa, of which all Nations endeavour to get shares.” William Petty, the preeminent economist of Restoration England, also affirmed this specie objective, calling silver and

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82 Mun, *Discourse of Trade*, 1-2. Charles Davenant, in 1699, similarly affirmed that “as it behoves private Men frequently to Ballance their Accompts, and to see how their Condition stands; so without doubt, it is a Duty incumbent upon those who are in Power, very often to contemplate the Posture of the Nation,” see Davenant, *Essay upon the Probable Methods*, 10.
83 Samuel Lambe, *Seasonable Observations Humbly Offered to His Highness the Lord Protector* (London, 1657), 21
87 Pollexfen, *Discourse of Trade*, 77.
gold “the great and ultimate effect of Trade,” for they are “Wealth at all times, and all places.”

This balance-of-trade emphasis remained so pervasive, that in 1734, the English author of *Money Answers All Things* called the doctrine “self-evident.” “It is absolutely Necessary to have the Ballance of Trade on our side,” another English writer argued in 1720, “to secure to us, not only the Money we are in Possession of, but to obtain new Riches.” Mercantilists disagreed fiercely on key strategic points, namely, which areas of the economy the state ought to encourage or discourage. But all agreed on this overarching goal of maintaining a favorable balance of trade, for money was “universally coveted” and “never out of fashion.” Such was the mercantilist consensus.

European monarchs embraced mercantilism for the riches the theory promised the royal treasury, enhancing military might and political stability. The greater the volume of trade, the higher the revenue stream from customs to the King’s coffers, and the wealthier

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89 Vanderlint, *Money Answers All Things*, 8. Also see pp. 2-3, 38, 40.
90 Erasmus Philips, *An Appeal to Common Sense, or, Some Considerations Offer’d to Restore Publick Credit* (London, 1720), 20. Daniel Defoe likewise insisted, in 1728, that a nation’s economy ought to function in such a way “as will keep their Money or Species at Home,” see Defoe, *Plan of the English Commerce*, 55.
the trading community, the more able merchants could lend money to the king at low interest. “The Profit of the Kingdom in the Ballance of the Trade... enables the King to lay up the more Treasure,” assured Mun in 1628.92 “’Tis the longest Purse that conquers now, not the Sword,” Defoe argued nearly a century later, “…if they have but more Money than their Neighbours, they shall soon be superior to them in Strength, for Money is Power.”93 For this reason, mercantilists often called money the “Sinews of War”: a phrase adopted from the Roman philosopher Cicero, who argued the same.94 “Gold and Silver is a Kingly Merchandize,” an English merchant wrote in 1660, “…the chief Strength of the Kingdom, the very Soul of the Militia, and the Sinews of Warre and Peace... the great Wheell of the State.”95

Mercantilism triggered commercial, regulatory warfare between rival nations, each one seeking trade advantages over the rest. Spain had already mined exorbitant

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92 Mun, England’s Treasure, 30. Also see pp. 169-71. “All the treasure of this Realme must once in few yeares come to the kinges highnes handes, by one meane or other,” John Hales similarly remarked in 1581, see Hales, Common Weal, 86. Also see John Wheeler, A Treatise on Commerce (London, 1601), 59; Bland, Trade Revived, 4; Cary, Cryn and Credit, 5.

93 Defoe, Plan of the English Commerce, 52. Also see Harris, Money and Coins, Part I, 100; Vaughn, Discourse of Coin, 130. Mercantilists, Adam Smith wrote, believe that “to carry on foreign wars, and to maintain fleets and armies in distant countries... every such nation, therefore, must endeavour, in time of peace, to accumulate gold and silver,” Smith, Wealth of Nations, Bk. IV, Ch. I, p. 399.

94 Cicero, Philippi. For English references to money as the “Sinews of War,” see Lowndes, Further Essay, 2-3; Bacon, “Advice to Sir George Villers,” 2:271; Joseph Trevers, An Essay to the Restoring of our Decayed Trade (London, 1677), 52; Puckle, England’s Path to Wealth, 2; Lambe, Seasonable Observations, 20; Hodges, Groans of the Poor, 23; Pollexfen, Discourse of Trade, 75.

quantities of silver and gold, and so mercantilism became a contest over which country would possess the greater share. The victor would purportedly emerge the most powerful state in Europe, if not the world. Among such states, “though there were no open hostilitie, yet is there a politeque secret warre, by striving to undermine and beate each other, out of their trades.”\textsuperscript{96} The economic battlefield extended far beyond Europe and the Atlantic into India, China, and the Pacific, with each power devising innumerable methods to encourage exports and discourage imports.\textsuperscript{97}

Governments naturally played a critical role in molding economic policy in pursuit of this specie objective. Trade was now “the Darling of State,” and commercial regulation “a principal Piece of State-policy.”\textsuperscript{98} State intervention included high duties or outright prohibitions on foreign imports, subsidies for particular domestic industries, laws requiring that foreign trade be carried on in domestic ships, and other “numberless bars, obstructions, and imposts,” to quote Hume, “which all the nations of Europe, and none more than England, have put upon trade.”\textsuperscript{99} As Smith later castigated, “All the different nations of Europe have studied, though to little purpose, every possible means of accumulating gold and silver in their respective nations.”\textsuperscript{100}

\textsuperscript{96} Hagthorpe, \textit{Englands-Exchequer}, 7. Also see Josiah Child, \textit{A Discourse Concerning Trade, and that in Particular of the East-Indies} (London, 1689), 3.
\textsuperscript{99} Hume, \textit{Balance of Trade}, 75.. 
\textsuperscript{100} Smith, \textit{Wealth of Nations}, Bk. IV, Ch. I, p. 400.
In such a world, private interest must succumb to the purported interest of the public. Because “private advantages” so often impeded “publick profit,” one Englishman wrote in 1663, the state must ensure that the economy worked for “the benefit of the whole.”¹⁰¹ Josiah Child agreed, arguing that though the merchant community might consist of “very wise and good men, [they] are not always the best Judges of Trade, as it relates to the profit or power of a Kingdom.” “Their Eyes are so continually fixt, and their Minds intent upon what makes for their peculiar gain or loss,” he continued, “that they have no leisure to expatiate, or turn their thoughts to what is most advantagious to the Kingdom in general.”¹⁰²

An English merchant, for instance, may choose to contract with a Dutch shipmaster charging less for expenses of freight than an English shipmaster. Though the merchant undoubtedly gained from the choice, the silver expended for freight and shipping insurance went straight for Holland. “A Country cannot Increase in Wealth and Power but by Private Men doing their Duty to the Public,” Charles Davenant, an English Tory, insisted. Those who “neglect looking after National Gain,” and those who “have an Eye to nothing but their own temporary Profit,” should be fully restrained by the national state.¹⁰³

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¹⁰³ Davenant, *Probable Methods*, pp. 11, 154, 193. Davenant’s full quotation actually addressed the hypothetical of the previous sentence: merchants who “have an Eye to nothing but their own temporary Profit, and suffer Strangers to go away with those Gains which England was wont to make by Freight.”
Regulatory policy was the point at which the mercantilist consensus entirely broke down. Mercantilists agreed on three points: first, the specie objective, second, the balance-of-trade doctrine, and third that the state should stand ready to intervene on behalf of the public. Where, how, and to what extent the state should intervene, however, was subject to great debate and controversy. “Tho’ we are agreed that Trade is the main Spring from whence Riches flow,” an English Whig wrote in 1700, “yet we do as much differ in the Method of acquiring thereof.”

Some sought special protection for the shipping industry; others argued that shipping restrictions damaged trade, and with it, the trade balance. Some sought special protections for manufacturing; still others wished to prohibit the import of luxury items like wine, tobacco, and other “superfluous Commodities that drain our Treasure.” Most mercantilists supported overseas colonization; others argued that colonies unnecessarily depopulated the home country of its main source of labor. Most mercantilists believed the home country should tightly restrict colonial trade, and yet a small number of mercantilists argued that colonial wealth

“The Motions of Trade ought to be observ’d with a strict and careful Eye,” he continued, else “this Ballance is not to be put on our Side.”

Also see Harris, *Money and Coins, Part I*, 23.

104 William Carter, *An Alarum to England: To Prevent its Destruction by the Loss of Trade and Navigation; which at this Day is in Great Danger* (London, 1700), 14.

105 Roger Coke, for instance, lambasted the Navigation Acts as prejudicial to shipping, commerce, and the trade balance in general, see Coke, *Discourse of Trade*, 24-9; Roger Coke, *England’s Improvements* (London, 1675), 34-8. William Petty also argued this position in *Political Arithmetick*, 90. Both Coke and Petty remained mercantilists because they extolled the virtues of a favorable trade balance, but they often demonstrated hostility to state intervention. As Petty wrote in his preface, “Too many Matters have been regulated by Laws, which Nature, long Custom, and general Consent, ought only to have governed.”


was inherently no different for the greater empire than wealth held in England. Perhaps most controversial of all was the East India Company, with some passionately defending the trade as profitable to the kingdom, and others arguing the reverse.

By the latter half of the seventeenth century, most mercantilists had fully abandoned the earlier emphasis on discovering mines replete with gold and silver. But this transition only signaled a modification of strategy, not any real decline in policymakers’ desire to acquire the two metals. One English writer of the early-eighteenth century, William Wood, explained well this theoretical shift. Industry, skill, commerce, and labor – what he called “trading Mines” – were preferable to actual mines because a favorable balance of trade “makes a perpetual Addition” to the national stock of money. Countries attaining money simply through digging, however, ultimately face the problem of depleted mines and thereafter “become Beggars, notwithstanding their

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108 The best example of this is Edward Littleton, who in 1689 vigorously defended the right of colonists – especially in the Caribbean – to directly trade with foreigners, yet also triumphed the balance-of-trade doctrine as a universal principle, see Littleton, _Groans of the Plantations_, 29.

109 Appleby, _Economic Thought_, pp. 166-8, 216. For supporters of the English East Indian trade, see Misselden, _Circle of Commerce_, 34-5; Hagthrope, _Englands-Exchequer_, 20; Coke, _England’s Improvements_, 58; Child, _Discourse Concerning Trade_, 3; Child, _New Discourse_, 144; Davenant, _East-India Trade_, pp. 9, 12-5; Wood, _Survey of Trade_, 91-3. For skeptics or outright opponents of the East Indian trade and the company’s monopoly, see Cary, _East-India Trade_, 1-11; Blanch, _Naked Truth_, pp. 4-5, 13; Reynell, _Necessary Companion_, 13.

110 J.H. Elliott argues that this change in strategy meant that “silver was becoming more than a little tarnished.” “Observers noted,” he continues, “how all the silver of America had failed to bring prosperity to Spain... Overseas empire, even if it lacked gold and silver, was coming to be seen as an indispensable appendage to every self-respecting state,” Elliott, _Empires of the Atlantic World_, 114. Elliott is correct that mercantilists now valued overseas possessions even if the land lacked silver and gold, but this was not because they desired money any less: the strategy for acquiring those metals had simply changed. Some historians label the sixteenth-century focus on mining the “bullionist” school, as distinguished from the later mercantilist school which focused primarily on the balance of trade, see Cunningham, _Growth of English Industry_, pp. 177, 395; Appleby, _Economic Thought and Ideology_, 202-5; Lipson, _Economic History of England_, 3:72.
first Property of all the Gold and Silver in the World.”¹¹¹ “Gold or Silver Mines, if we cou’d have them, wou’d only destroy our industry, and make us such a lazy Generation,” another Englishman wrote in 1711. Far better was the policy of “exchanging our Goods for Bullion.”¹¹²

For this reason, not all mercantilists believed silver and gold to be the sole gauges of national wealth. Charles Davenant, a Tory, was one such thinker, arguing in 1698 that the true wealth of a nation was the “Natural, or Artificial Product of the Country, that is to say, what their Land, or what their Labour and Industry produces.” In support of his argument, Davenant demonstrated that a nation might find itself entirely “without the Species of Money,” but if the people industriously work the land, manufacture goods, and trade overseas, “they shall quickly get among ‘em, a plenty of Gold and Silver: So that the real and effective Riches of a Country, is its Native Product.”¹¹³ Davenant, in other words, believed “trading Mines” to be the true gauge of national wealth: not because he thought any less of money than the others, but because he saw that industry, manufacturing, agriculture and trade procured money. The former, not the latter, was most indicative of wealth. Not all mercantilists agreed with this position – Joshua Gee in 1731 called silver and gold the “only true Token of Treasure and Riches” – yet both sides

¹¹¹ Wood, Survey of Trade, 332. Also see Locke, Some Considerations, 14; Waterhouse, Declaration of the State of the Colony, 32.
¹¹³ Davenant, Discourses on the Publick Revenues, 2:15. Petty suggested the same in Quantulumcunque, 165.
of the argument still tirelessly affirmed the balance-of-trade doctrine, reflecting consensus in spite of disagreement.\textsuperscript{114}

These profound differences between the mercantilists have dissuaded many historians from assigning a precise definition to mercantilism. The very term ‘mercantilism’ did not appear until the late-eighteenth century, leading several historians of late to question whether there is any use at all in speaking of a coherent mercantilist philosophy. Mercantilist thinkers “did not agree on fundamental economic principles,” one historian has recently argued; “there was no mercantilist consensus.”\textsuperscript{115} “Mercantilism was never a set body of ideas, and in most respects it is incorrect to see it as a system,” writes another, “there was considerable variation in the economic policies and practices associated with mercantilism over time.”\textsuperscript{116} These historians are partially

\textsuperscript{114} Joshua Gee, \textit{The Trade and Navigation of Great-Britain Considered}, 3rd ed. (London, 1731), 8
\textsuperscript{115} Pincus, “Rethinking Mercantilism,” 28. Two historians, Margaret Ellen Newell and Susan Dwyer Amussen, responded critically to Pincus’s assertion in the same journal. Newell criticizes Pincus for ignoring the balance of trade doctrine, and defines mercantilism as “a loose group of policies that aimed to increase the nation’s exports and to replace imports with the produce of domestic industry,” Margaret Ellen Newell, “Putting the ‘Political’ Back in Political Economy (This Is Not Your Parents’ Mercantilism),” \textit{The William and Mary Quarterly}, 3rd ser., 69, no. 1 (Jan. 2012): 47-50. Amussen maintained that “mercantilism has been a useful term because it is descriptive. It refers to an overall framework within which changing economic policies functioned, as both theory and practice were debated,” Susan D. Amussen, “Political Economy and Imperial Practice,” \textit{The William and Mary Quarterly}, 3rd ser., 69, no. 1 (Jan. 2012): 47-50. Wim Klooster was correct when he wrote in 1998 that “mercantilism is one of those historiographical categories which is often used but about which there is quite a lot of disagreement… The debate has, unfortunately, become blurred in the last decades and the variety of interpretations that have been proffered is most likely to lead to the deconstruction of the concept,” Wim Klooster, \textit{Illicit Riches: Dutch Trade in the Caribbean, 1648-1795} (Leiden: KITLV Press, 1998), 3n.
\textsuperscript{116} Morgan, “Mercantilism and the British Empire,” 168. Russell Menard similarly writes: “I am not persuaded that it is helpful to think of mercantilism as an ideology. Mercantilism is better understood as a situation in which merchants shaped commercial policy rather than as a consistent body of thought or a doctrine,” Russell Menard, “Plantation Empire: How Sugar and Tobacco Planters Built Their Industries and Raised an Empire,” \textit{Agricultural History} 81, no. 3 (Summer 2007): 316. John Brewer likewise talks of the “absence of a coherent mercantilist policy,” yet adds, “…this is not, however, an argument for abandoning the term.” Mercantilism, he continues, “may lack much explanatory force, but it does provide a useful characterization of an era in which the relationship between state power and international trade was seen as a problem of exceptional importance,” see Brewer, \textit{Sinews of Power}, 168-70. For other secondary literature questioning the existence of a mercantilist consensus, see Michael Kammen, \textit{Empire and Interest: The
correct. Unquestionably, there was a lack of consensus over strategical methods.

Focusing on strategy, however, and other more secondary theoretical questions, distracts us from the larger picture on which there was consensus, namely the balance of trade and specie objective. Any seventeenth- or eighteenth-century polemist who argued against these two tenets, simply put, was not a mercantilist.

Perhaps one reason for the present confusion over mercantilist ideology is the disconnect that historians belonging to the late-twentieth and early-twenty-first centuries have from a world of silver and gold money. The paramount role that silver and gold played in mercantilist theory is consequently lost or misunderstood. Earlier historians and writers who belonged to a world of metallic currency universally recognized its fundamental significance to mercantilist doctrine. More telling, a multitude of writers

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American Colonies and the Politics of Mercantilism (Philadelphia: J.B. Lippincott Co., 1970), 4-5; Thomas Leng, “Commercial Conflict and Regulation in the Discourse of Trade in Seventeenth-Century England,” The Historical Journal 48, no. 4 (December 2005): 933-54; Robert B. Ekelund and Robert D. Tollison, Mercantilism as a Rent-Seeking Society: Economic Regulation in Historical Perspective (College Station: Texas A&M University Press, 1981), xi. 117 Keynes belongs to this group, and indeed sympathizes with this mercantilist view of money, see John Maynard Keynes, The General Theory of Employment, Interest and Money (London: Macmillan, 1936), p. 349. “According to the prevailing economic creed,” George Louis Beer wrote in 1908, “a country’s welfare could be accurately gauged by its balance of trade. A favorable balance meant the importation of metals and consequently prosperity.” Jacob Viner, in 1937, observed that “the most pervasive feature of the English mercantilist literature was the doctrine that it was vitally important for England that it should have an excess of exports over imports, usually because that was for a country with no gold or silver mines the only way to increase its stock of the precious metals.” In his two-volume, 1931 classic Mercantilism, Eli F. Heckscher likewise stated that “ideas on the balance of trade and the significance of money undoubtedly occupy a central position in mercantilism.” Charles McLean Andrews agreed, arguing in 1938 that “the mercantilists wanted the balance of trade always to be in England’s favor and the drift of money always in one direction… a channel through which an additional supply of Spanish and other foreign gold and silver might eventually reach England.” “The desire of obtaining ample supplies of money, either directly from the mines, or indirectly by means of trade, became the most powerful factor in international politics,” William Cunningham remarked in 1882. See Eli F. Heckscher, Mercantilism, trans. Mendel Shapiro, rev. ed. (1931; London: George Allen & Unwin, 1962), 1:22-6; Andrews, Colonial Period, 4:323, 351-2; Beer, British Colonial System, 54; Viner, Theory of International Trade, pp. 3-51; Cunningham, Growth of English Industry, pp. 3, 177, 395-402; Lipson, Economic History of England, 3:85-6; M[ax] Beer. Early British Economics from the Thirteenth to the Middle of the Eighteenth Century (London: George Allen & Unwin, 1938; repr., New York: Augustus M. Kelley Publishers, 1967), 60. There was nevertheless at least
in the late-eighteenth and early-nineteenth centuries—only a generation or two removed from the mercantilist age—also affirmed these principles to be the central maxims of mercantilist theory. Smith and Say were not the only ones. “In the Mercantilist System,” Marx wrote in 1857, “gold and silver count as the measure of power of the different communities.” Power was the first tenet; specie the second; the trade balance third.

A few historians since the middle of the last century have quietly emphasized this connection between mercantilism and money, but the general trend in the historiography has no doubt veered away from concretely delineating mercantilist principles. Recent one very notable exception: Gustav Schmoller’s 1884 classic The Mercantile System and Its Historical Significance. Schmoller belonged to the German historicist school and strongly identified with mercantilist ideology, insisting on the virtues of mercantilism as a centralizing, unifying, nationalist force, an aspiration for “economic solidarity.” “In its innermost kernel it is nothing but state making,” he wrote, “…the essence of the system lies not in some doctrine of money, or of the balance of trade; not in tariff barriers, protective duties, or navigation laws; but in something far greater: namely, in the total transformation of society and its organization, as well as of the state and its institutions, in the replacing of a local and territorial economic policy by that of the national state… The whole idea and doctrine of the Balance of Trade, as it then arose, was only the secondary consequence,” see Gustav Schmoller, The Mercantile System and Its Historical Significance (1884; repr., New York: MacMillan and Co., 1897), pp. 48-51, 61, 77.

As early as 1803, Jean-Baptiste Say likewise stated that mercantilist doctrine rested upon the maxim “that the commerce of a nation is advantageous, in proportion as its exports exceed its imports, and as there is a larger cash balance receivable in specie, or in the precious metals,” see Jean-Baptiste Say, A Treatise on Political Economy (1803; New York: Augustus M. Kelley Publishers, 1971), 148. A quarter-century earlier, Adam Smith said the “encouragement of exportation and the discouragement of importation are the two great engines by which the mercantile system proposes to enrich every country,” calling gold and silver the system’s “ultimate object,” see Smith, Wealth of Nations, Bk. IV, Ch. VIII, p. 607.


historians, for the most part, have either hesitated to use the term at all or have outright rejected its use. Some of the writers in the latter group focus their arguments primarily upon strategical variations between Whig and Tory in England. Not all economic thinkers, they point out, believed trade to be a zero-sum game. Tories, generally speaking, believed trade to be a zero-sum game (wealth is finite); Whigs did not, and so therefore there was no real consensus.  

The problem with this view is that the zero-sum theory is not an essential tenet of mercantilism. Many mercantilists indeed believed trade to be a zero-sum game, but this

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Interestingly, the balance-of-trade doctrine has led one historian to ponder whether the mercantilists were right all along, see Cosimo Perrotta, “Is the Mercantilist Theory of the Favorable Balance of Trade Really Erroneous?” History of Political Economy 23, no. 2 (1991): 301-336.

121 Pincus, “Rethinking Mercantilism,” 2. Pincus additionally argues that Tories believed property was tied to the land and products of the soil, whereas Whigs believed property depended solely on the product of human labor. As a general rule, Whigs and Tories indeed seemed to disagree on which was more important. Again, this doesn’t negate the aforementioned consensus on the balance-of-trade doctrine and specie objective. But putting that aside, it’s interesting that perhaps the most prominent and influential Tory mercantilist of all – Charles Davenant – had this to say about property and wealth: “Tis not the extent of Territory that makes a Country Powerful, but Numbers of Men well employ’d, convenient Ports, a good Navy, and a Soil producing all sort of Commodities,” Davenant, Essay upon the Probable Methods, 31. Here Davenant seems to be advocating both views: on the one hand, he says that the size and extent of territory does not matter, stressing the significance of human labor “well employ’d.” This, of course, is precisely the Whig view, according to Pincus. On the other hand, Davenant emphasizes the importance of the products of the soil: the Tory view. In a separate tract, Davenant does the same thing again, arguing that the wealth of a nation is the “Natural, or Artificial Product of the Country, that is to say, what their Land, or what their Labour and Industry produces,” Davenant, Discourses on the Publick Revenues, 2:15. And so this distinction between the Whig and Tory conception of property and wealth, though perhaps useful to some degree – Josiah Child is a great case in support of Pincus’s argument – is not as clear-cut as his article makes it appear.

Moreover, Pincus cites William Carter, a Whig, to support his argument that Tories, more than Whigs, preferred mines of gold and silver – products of the land and soil. The 1685 quotation goes like this: “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,” The Reply of W.C. (London, 1685), 49. But this was hardly a controversial statement. All Carter was saying here was that a nation without mines needs a favorable trade balance: the only semi-controversial part about it was that manufacturing happened to be the Whig strategy for achieving that objective. Carter’s statement in no way meant that products of the land were unimportant, nor was it a condemnation of seeking after gold and silver. A Tory mercantilist would completely agree with Carter’s statement, except his prescription for achieving a favorable trade balance would likely focus on another branch of trade, like the East India Company. Furthermore, it was the Tories in the 1690s who fought for an irredeemable paper currency, while it was the Whigs who fought (successfully) for a paper currency backed by gold and silver.
conviction was not necessary to mercantilist doctrine. Josiah Child, an English Tory, for instance, conveyed well the zero-sum position. “Whatever weakens them [the Dutch],” he wrote, “enriches and strengthens England.”\textsuperscript{122} William Wood, a prominent Whig, countered with the opposite view. Of Holland and England, he wrote, it was their “reciprocal Interest” to “promote each other’s Happiness and Prosperity.” Any country excelling in trade and labor, he wrote, “may be truly said to have no Bounds to its Wealth.”\textsuperscript{123} So far Child and Wood stand in total opposition: one avowed trade to be a zero-sum game, the other believed there were no bounds to wealth. But what of the balance of trade? Here, not surprisingly, both confidently affirmed this bedrock principle of mercantilist doctrine.\textsuperscript{124} Wood even went so far as to call it “the only certain Rule.”\textsuperscript{125} And so, again, we return back to consensus.

Historians unanimously agree, of course, that the sixteenth and seventeenth centuries witnessed extraordinary advances in commerce. Machiavelli had once insisted that princes “should have no care or thought but for war... for war is the sole art looked for in one who rules.”\textsuperscript{126} Now, according to Wood, it was the “chief Wish, to have a Prince on the Throne, who, Ruling over a Trading People, may know the Grand Concern of Trade.”\textsuperscript{127} Much had changed since 1513, the date of Machiavelli’s \textit{Prince}. “Trade is now become the Lady, which in this present Age is more Courted and Celebrated than in any former by all the Princes and Potentates of the World,” Roger Coke of England

\begin{itemize}
\item \textsuperscript{122} Child, \textit{Discourse Concerning Trade}, 3.
\item \textsuperscript{123} Wood, \textit{Survey of Trade}, pp. 110, 332.
\item \textsuperscript{124} \textit{Ibid.}, pp. 68, 83; Child, \textit{New Discourse of Trade}, 135-6; Child, \textit{Discourse of the Nature}, 18.
\item \textsuperscript{125} Wood, \textit{Survey of Trade}, 104.
\item \textsuperscript{126} Niccolò Machiavelli, \textit{The Prince} (1513; New York: Dover Publications, Inc., 1992), 37.
\item \textsuperscript{127} Wood, \textit{Survey of Trade}, v.
\end{itemize}
remarked in 1670.\textsuperscript{128} It was “now beyond all Controversie that it is the Interest of all Nations to increase their Trade; the Increase of which begetteth Wealth, and Riches.”\textsuperscript{129} Mercantilists favored foreign trade in particular: Child praised the export trade as the “greatest Security and Preservation of our Publick Honour and Welfare,” and Mun linked foreign trade to “the great Revenue of the King, the honour of the Kingdom... the means of our Treasure, the Sinnews of our wars, the terror of our Enemies.”\textsuperscript{130}

Silver and gold did not physically travel in every money transaction. Rather, bills of exchange often took their stead, and their use among merchants exploded in volume in the sixteenth- and seventeenth-centuries. Bills of exchange – an “excellent Invention” of the thirteenth-century Italians – were commercial paper instruments used to settle accounts without the physical transfer of coin, saving merchants the cost and risk of constantly moving money around, operating much like a check does today.\textsuperscript{131} If a merchant wished to make an overseas payment, he could purchase a bill representing coin held elsewhere on deposit in London, Amsterdam, Hamburg, or elsewhere, and then send the bill over instead. Bills of exchange often circulated between more than two people,

\textsuperscript{128} Coke, \textit{Discourse of Trade}, preface.
and often travelling through a number of towns before the ultimate recipient finally ‘cashed’ the bill for coin. 132

132 A London importer, for instance, wants to purchase masts from a Boston exporter. Rather than sending coin across the ocean to settle the trade, the London importer draws a bill of exchange and sends the paper document across the ocean to the Boston exporter. The bill specifies that the London importer is in debt, and that the holder of the bill has money to his credit on account in London. The London importer is the “drawee”; the Boston exporter who receives the bill is the “drawer.” Upon receiving the bill of exchange, the drawer in Boston may sell the bill to an import-merchant in Boston looking to purchase English textiles. The Boston importer buys the bill – making him the “payer” – and then sends the bill across the ocean to the London exporter who sold him the manufactured goods. The London exporter – or “payee” – then presents the bill to the original drawee (the London importer) and receives the specified sum in coin.

Bills of exchange travelled all throughout the Atlantic world in the seventeenth, eighteenth, and nineteenth centuries. Not infrequently would a Caribbean payer purchase a bill of exchange from a fellow Caribbean drawer, only to re-sell the bill to another payer in Boston, who then sold the same bill again to an additional payer in Philadelphia, who then finally returned the bill to the original drawee in London for redemption in coin.

In the same way that a check might ‘bounce’ if the specified funds are not available in the account, payees who delivered a bill of exchange to the original drawee for redemption sometimes discovered that the drawee would, for various reasons, not honor the bill. In such cases, the payee would protest the bill of exchange by sending formal notice to the drawer that the drawee refused payment. If the drawer, after contacting the drawee, failed to gain compliance, the payee could then sue the drawee for nonpayment. In such a system, then, the reputations of both drawee and drawer were highly important. If word got around that a drawee dishonorably refused payment, his reputation would suffer immeasurably, and so few merchants abused the system.

Yet bills of exchange were not always readily available. When a city’s exports exceeded its imports, bills were in plenty (city merchants had less need to transfer money abroad), but when a city imported more goods than it exported, bills became scarce and thereby became more expensive for a merchant to acquire. When the price of bills crossed a certain threshold, it then became more profitable for the merchant to export coin, despite the greater risk. If the price of the bill fell below that threshold, however, merchants almost universally preferred to use bills. In an age of piracy and shipwrecks, sending actual coin across the Atlantic entailed considerable risk. In the case of bills of exchange, however, the drawee sent several copies of the bill – known as a “set” – to insure against loss.

Seventeenth-century English writers heaped constant praises upon commerce, trumpeting statements unthinkable, even heretical, in the century preceding it. A small sample demonstrates the great extent to which money and trade had come to dominate seventeenth-century discourse: “Trade and Commerce are the Pillars of Prosperity, and safety to England”; the “true and intrinsic Interest of England, without which it cannot subsist”; the “glory, strength and security of the English Nation,” granting “power and strength to the Soveraign” and “Riches to the Subjects”; “as useful in the body Politick as blood in the veins of the body.”

As early as 1608 Thomas Milles spoke of the “sanctified Altars of publique Commerce,” a phrase that half-a-century prior would have utterly dumbfounded his audience. “Love doth much, but Money doth all,” another Englishman wrote in 1615.

Not surprisingly, the social status of the European commercial classes increased proportionally. The cultural prestige and rank of the merchant, even the wealthiest, historically fell far below that of the landed gentry, and continued so well into the eighteenth century. Nevertheless the commercial revolution began nibbling away at

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134 Milles, *Customers Alphabet*, 74-5.


136 David Hancock, *Citizens of the World: London Merchants and the Integration of the British Atlantic Community, 1735-1785* (Cambridge: Cambridge University Press, 1995), 279; Appleby, *Economic Thought*, 114-5. As late as 1728 Daniel Defoe remarked that merchants continued to face derision from men who “would divide the World into two Parts only, viz. the Gentry and the Commonality”: men “opposed to the trading Part of the whole World, whom they divest of all Dignity, as well as of Degree.” “Why are we to despise Commerce as a Mechanism, and the Trading World as mean,” he asked, “when the Wealth of the World is deem’d to rise from Trade?” see Defoe, *Plan of the English Commerce*, pp. 6, 9.
these earlier prejudices, a process aided by the repercussions of sixteenth-century inflation on the fixed incomes of the landed classes. European states came to realize, to quote Englishman John Wheeler, that “a Prince may use this kinde of men, I meane Merchantes, to the great benefite, and good of his state.” Wheeler, writing in 1601, insisted that merchants hereafter receive “commendation” for their work, “without losse of one jote of honor.”

By the early decades of the seventeenth century, merchants could unabashedly speak and write openly of purely-commercial matters and profit-making. “Every man almost is taken with the attention to profite,” an English writer observed in 1615. The “sweete fountaine of profite,” he wrote, not only “watereth our private estates with the continual spring of great gaine,” but also “keepeth in our treasure.” Trade, Mun wrote in 1628, was a “Noble vocation” and “laudable practice... the very Touchstone of a kingdoms prosperity.” Truly, a cultural revolution was under way, accompanying the monetary revolution immediately preceding. “Trade is a richer and more dureable Mine than any in Mexico or Peru,” declared another, and with this growing realization,

137 Appleby, Economic Thought, 31; Cunningham, Growth of English Industry, 169; Dodd, History of Money, 57. In 1757, Joseph Harris, mint-master in England, argued that in an inflationary environment, “the nobility, and in general who live upon estates and established stipends will become poorer... the nobility must change their fashion of life, and abate of their antient splendor... This tide having spent itself, things are again resettled, tho’ perhaps in quite a new form,” see Harris, Money and Coins, Part I, 84-5. Joseph Schumpeter, in 1930, argued that the Price Revolution was responsible for the “social and intellectual tensions and explosions of the sixteenth century... [it] frightened people and created an atmosphere of unrest in which traditions and customs lost their importance and the social organism pulsated feverishly... due quite predominantly to monetary causes – the accident of imports of precious metals from America,” see Joseph A. Schumpeter, “Money and Currency,” orig. written, 1930, repr., Social Research 58, no. 3 (Fall 1991): 507
138 Wheeler, Treatise on Commerce, 8.
140 Kayll, Trades Increase, pp. 39, 46.
141 Mun, Discourse of Trade, 1; Mun, England’s Treasure, pp. 10, 220. For similar remarks, see Misselden, Circle of Commerce, 18.
merchants emerged a powerful force within the commercial nations of Europe: a status transformation directly linked to the discovery of enormous quantities of New World metals and the global struggle over who would ultimately control them.\(^{142}\) As Joyce Appleby so aptly remarks, the seventeenth-century emphasis on foreign trade “marked the beginning of the end of the old European order.”\(^{143}\)

England, in the first half of the sixteenth century, was an unlikely candidate to emerge the victor in the global contest for silver and gold, notwithstanding its strategic position along the North Atlantic. The overwhelming majority of English men and women worked chiefly in agriculture, and the city of London in the 1520s counted only 60,000 residents, far fewer than the inhabitants of Paris, Antwerp, Naples, Venice, or Lisbon.\(^{144}\) Nevertheless, beginning with Henry VII and through most of the early-sixteenth century, English exports of woollen cloth increased markedly, causing silver and gold to enter the kingdom at levels well exceeding that of the fifteenth century.\(^{145}\) Woollens – “our Golden Fleece” – accounted for nearly four-fifths of all English exports in the early Tudor period

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\(^{144}\) Clay, *Economic Expansion*, 1:197; Brewer, *Sinews of Power*, pp. xiii, 180. Joshua Gee later reminded his eighteenth-century audience that the English were once “so inconsiderable in Trade, that even London, the Metropolis of this Kingdom, made but a small Figure to what Bruges, Antwerp, and other Hans Towns did, as well as the great Cities in the Mediterranean,” Gee, *Trade and Navigation*, 101. For similar remarks, see Child, *Brief Observations*, 7; Johnson, *Nova Britannia*, D1.

tin and lead made up the remainder), almost all of which went to the Flemish city of Antwerp.\(^\text{146}\) Antwerp enjoyed a commercial boom in the early-sixteenth century as the main entrepôt for European goods. Flemish merchants profitably re-exported English woollens across most of the Continent, and the English, in turn, imported wines, linens and metal goods from the Flemish, who then pocketed the difference in coin.\(^\text{147}\)

With the English kingdom still recovering from the Wars of the Roses (1455-85) and later embroiled in religious controversy under Henry VIII and his offspring, the Crown lacked both the will and the resources to finance overseas expeditions. In 1487 Henry VII even rejected Columbus’s request to finance his intended western voyage.\(^\text{148}\) “In those dayes we had no great need to follow strange reports, or to seeke wilde adventures,” one Englishman later recalled.\(^\text{149}\) Henry VII granted a patent to John Cabot for North American exploration in 1496, but failed to capitalize on Cabot’s discoveries.\(^\text{150}\) Henry VIII, in turn, displayed little concern for transatlantic ventures, notwithstanding promises from a few of his contemporaries that colonization promised


\(^{148}\) Quinn, *England and the Discovery of America*, 75-81.


“perpetuall glory,” “great profite,” and the “richest lands and llands of the worlde of Golde... and other thinges that wee here esteeme most.”

With the crowning of Elizabeth in 1558 – and much-needed currency reform in 1561 – England finally enjoyed a prolonged period of political stability and commercial expansion. The fiscal shortcomings of the early Elizabethan state forced the Crown to adopt a highly decentralized alternative to the Spanish and Portuguese model, one that coupled private enterprise with joint-stock, monopoly charters, allowing the Crown a limited, though not insignificant degree of control over the direction of English commerce. The establishment of the Royal Exchange of London, in 1568, signaled the undergoing transformation. Here, merchants eagerly gathered for the distribution of commodities and money from all across the globe, excitedly conversing with one another over new opportunities for trade and profit. A number of English merchants earned spectacular wealth in this final quarter of the sixteenth century, and outgoing ports, especially London, now boasted “a great number of wealthie, and well experimented Merchants.”

153 Games, Web of Empire, 81-2.
154 Quotation from John Wheeler’s 1601 Treatise on Commerce, 19-20. Also see Appleby, Economic Thought, 3-4; Andrews, Colonial Period, pp. 1:27, 4:1-8, 319; Davis, Commercial Revolution, 7; Brenner, Merchants and Revolution, 5; Shammas, “English Commercial Development,” 162-4; Clay, Economic Expansion, 1:198-200. Future Englishmen especially praised the Elizabethan period as a watershed moment in the history of English commerce, see Johnson, Nova Britannia, B2; Carter, Alarum to England,
The Mediterranean was the scene where English tradesmen first tasted the “Sweets of Commerce.”\(^{155}\) Beginning with Italy in 1570 and Turkey after 1581, London merchants exchanged English woollens, tin and lead for silk, sugar, drugs, raisins, cotton textiles and other goods.\(^{156}\) Antwerp had previously serviced this exchange between the Mediterranean and England, and so the new direct trade shortly “ruin’d the Flemings.”\(^{157}\) In 1592 Elizabeth chartered the Levant Company, with exclusive commercial rights in the eastern Mediterranean. The trade allotted English merchants invaluable experience in capital accumulation, long-distance trade, and large-scale company organization.\(^{158}\) Levantine and Mediterranean commerce required ships of far greater tonnage than the smaller watercraft used in North Atlantic trade, with vessels weighing anywhere between 250 and 400 tons.\(^{159}\) It was in the Mediterranean, historian Alison Games argues, that English merchants forged the “cosmopolitan sensibility” that ultimately came to characterize the London commercial community.\(^{160}\)

English shareholders reinvested the silver money earned from the Mediterranean trade into enterprises like the East India Company, organized and chartered in 1600 with monopoly trading rights over all English commerce between the Cape of Good Hope and

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155 Defoe, *Plan of the English Commerce*, 47.
156 Davis, *Commercial Revolution*, pp. 3, 6, 8; Games, *Web of Empire*, 49-50. Raw-silk imports – mainly from the Levant Company, but also from the East India Company – rose tenfold within just sixty years: from 12,000 lbs. in 1560 to 120,000 lbs. by 1620, see Brenner, *Merchants and Revolution*, 25.
160 Games, *Web of Empire*, 290. Also see pp. 9-10, 83-115.
the Strait of Magellan. The East India Company constructed trading stations along the
coasts of Persia and India, importing pepper in colossal ships weighing as much as 500
tons.\textsuperscript{161} The company, as the charter permitted, legally exported enormous quantities of
silver to India. Silver exports from England to India, under James I, annually exceeded
over £500,000. And yet because company merchants re-exported much of the pepper
again to European markets (often for silver coin), the company, on balance, offset the
original silver-export, and was overall profitable for England.\textsuperscript{162}

The economic outlook was not entirely rosy in the Elizabethan years. A hefty
trade deficit with the Baltics, a stagnated woolen industry, and Dutch mercantile
competition sullied an otherwise upward commercial trajectory. England relied heavily
upon the Baltic countries – Scandinavia, Russia, Poland, and northern Germany – for
much-needed naval stores, including pitch, tar, masts, and timber: “so absolutely
necessary,” one writer later remarked, “that we must have them, though purchased for
Bullion.”\textsuperscript{163} Most of the woodlands in England had long been depleted, spawning a mini-
crisis because the onset of the Mediterranean and East Indian trades had spiked the

\textsuperscript{161} For more on the early years of the English East India Company, see Andrews, \textit{Trade, Plunder and Settlement}, 256-79; Brenner, \textit{Merchants and Revolution}, 21; Lipson, \textit{Economic History of England}, 2:269-
Clay, \textit{Economic Expansion}, pp. 2:130, 164-5; Ralph Davis, \textit{The Rise of the English Shipping Industry in the

\textsuperscript{162} Davis, \textit{Commercial Revolution}, 9. In 1624 alone, for instance, the company exported £753,336, see
Challis, “Great Silver Recoinage,” 308. For this reason, the East India Company was extraordinarily
controversial in England, with some mercantilists arguing that the company depleted England’s stock of
treasure more than it replenished it. Elizabeth struck a middle ground by limiting the total quantity of silver
coin the company could legally export from the kingdom. For early English criticism of the East India
trade, see Malyne, \textit{Treatise of the Canker}, 68-9; Violet, \textit{Appeal to Caesar}, 25-6. For early English praises
of the company, see [Dudley Diggles], \textit{The Defence of Trade} (London, 1615), 16-50; Kayll, \textit{Trades Increase}, pp. 5, 13-5; Mun, \textit{Discourse of Trade}, pp. 4-5, 8-9. Kayll even compared the East Indian trade to
“the singing of Swannes.”

\textsuperscript{163} Cary, \textit{East-India Trade}, 2.
demand for shipping. English shipping, the “Jewels of our land,” increased by almost 50 percent between 1582 and 1609, from a tonnage of 68,433 to 101,566.\textsuperscript{164} The Muscovy and Eastland companies now imported naval stores far in excess of the woollen cloth exported to the Baltic.\textsuperscript{165} The adverse trade balance was such that in 1581 one author bemoaned that the Baltic trade “exhause this Realme of treasure,” and in 1600 Elizabeth issued a proclamation ordering stricter enforcement of laws prohibiting the unlicensed export of coin.\textsuperscript{166} The Anglo-Spanish War of 1585-1604, moreover, temporarily halted English cloth exports to the Iberian Peninsula, an extremely vital source, of course, for silver money.\textsuperscript{167}

Dutch commercial competition constituted yet another source of uneasiness for many Elizabethans. The fall of Antwerp had indeed benefited London, but the chief successor to the Flemish entrepôt was Amsterdam, the capital of the United Provinces of the Netherlands. The United Provinces remained a nominal part of the Spanish Empire –

\textsuperscript{166} Hales, \textit{Common Weal}, 69; “A Proclamation concerning Coyne, Plate, and Bullion of Gold and Silver,” 1600, accessed on \textit{Early English Books Online (EEBO)}, http://eebo.chadwyck.com. Money, the proclamation read, has “been for these later yeres much more abundantly transported and conveyed out of this Realme.”
\textsuperscript{167} Davis, \textit{Commercial Revolution}, 6-7; Brenner, \textit{Merchants and Revolution}, 30. On the eve of the war, in 1583, Christopher Carleill had boasted that England enjoyed a “very greate trade” with Spain and Portugal, “ventyng a good parte of our wares into their Indies” in exchange for Spanish American silver, see Christopher Carleill, \textit{A Breef and Sommarie Discourse upon the Extended Voyage to the Hethermoste Partes of America} (London, 1583), 3.
Philip III did not formally relinquish sovereignty over the Netherlands until 1609 – but a revolt against Spain in the latter part of the sixteenth century corresponded with an aggressive push by Dutch merchants into European commercial traffic. Beginning in the 1590s, Amsterdam merchants re-exported Baltic grain to southern Europe in exchange for Mediterranean salt, cotton, silk and fruit. The same merchants then re-exported these Mediterranean goods to markets across most of northern Europe, surpassing English efforts to do the same. Such commercial activity was known as the carrying trade, whereby a third-party merchant profitably transported goods from one area to another, pocketing silver and gold in the transfer.168

Indispensable to the Dutch carrying trade was the East Indies. The first Dutch fleet reached the Spice Islands of Indonesia in 1595, followed by dozens more in the upcoming years, acquiring extraordinarily valuable spices to market all over Europe.169

After seven years of fierce competition between rival Dutch merchants, the States-General of the United Provinces in 1602 granted exclusive trading rights to the United Dutch East India Company (VOC).170 The VOC successfully ousted Portuguese traders from the Spice Islands in 1605 and displaced the Lisbon monopoly with their own

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169 Klooster, Illicit Riches, 9; Israel, Dutch Primacy, 67-8; Clay, Economic Expansion, 2:130. Levant Company merchants in London had organized the English East India Company in 1600 out of fear that the Dutch would under-sell them in the sale of pepper and spices, which the Levant Company imported from the Near East.

170 Israel, Dutch Primacy, 69; Klooster, Illicit Riches, 9.
monopoly over the global market in nutmeg, mace and cloves. The Dutch East Indian trade, with nearly sixty VOC vessels making the East Indian voyage between 1600 and 1609, far surpassing English traffic in India and Persia.

The traffic brought quick and sudden wealth to the Netherlands, almost as rapidly as the discovery of Potosí enriched the Spanish monarchy. Josiah Child later called the Dutch East Indian trade “more profitable to them than are the Mines of Gold and Silver in America to the King of Spain.” The United Provinces commanded few natural resources of their own, and Dutch commercial traffic had been negligible as late as the 1580s, yet by the turn of the century, the East Indian, Baltic and Mediterranean carrying trades had ushered in enormous sums of money into the Netherlands, placing Holland well ahead of England in the mercantilist race for New World metals. Ironically, England was largely responsible for Holland’s breakout in the 1590s, as the English destruction of the Armada fleet in 1588 breathed new life into Dutch independence efforts from Spain.

The Anglo-Spanish War also focused England’s eyes, for the first time, across the Atlantic Ocean. Unprecedented assaults by English privateers on Spanish silver fleets in the Caribbean annually brought over as much as £100-200,000 into London in the 1580s. The plundered treasure not only financed English mercantile activity, but also

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171 Israel, Dutch Primacy, 73; Clay, Economic Expansion, 2:130; Klooster, Illicit Riches, 10.
172 Israel, Dutch Primacy, 103; Irwin, “Mercantilism as Strategic Trade Policy,” 1296-1314.
173 Josiah Child, A New Discourse of Trade (London, 1692), 144.
174 Israel, Dutch Primacy, pp. 17, 27, 44, 74.
175 Ibid., 36-7. Defoe also noted the irony in Plan of the English Commerce, 29.
176 McCusker and Menard, Economy of British America, 147. “Without the lure of these Atlantic and Pacific fleets full of bullion,” Carole Shammas argues, “most English, French, and Dutch exploration and colonization expeditions would never have materialized,” Shammas, “America, the Atlantic,” 61. Also see

An invigorating spirit of pride, destiny, and solidarity consumed England as never before in the final quarter of the sixteenth century. National objectives included the defeat of Spain, the expansion of global commerce, the seizure of American silver, and finally, North American colonization. Most Elizabethan merchants attended exclusively to commercial opportunities in the Mediterranean, Baltic, and later, East Indies, but a growing and vocal few began urgently promoting North American settlement as the surest way to usher money into the kingdom.\footnote{Shammas, “English Commercial Development,” 152-3.} English claims to North America dated back a century to Cabot’s expedition, but the ensuing dearth of activity greatly exacerbated colonization promoters. Time was running short, they argued, citing Henry VII’s rejection of Columbus’s offer as evidence that the kingdom would later regret

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\textit{Koot, Empire at the Periphery, 26; Games, Web of Empire, 125; Dunn, Sugar and Slaves, 16; Defoe, Plan of the English Commerce, pp. 138, 141.}
The hour had come, George Peckham insisted in 1583, for England to awaken “out of that drowsie dreame wherein we have so long slumbered.”

The Elizabethan adventurers who crossed the Atlantic in the 1570s and 1580s did so with two main objectives: New World metals and the discovery of a Northwest Passage to the so-called South Sea, or Pacific Ocean. The two most prominent of these adventurers, Sir Humphrey Gilbert and his half-brother Sir Walter Raleigh, were military men largely uninterested in commercial affairs. Gilbert, and then Raleigh, obtained royal authority to organize private colonizing expeditions in the Americas, so long as Elizabeth received the customary Royal Fifth of gold and silver. Wild rumors of wealthy indigenous cities gripped the imaginations of Elizabethan English. Both Raleigh and Gilbert anticipated stumbling across these mythical cities, hoping to emulate the still-seemingly successful Spanish model.

The Northwest Passage, moreover, would bring enormous sums of coin to England. The Portuguese still monopolized the East Indian trade in the 1570s and 1580s, forcing the English to buy Eastern goods at marked-up prices from Lisbon middlemen. A new passage would not only allow English merchants direct access to these goods – preventing money from leaking to Portugal – but would also open up a highly-profitable

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180 George Peckham, *A True Reporthe, Of the Late Discoveries, and Possession, taken in the right of the Crowne of Englande, of the New-found Landes* (London, 1583), n.p.
carrying trade with Europe.\textsuperscript{182} “Through the shortnesse of the voyage,” Gilbert argued, English merchants would buy spices “far better cheape” than the Portuguese, enabling them to seize the Continental market and acquire “great aboundance of gold and silver.”\textsuperscript{183} For this reason, Sir Francis Drake in 1583 praised the illusory passage as “the path to Fame, the proffe of Zeale, and way to purchase golde.”\textsuperscript{184}

Newfoundland was the first North American site chosen by the English for settlement. English fishermen had made seasonal, migratory trips to the Newfoundland fishery since the early-sixteenth century, but Gilbert desired a permanent, year-round settlement, and in 1578 received a colonizing patent from Elizabeth.\textsuperscript{185} After a series of failed expeditions – the consequence of meager resources and unrealistic expectations for silver, gold and the sea passage – Gilbert’s scheme to permanently settle Newfoundland came to an end in 1583 after he was lost at sea.\textsuperscript{186} Raleigh assumed Gilbert’s patent and shifted attention onto what became known as Virginia, sending one hundred settlers to

\textsuperscript{182} Quinn, England and the Discovery of America, 47-51; Andrews, Colonial Period, 1:20-3; Beer, British Colonial System, pp. 9, 60-1; Pope, Fish Into Wine, 13.

\textsuperscript{183} Humphrey Gilbert, A Discourse of a Discoverie for a New Passage to Cataia (London, 1576), H1-2.

\textsuperscript{184} Drake quotation in Peckham, A True Reporte, Of the Late Discoveries, introduction. The King of Denmark, moreover, was rumored to be looking for the Northwest Passage, see “Reasons for Raising a Fund for the Support of a Colony at Virginia,” n.d., in Genesis of the United States, 1:39-40. For further English promotions of the Northwest Passage, see Carleill, Breef and Sommarie Discourse, 6; Hakluyt, Diverse Voyages, dedicatory; Hakluyt, Principal Navigations, 3:45; Digges, Defence of Trade, 2-3; Thorne, Declaration of the Indies, D2. In 1580 one author, with support from the Muscovy Company, speculated of a northeastern passage above Siberia to the East Indies, see Notes in Writing (London, 1580), in Hakluyt, ed. Divers Voyages, H1-H2.


colonize Roanoke Island in 1585. Raleigh, like Gilbert, fantasized of stumbling across golden cities and the Northwest Passage, but his colony inexplicably vanished shortly after settlement.\textsuperscript{187} Ralph Lane, captain of the Roanoke expedition, demonstrated the prevailing view well when he argued that “the discovery of a good Mine, by the goodnesse of God or a passage to the South-sea, or some way to it, and nothing else can bring this Countrey in request to be inhabited by our nation.”\textsuperscript{188}

Not all Elizabethans remained trapped in the sixteenth-century mindset that mines alone made a land worth conquering. Beginning in the 1570s a few writers promoted North American colonization as a way to improve England’s balance of trade, embracing a new, more sophisticated method for acquiring money. Such promoters cast doubt upon the endless speculations that the North American continent abounded with gold, believing such rumors to be mere hype to make investors “more willyng to furnishe their money.”\textsuperscript{189}

Colonies ought instead produce goods that England presently imported from foreign nations. Richard Hakluyt, preeminent advocate for colonization, said very little in his writings of discovering precious metals.\textsuperscript{190} If the English settle North America, he promised in 1576, “we should not depend upon Spaine for oyles... nor on Eastland for flaxe, pitch, tarre, mastes, so we should not so exhaust our treasure, and so exceedingly

\textsuperscript{188} [Ralph Lane], \textit{An Account of the Particularities of the Imployments of the Englishmen left in Virginia} (London, 1586), in Hakluyt, ed., \textit{Principal Navigations}, 3:259.
\textsuperscript{189} Carleill, \textit{Breef and Sommarie Discourse}, 6-7.
\textsuperscript{190} For more on the Hakluys – the elder Richard and his younger cousin (the latter of whom authored the forthcoming tracts) – see Glover and Smith, \textit{Shipwreck that Saved Jamestown}, 24-5; Shammas, “English Commercial Development,” 160-1.
inrich our doubtfull friends.” Here we see that silver and gold remained Hakluyt’s ultimate objective, but that money was something the kingdom could amass indirectly through trade. If mines of gold and silver existed, so be it, but the absence of these metals, Hakluyt insisted, need not discourage North American settlement.\(^{191}\)

Naval stores and timber were of particular interest to these Elizabethan promoters, and Gilbert and Raleigh’s expeditions revealed a land replete with pine forests: “inough to serve the whole Realme;” George Peckham excitedly wrote in 1583.\(^{192}\) North American pine extended 100 to 250 feet, large enough for a single tree to serve as a mast, unlike Baltic fir that required shipbuilders to piece-together several trees to form a mast.\(^{193}\) The “plentie of excellent trees,” Hakluyt predicted, should contribute to the “great inrichinge of the realme.”\(^{194}\) Christopher Carleill, in 1583, looked forward to a day when the English could build ships “without beyng in any sort beholdyng to a Kyng of Denmarke.”\(^{195}\) “Our monies... now run into the handes of our adversaries,” another noted;

\(^{191}\) Instructions by Richard Hakluyt to Martine Frobisher, 1576, in Hakluyt, ed., \textit{Principal Navigations}, 3:46. Hakluyt nevertheless predicted that once word spread among Native Americans that the English treat them “with all humanitie, curtesie, and freedome, they will yelde themselves to her governement, and revolte cleane from the Spaniarde... and this broughte so aboute, her Majestie and her subjectes may bothe enjoye the treasure of the mynes of golde and silver,” Hakluyt, \textit{Discourse Concerning Western Planting}, 159.


England must “find the meanes to exporte [more] comodities then it hath occasion necessarily to importe.”

The bountiful American fisheries were still another opportunity to improve the kingdom’s balance of trade. Holland currently dominated the fisheries of northern Europe, and English observers looked on in total dismay as London merchants exported annually as much £100,000 in coin to purchase Dutch herring. The Netherlands reportedly reckoned the northern European fisheries “their Chiepest Trade and gold-Mine.” “Never could the Spaniard with all his Mynes of golde and Silver, pay his debts, his friends, and army, halfe so truly, as the Hollanders stil have done by this contemptible trade of fish,” John Smith wrote a few years later, “...this is their Myne, and the Sea the source of those silvered streames.”

Happily for the English, Newfoundland boasted “great store of excellent Cod fish”; the “most famous fishing in the world.” Once again, money was the chief

196 “Reasons for Raising a Fund,” 1:39
199 John Smith, A Description of New England (London, 1616), 11. Dutch merchants exported fish to the Baltic in exchange for timber and naval stores, Smith continued, “which they exchange againe, to the French, Spaniards, Portugales, and English, etc. for what they want... all sorts of marchandize., as well of Golde, Silver.” For similar remarks relating American fishing to a gold mine, see Thomas Morton, New English Canaan, or New Canaan (London, 1632), 86.
200 Rosier, True Relation, B1; Haies, Report of the Voyage, 3:153. For more contemporary accounts of the “incredible quantitie” of fish in Newfoundland, see Peckham, True Report, E2; Carleill, Breef and Sommarie Discourse, 5. The Newfoundland fishery enjoyed a boom period between the late-sixteenth and
objective. Exploit the fishing trade, one Englishman argued, and the kingdom “may get
treasure in aboundance... we shall stay the unnaturall tyde of the departure and
transportation of our gold... which, to our shame and losse, the Hollanders carry
away.”

Virginia, for its part, promised wealth through a very different set of goods,
including wine, silkworms and olives, so that England might further improve its already-
favorable trade balance with southern Europe. Hakluyt also believed sugar cane, oranges,
lemons, and figs to be among Virginia’s prospective commodities, goods currently
purchased from the Mediterranean, Iberian Peninsula and Barbary Coast. Reports
surfaced that Virginia was exceptionally ideal for agriculture, with a “most plentifull,
sweete, fruitfull and wholsome” soil: a “paradise of the world” that lies “most
convenient for the supplie of those defects which this Realm of Englande most
requireth.” For precisely this reason, one writer in 1588 lashed out against the Roanoke
expedition for losing their enthusiasm “after golde and silver was not so soone found.”

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early-seventeenth centuries, with the trade producing a catch worth around £120,000 a year by 1615, see
Pope, Fish into Wine, pp. 16, 19, 33; Zahedieh, Capital and the Colonies, 190-2; Clay, Economic
Expansion, 2:132-3.

201 Kayll, Trades Increase, pp. 41, 43. English merchants exported above half of the Newfoundland catch to
southern Europe and the Wine Islands, further improving England’s favorable trade balance with those
countries, see Zahedieh, Capital and the Colonies, 191-2.

For other primary sources promoting Virginia’s potential, see Carleill, Breef and Sommarie Discourse, 5-6;
Hariot, Breife and True Report, 5-12; “Reasons for Raising a Fund,” 1:37-9. Also see Bruce, Economic
History of Virginia, pp. 1:41, 45-51; Glover and Smith, Shipwreck that Saved Jamestown, 20.

203 First Voyage, 3:248; Lane, Account of the Imployments, pp. 259, 265; “Reasons for Raising a Fund,”
1:37. Also see Hariot, Breife and True Report, 31-2; Ralph Lane to Richard Hakluyt, 3 September 1585, in

204 Hariot, Breife and True Report, 6. For a collection of sixteenth-century documents relating to Virginia,
see Hakluyt, ed., Principal Navigations, 3:243-94.
Fantastic rumors of mines within the Virginia interior nevertheless persisted, greatly arousing the English imagination. According to one report in 1588, some of the natives at Roanoke had spoken of “mountaines and Rivers that yelde whyte graynes of Mettal, which is to bee deemed Silver.” After the failed colonizing efforts of Gilbert and Raleigh, however, and after the 1588 defeat of the Armada mitigated the Spanish threat, little else was done for American colonization, notwithstanding Raleigh’s obsession with the legendary, though mythical, “great and Golden Citie” of El Dorado in Guiana, South America. After ruling for nearly half-a-century, Elizabeth passed away in 1603 with no permanent English settlement yet made in the Americas.

When James I chartered the Virginia Company of London in April 1606, a great number of the company shareholders still anticipated either the discovery of mines or a passage to the South Sea. The preceding year, in 1605, a play entitled *Eastward Hoe* premiered in London; mocking these fantastical expectations for Virginia. “I tell thee,

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206 Raleigh, *Discoverie*, preface. Raleigh believed that El Dorado” hath more quantity of Gold by manifolde, then the best partes of the Indies, or Peru,” arguing that whoever possesses it “shall be Lorde of more Golde... then eyther the king of Spaine, or the great Turke.” As late as 1625 John Hagthorpe wrote of “El Dorado, the golden Cittie... the Golden Legend... That this Country hath both Golde and Silver Mines, it needs not be doubted,” Hagthorpe, *Englands-Exchequer*, 38. For a collection of sixteenth-century documents regarding El Dorado, see Hakluyt, *Principal Navigations*, 3:627-97. Also see Beer, *British Colonial System*, pp. 9, 14, 186; Andrews, *Colonial Period*, 1:23-4; Hamshere, *British in the Caribbean*, 20; Shammas, “English Commercial Development,” pp. 156, 161; Ferguson, *Ascent of Money*, 22.
golde is more plentifull there then copper is with us,” a character in the play alleged; “all their dripping-panes and their chamber-potts are pure gould.”

Though no serious promoter would have gone quite so far as the satirical playwright, many came close. “We are fall’n upon a land that promises more than the Land of Promise!” one investor wrote in 1607, an allusion to the promised land of Israel. “Instead of milk,” he wrote, “we find pearl, and gold instead of honey!” Virginia, indeed, was the “most stately, rich kingdom in the world,” boasting “rocks and mountains that promiseth infinite treasure.”

English poet Michael Drayton, in 1606, dedicated a poem “to the Virginian Voyage,” and likewise spoke of mines and riches. “Britans you stay too long,” he penned, “quickly aboord bestow you... to get the Pearle and Gold, and ours to hold, Virginia, Earth’s onely Paradise.” Even Richard Hakluyt, in 1609, believed “rich mines of gold” might in fact “lie beyond the mountaines” of Virginia.

“There are hilles and mountaines,” another wrote, “making a sensible proffer of hidden treasure, never yet searched.” The Virginia Company charter, appropriately enough,

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208 George Chapman, Ben Johnson and John Marston, *Eastward Hoe* (London, 1605), E1-E2. The character explained further: “A whole countrie of English is there, man, bread of those that were left there in ’79; they have married with the Indians... and therefore the Indians are so in love with ‘hem, that all the treasure they have lay at their feete.” For more on this play, see Glover and Smith, *Shipwreck that Saved Jamestown*, 28-9.


instructed the first settlers to immediately “digg, mine and searche for all manner of mines of goulde, silver and copper.”

Only with the realization that no such mines existed would English colonizers finally abandon the Spanish model and embrace the new mercantilist model for achieving national wealth. By the second half of the seventeenth century, with the overseas plantations producing sugar, tobacco, pine-tree masts, and other profitable goods, London merchants like John Bland could happily boast that England’s colonies procured the kingdom much “Riches and Money, since it makes the Exportation greater, or the Importation less.”

“These are our Golden Mines,” John Cary wrote in 1696, “and have helpt to support the Ballance of Trade.” English commerce was proving “better than the Mines of Peru and Mexico... an inexhaustible Fund of Wealth.” Indeed, by the dawn of the eighteenth century, England’s colonies had yielded “more Treasure than the Mines of Potosí.”

English mercantilism, however, allowed colonial inhabitants little opportunity to enjoy their own supply of money. Silver and gold was for the parent, not the child. Theoretically speaking, the American settlements were in a state of total economic, political, and cultural dependence upon the seat of empire in London. Colonial wealth

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215 Bland, Trade Revived, 29.
216 Cary, Coyn and Credit, 37.
217 Philips, State of the Nation, 5.
218 Puckle, England’s Path to Wealth, 3-4.
was entirely subordinate to English wealth. Valuable goods had to be channeled first through London so that silver and gold would center in London.\textsuperscript{219}

William Wood described the system perfectly in 1718. The colonies, he wrote, are a “vast Advantage to us in the General Balance of Trade... a Spring of Wealth to this Nation, since \textit{they} work for us, and their Treasure centers all \textit{here}” [italics in original].\textsuperscript{220}

\textsuperscript{219} The American colonies, wrote Charles McLean Andrews, became “pawns in the mercantilist game.” “Because the mercantilists,” he continued, “wanted the balance of trade always to be in England’s favor and the drift of money always in one direction, and that toward England, they saw in the colonies not a separate commercial group with interests of its own, but a channel through which an additional supply of Spanish and other foreign gold and silver might eventually reach England... Their monetary policy was very simple: to prevent the drift of gold or silver from England to America,” Andrews, \textit{Colonial Period}, pp. 4:335, 351-2. Also see Jack P. Greene, \textit{Peripheries and Center: Constitutional Development in the Extended Polities of the British Empire and the United States, 1607-1788} (Athens: University of Georgia Press, 1986), 18; Nettels, \textit{Money Supply}, 12-3; Klooster, \textit{Illicit Riches}, 2; Thomas C. Barrow, \textit{Trade and Empire: The British Customs Service in Colonial America, 1660-1775} (Cambridge: Harvard University Press, 1967), 2. “The colonists were dependents, not partners; subordinates, not equals,” Barrow writes, “If there was one central, unifying idea behind the organization of the First British Empire, it was the unquestioned commercial supremacy of the mother country.” “The principle of keeping colonies underdeveloped and staples-producing was a clear objective of seventeenth-century legislation,” writes Cathy Matson. Mercantilist policies, she continues, were “designed to enhance the national wealth and power of England and deny the colonies an equivalent level of prosperity.” Matson, \textit{Merchants and Empire}, pp. 45, 48. Also see Cathy Matson, “Imperial Political Economy: An Ideological Debate and Shifting Practices,” \textit{The William and Mary Quarterly}, 3rd ser., 69, no. 1 (Jan. 2012): 38.

Because an extremely small percentage of English mercantilists seemed to suggest that colonial wealth was indeed equal to wealth held in England – while still triumphing the balance-of-trade doctrine – we cannot go so far as to include it in the mercantilist consensus. But safe to say, the overwhelming majority of English mercantilists – both Whig and Tory – accepted this imperial-colonial model as nothing short of gospel. Steve Pincus uses this minority view as evidence that mercantilism was not a coherent ideology: but again, this was either a strategic difference, or, in some cases, the writer was not a mercantilist at all. For Pincus’s argument on this particular point, see “Rethinking Mercantilism,” 32-4.

\textsuperscript{220} Wood, \textit{Survey of Trade}, pp. 132-3, 135. Wood plagiarized these words from a 1698 work by Charles Davenant, who stated, “They [the American colonies] are a Spring of Wealth to this Nation, that they work for us, that their Treasure centers all here, and that the Laws have ty’d them fast enough to us,” Davenant, \textit{Discourses on the Publick Revenues}, 2:204. “It was the intent in settling our Plantations in America,” the Board of Trade recalled in 1699, “that the people there should be only employed in such things as are not the product of England,” see Board of Trade to the House of Commons, 13 January 1699, in \textit{Proceedings and Debates of the British Parliaments Respecting North America}, ed. Leo Francis Stock, 5 vols., (Washington, DC: Carnegie Institution of Washington, 1924-41), 2:266. John Cary, a few years prior, likewise wrote, “This was the first Design of settling Plantations abroad, that the People of England might better maintain a Commerce and Trade among themselves, the chief Profit whereof was to redound to the Center,” Cary, \textit{Essay on the State of England}, 68.
The Americas, indeed, were “inexhaustible Mines of Treasure to England.” Henry VII’s rejection of Columbus’s proposition had proven a blessing after all.

The Spanish kingdom had chanced upon an inexpressibly large source of silver and gold in the early-sixteenth century. The discovery initiated a price revolution, geopolitical revolution, and commercial revolution that spanned all parts of the globe. Yet by the turn of the seventeenth century, it was clear that something had gone seriously wrong. Spain had lost control of a great part of its money-holdings, and the empire’s prestige declined almost as rapidly as it had built up. The downfall inspired a new theory of mercantilism. The balance of trade became the cause célèbre: the favored way to acquire metallic currency, with overseas colonies producing goods designed for the economic benefit of the parent country.

When James I ascended the throne in 1603, England enjoyed record quantities of coin in circulation, resulting from a quarter-century of commercial expansion under Elizabeth. From a stock of £1.67 million in 1526, roughly £3.5 million of silver and gold money was in active circulation in England by 1603, a number that would double again in the upcoming century. The Atlantic settlements played a critical role in this seventeenth-century amassment of treasure in England, yet the following chapter commences with more humble beginnings: the founding of a modest settlement in

221 Davenant, *Discourses on the Publick Revenues*, 2:239.
Jamestown, Virginia, marking the beginning of a new era in overseas colonization that would ultimately help propel the British Isles to the status of world’s premier superpower.
CHAPTER TWO: THE FIRST DECADES OF ENGLISH SETTLEMENT

Silver coin rarely penetrated the English Atlantic colonies in the first three decades of settlement. Enormous trade deficits with England caused money to leave almost as quickly as it came in. With coin in such short supply, the first American colonists required alternative monies to govern internal trade: direct exchange, or barter, was simply too inconvenient to rely upon exclusively. In Virginia and the pre-sugar Caribbean, colonials adopted tobacco money as a currency substitute. In New England, farm produce, or “country pay,” including bushels of corn, wheat, barley, peas, and rye, served as the local media of exchange, alongside wampum beads, musket balls, and even beaver skins, most of which served as legal tender for debts and taxes.

Alternative commodity currencies were not money substitutes, but rather money themselves: an innovative response to the vexing problem of silver shortages, creatively facilitating commerce despite their several disadvantages. In due time, however, the same colonial settlements would soon become impatient with these crude commodity money, resulting, later in the century, in an escalated, currency-rooted conflict with England.

Early Stuart efforts to regulate Virginia commerce, even in this early period, evinced a budding economic tension between England and its colonies. Imperial officials wanted Virginians to solely produce goods for the benefit of England, trading exclusively, of course, with the home country. Virginia settlers, for their part, wished to
produce goods of virtually any sort, and proved willing to trade with foreign rivals when
given the opportunity, prompting an imperial prohibition on Virginia-Dutch trade in
1621. New England commerce was not yet consequential enough to warrant mercantilist
intervention in this early period, but in the case of Virginia, the Crown early on
inaugurated a policy of steering colonial commerce to chiefly profit England, even if it
meant occasionally sacrificing colonial economic self-interest.

On 20 December 1606, the Virginia Company of London dispatched three vessels
carrying 144 passengers to the continent of North America. Five months after departing
from England, the now-reduced party of 105 passengers landed on the banks of the James
River. Upon erecting a crude fort and church, the new inhabitants anxiously cast about
for any sign of gold or silver.¹ The sooner they found these metals the better, the
Jamestown council explained, “least the all-devouring Spaniard lay his ravenous hands
upon these gold showing mountains.”²

Captain Christopher Newport, a celebrated navigator and former privateer, was
especially zealous in this currency quest. Two months after arrival, the summer of 1607,
Newport departed for England with a cargo full of sparkling dirt, only to be found
entirely void of gold and silver upon its receipt in London. After returning again to

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Virginia with the First Supply in January 1608 – accompanied by two goldsmiths, two refiners, and a jeweler – Newport artlessly packed the vessel again with rocks and dirt. Failure bred desperation, and soon heedless delusion, as settlers tirelessly probed for metals at the expense of cultivating the soil and maintaining a basic subsistence.

“Golden promises,” John Smith later remarked, forged an atmosphere in Jamestown where “there was no talke, no hope, nor worke, but dig gold.” Starvation, malnutrition, and disease placed annual death rates at around 50 percent, and 80 percent during the cannibalistic winter of 1609-10. Incredibly, the following October, 1610, company


5 Death rates in Virginia were 45 percent in both 1608 and 1609, only to rise above 50 percent again in 1610, see John J. McCusker and Russell R. Menard, The Economy of British America, 1607-1789 (Chapel Hill: University of North Carolina Press, 1985), 118; Glover and Smith, Shipwreck that Saved Jamestown, pp. 42-7, 179-83 Andrews, Colonial Period, 1:99-100. One colonist, George Percy, recounted that they “fed upon horses and other beasts... we were glad to make shift with vermin, as dogs, cats, rats, and mice... boots, shoes, or any other leather some could come by. And those being spent and devoured, some were enforced to search the woods and to feed upon serpents and snakes,” and “to dig up dead corpse out of graves and to eat them,” see George Percy, A True Relation of the Proceedings and Occurents of Moment which have Hap'ned in Virginia (n.d.), in Jamestown Narratives, 505. For primary texts detailing and explaining the “extream miserie” – and occasional cannibalism – of the early Jamestown settlement, see William Strachey, A True Reporitory of the Wracke, and Redemption of Sir Thomas Gates, 15 July 1610, in Jamestown Narratives, pp. 419-20, 440; Council of Virginia. A True Declaration of the Estate of the Coloniage in Virginia (London, 1610), 35-43; Robert Johnson, The Newe Life of Virginiae: Declaring the Former Successes and Present Estate of the Plantation (London, 1612), C1-2; Ralph Hamor, A True Discourse of the Present Estate of Virginia (London, 1615), 16. For this reason, in 1625, Sir Francis Bacon
officers commanded a large band of settlers “to march towards the mountaines, for the
discovery of gold or silver mines,” returning to Jamestown empty handed.6

Spanish Hapsburg officials kept a close, apprehensive eye on all of these
developments, instructing the ambassador in London to take careful note of incoming
news from Jamestown. James I had concluded a peace with Spain in 1604, but relations
between the two kingdoms remained particularly tense.7 Initially the Spanish ambassador
believed the Virginia colonists were concealing “a moderate mine of silver,” because “the
English do not wish it to be known what kind of mines there are, until they are first well
fortified.”8 These suspicions, however, soon vanished. “Mines of gold and silver have
been looked for and this still goes on, but none have yet been found,” he happily reported
in 1611, “the Indians bring them none of those metals.”9

Though many English promoters of Virginia colonization clearly anticipated
success in areas other than simply gold or silver, the company leadership was still very
much intent upon emulating the sixteenth-century Spanish model. It was not yet evident

advised that settlers focus on activities other than finding gold or silver, “for the Hope of Mines is very
Uncertaine, and useth to make the Planters Lazie, in other Things,” see Sir Francis Bacon, “Of Plantations,”
in The Essays or Counsels, Civill and Morall (London, 1625), 201-2
6 “A Breife Declaration of the Plantation of Virginia during the First Twelve Yeares,” 1624, The National
Archives-Public Records Office (Kew, England) [TNA]; CO 1/3, no. 21i, p. 80.
7 The Spanish ambassador, Don Pedro de Zuniga, lobbied James I to stop what he considered an illegal
settlement, while simultaneously pleading with Philip III to destroy the outpost, see Glover and Smith,
Shipwreck that Saved Jamestown, 32-3.
8 Pedro de Zuniga to Philip III, 5 May 1609, in Genesis of the United States, 1:246; Francisco Maguel to
the Spanish Council of State, 1 July 1610, in Genesis of the United States, 1:395.
9 Duke of Lerma to Secretary Antonio de Arostegui, 13 November 1611, in Genesis of the United States,
1:521. Also see Glover and Smith, Shipwreck that Saved Jamestown, 212-3. As late as 1618 some English
officials believed the Spanish might attack Virginia to get to the silver mines, see Court Minutes of the East
India Company, 3 March 1618, in in Calendar of State Papers: Colonial Series, America and the West
1969), 1675-6, no. 96. The English especially feared a Spanish attack during the early years of Virginia
settlement, see Games, Web of Empire, 138.
to all that Spain was in the early stages of decline. As late as 1613 some promoters still urged the “probable likeliehood of rich Mines,” located a mere “three dayes journey” from Jamestown. By this date, however, general anticipation for a belated discovery of either metals or the passage had largely dissipated.

With the mythical mines nowhere to be found, the Virginia Company reluctantly turned to the next best alternative: producing staple commodities that England presently purchased from foreign powers. The new mission delighted Captain John Smith, long frustrated with the wanton futility in singularly focusing on precious metals. Smith represented the newer faction of mercantilist thinking. “To thinke that gold and silver Mines are in a country otherwise most rich and fruitfull, or the greatest wealth in a Plantation,” he argued, “is but a popular error.” The ongoing decline of Spanish hegemony substantiated his view on colonization. “The first conquest of the Spaniards,” Smith recalled, “got great and mighty store of treasure,” but now that money was

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10 Alexander Whitaker, *Good Newes from Virginia* (London, 1613), 38-9. Whitaker explained the previous failures by claiming that “our men that went to discover those parts had but two iron pickaxes with them... so that wee could not search the entrailes of the place.” Diego de Molina, a captive held prisoner at Jamestown, told Spanish officials in 1613 that there remained “great expectations of what they will find in the mountains,” see Diego de Molina to Alonso de Velasco, 28 May 1613, in *Genesis of the United States*, 1:647. The same year, Alonso de Velasco, stationed as a diplomat in London, wrote Philip III of the immense “disappointment, that there is no passage from there to the South Sea, as they had hoped, nor mines of gold or silver,” see Alonso de Velasco to Philip III, 30 May 1613, in *Genesis of the United States*, 1:634. For post-1607 texts anticipating the discovery of the Northwest Passage through Virginia, see *A Perfect Description of Virginia: Being, A Full and True Relation of the Present State of the Plantation* (London, 1649), 7-8; Richard Hakluyt, *Virginia Richly Valued, By the Description of the Maine Land of Florida, Her Next Neighbour* (London, 1609), A4; Johnson, *Nova Britannia*, D4; Whitaker, *Good Newes from Virginia*, 38; John Bonoell, His Majesties Gracious Letter to the Earle of South-hampton, Treasurer, and to the Councell and Company of Virginia* (London, 1622), 86-7. For more on the expectation that the South Sea lay near the Virginia colony, see Bruce, *Economic History of Virginia*, 1:21-41.
“exceedingly wasted... so that all things considered, the cleere gaines of those metals... is but small, and nothing neere so much as vulgarly is imagined.”

A more promising strategy was in producing goods to ease England’s balance of trade: a roundabout way to amass or keep silver and gold within the kingdom. When a Jamestown officer in 1609 proposed sending yet another load of sparkling dirt to London, Smith wisely intervened and ensured that they send cedar instead, a coveted commodity back home in England. English merchants, James I decried in 1613, exported an “exceeding great quantitie” of “Spanish Moneyes” to northern European Baltic states for naval stores and timber. By extracting Baltic commodities from Virginia, England could avoid this money-draining trade and ascend the mercantilist ladder. Of the timber commodity, one Englishman in 1609 remarked that “no Marchandize is better requested, nor will sooner yeeld gold or silver.”

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11 Smith, *Generall Historie*, 148. Smith also noted, however, that though was not “to be much doubted there is any want of Mines,” these mines are “not of the richest.”

12 Smith, *Proceedings of the English Colonie*, 23; Bruce, *Economic History of Virginia*, 1:20. Smith was particularly critical of Capt. Newport, whose objectives he described being solely limited to finding “the South Sea, a Mine of Gold, or any of them sent by Sir Walter Raleigh,” see John Smith to the Treasurer and Council of Virginia, 1608, in *Genesis of the United States*, 1:201. For more on the rivalry between Newport and Smith, see Glover and Smith, *Shipwreck that Saved Jamestown*, pp. 45-8.


Virginia might also be “capable of wine, of oyle, of silkes,” improving the already-favorable trade balance with the Mediterranean.\textsuperscript{15} “Many hundreth of thousands of pounds are yearly spent in Christendome in these commodities,” the Virginia Company stated in a 1610 promotional pamphlet.\textsuperscript{16} The temperate climate, navigable rivers, and great fertility of the Chesapeake soil these bolstered agricultural expectations. But mortality rates still remained extraordinarily high, and the settlement had yet to produce any exports of note, provoking skeptics in London to callously dismiss Virginia as worthless to England. “This Colony is in such bad repute,” the Spanish ambassador wrote Philip III in 1614, “that not a human being can be found to go there in any way whatever.”\textsuperscript{17}

As the Virginia settlement floundered, an accidental discovery of the Bermuda Islands diverted English attention abruptly away from the death-trap at Jamestown. In


\textsuperscript{16} Council, \textit{True Declaration}, 56.

\textsuperscript{17} Diego Sarmiento de Acuna to Philip III, 17 March 1614, in \textit{Genesis of the United States}, 1:739-40. “There is no common speech nor publike name of any thing this day,” Robert Johnson wrote in 1612, “...which is more wildly depraved, traduced and derided by such unhallowed lips, then the name of Virginea,” Johnson, \textit{New Life of Virginea}, A4. Nevertheless, several London writers remained optimistic of Virginia’s long-term potential, see Whitaker, \textit{Good Newes from Virginia}, pp. 37, 44; Robert Gray, \textit{A Good Speed to Virginia} (London, 1609), D2; Johnson, \textit{Nova Britannia}, pp. B4, C4, E2; Johnson, \textit{New Life of Virginea}, D2-4; Hamor, \textit{True Discourse}, 16-7.
June 1609 the company dispatched nine vessels, the Third Supply, to refresh and reorganize the cursed Virginia settlement, but a hurricane scattered the fleet and caused one of the vessels, the Sea Venture, to shipwreck off the shores of Bermuda, six hundred miles east of the North American coastline. The 150 castaways included the new Virginia governor, Thomas Gates, as well as the admiral of the fleet, former Elizabethan privateer Sir George Somers.¹⁸ What they found on the uninhabited island astounded them: a lush, semitropical climate, with a bountiful soil, and large tortoises and fowl, all together “one of the sweetest Paradises that be upon the earth.”¹⁹ More striking were the giant herds of feral hogs roaming the island – relics of a Spanish shipwreck from the previous century – providing meat on demand to the famished castaways. “Our people in the Bermudas found such abundance of Hogs that for nine moneths space they plentifully sufficed,” the company reported the following year.²⁰ The islands possessed sufficient cedar to repair the vessel, but the past nine months on the island had been so agreeable, and the reports of Virginia so ghastly, that Gates had to suppress four mutiny attempts before finally

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¹⁸ Michael J. Jarvis, In the Eye of All Trade: Bermuda, Bermudians, and the Maritime Atlantic World, 1680-1783 (Chapel Hill: University of North Carolina Press, 2010), 12-3; Glover and Smith, Shipwreck that Saved Jamestown, pp. 1-4, 54-5, 90-6, 129-30. For primary accounts of the shipwreck, see Silvester Jourdain, A Discovery of the Bermudas, otherwise called the Ile of Divels (London, 1610), 3-11; Strachey, True Reporitory, 383-4; Johnson, New Life of Virginia, B4-C1. For more on the Third Supply, see Glover and Smith, Shipwreck that Saved Jamestown, 49-62. For more on Sir Thomas Gates and Admiral Sir George Somers, see Glover and Smith, Shipwreck that Saved Jamestown, pp. 50, 72-3.

¹⁹ [Silvester Jourdain], A Plaine Description of the Barmudas, now called Sommer Islands (London, 1613), A3. Also see Strachey, True Reporitory, 398-400; Jourdain, Discovery of the Bermudas, pp. 10-11, 14-8; Council, True Declaration, 24; Jourdain, Plaine Description, E2-F3; Jarvis, Eye of All Trade, 14-6; Glover and Smith, Shipwreck that Saved Jamestown, 136-8; Andrews, Colonial Period, 1:216. Prior to 1609, the Bermudas had a nasty reputation, “affoarding nothing but gusts, stormes, and foule weather,” causing “every Navigator and Mariner” to avoid the island “as they would shunne the Devill himself; and no man was ever heard, to make for the place, but as against their wils,” Jourdain, Discovery of the Bermudas, 8-9.

²⁰ Council, True Declaration, 23. For more on the “great aboundance of hogs” on Bermuda, see Jourdain, Discovery of the Bermudas, 12; Strachey, True Reporitory, pp. 395, 399-400; Jarvis, Eye of All Trade, 15; Glover and Smith, Shipwreck that Saved Jamestown, 135-6.
convincing the “well refreshed” crew in May 1610 to depart for Virginia, a colony “good for nothing more than to kill people.”

“In what a miserable condition, we found the Colony at our arivall there, from the Bermudas,” one castaway later recounted.

Just as Gates and the crew anchored in Virginia, the Fourth Supply arrived from London with a new governor, allowing Gates and Somers to return home to recount their shipwreck and discovery. The astonishing story spread like wildfire through London, inspiring Shakespeare’s Tempest the following summer. The resulting hype attracted new investors in the company and overshadowed the failures at Jamestown. A revised charter placed Bermuda within the jurisdiction of the Virginia Company. “They now fix their eyes upon the colony in Bermuda,” warned the Spanish ambassador, “partly because of its fertility and being unoccupied (by savages).” Between 1612 and 1615, roughly six hundred men and women left England for Bermuda, so that the population well exceeded

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21 Quotations from Jourdain, Discovery of the Barmudas, 9; Diego Sarmiento de Acuna to Philip III, 17 March 1614, in Genesis of the United States, 1:681. Also see Strachey, True Reportory, 404-12; Council, True Declaration, 26; Glover and Smith, Shipwreck that Saved Jamestown, pp. 141, 148-53, 156-68; Jarvis, Eye of All Trade, 15.
22 Hamor, True Discourse, 16. Also see Jourdain, Discovery of the Barmudas, pp. 9-10, 20-1; Strachey, True Reportory, 419; Council, True Declaration, 26; Glover and Smith, Shipwreck that Saved Jamestown, 187-93. The hogs brought over from Bermuda provided additional relief: as one Spanish diplomat told Philip III, the Jamestown settlers “would have perished with hunger, if it were not for the swine which they have brought over from Bermuda,” see Alonso de Velasco to Philip III, 22 March 1611, in Genesis of the United States, 1:456.
23 Glover and Smith, Shipwreck that Saved Jamestown, pp. 193, 210, 216-7; Jarvis, Eye of All Trade, 16; Jourdain, Discovery of the Barmudas, 21-3. For more on the Fourth Supply – which nearly doubled the size of the Jamestown settlement – see Glover and Smith, Shipwreck that Saved Jamestown, pp. 115-22, 197-9.
24 Glover and Smith, Shipwreck that Saved Jamestown, pp. 217, 246-50. Shakespeare likely read William Strachey’s published account of the event, which circulated through London in the latter half of 1610 and referred to the hurricane as the “most dreadfull Tempest” and “unmercifull tempest,” see Strachey, True Reportory, 383-4.
25 Glover and Smith, Shipwreck that Saved Jamestown, pp. 217-9, 225-6; Jarvis, Eye of All Trade, 16.
that of Jamestown by the latter date, and in 1615 the Somers Islands Company became its own separate venture.\textsuperscript{27}

Bermuda was the first English colony to have its own exclusive currency, reflecting the island’s status as the first successful overseas settlement. The 1615 charter awarded the Somers Islands Company permission to produce a coin, “for the more ease of commerce and bargaining between them.”\textsuperscript{28} Governor Daniel Tucker – a former Jamestown settler – immediately arranged for the new coinage upon his appointment to office in May 1616.\textsuperscript{29}

Minted in England, the Bermudan coins consisted of a low-grade brassy copper, brimmed with a thin wash of silver to enhance their appearance. On the obverse, Tucker stamped a wild boar encircled with the inscription “Sommer Islands.” John Smith later affirmed that the money displayed the boar “in memory of hogges found at their first landing.”\textsuperscript{30} On the reverse of the coin, Tucker stamped a large galleon, presumably the


\textsuperscript{28} Royal instruction of James I, 1615, quotation in Robert Chalmers, \textit{A History of Currency in the British Colonies} (London, 1893), 150.

\textsuperscript{29} For more on Tucker’s regime, see Jarvis, \textit{Eye of All Trade}, 22; Games, \textit{Web of Empire}, 165; Glover and Smith, \textit{Shipwreck that Saved Jamestown}, pp. 176, 242-3; Sylvester S. Crosby, \textit{The Early Coins of America, and the Laws Governing their Issue} (Boston, 1875), 17.

\textsuperscript{30} Smith, \textit{Generall Historie}, 183. One anonymous author in the early 1620s likewise confirmed that the coin had “a hogge stampt upon it on the one side (in memory it should seeme of the great number of wild
Sea Venture that had wrecked off the island’s coast in 1609. The so-called “hogge mony” came in two-, three-, six-, and twelve-pence pieces, with the denomination in Roman numerals displayed above the feral boar (Figure 2). Being copper, the new coinage in no way contradicted the English agenda of centering silver and gold at home. Indeed, all the better for England: the coin supposedly made a silver currency less necessary for the island settlers.

The Bermudan coin entered common usage shortly after arriving from London in late 1616. Company officials injected the money into circulation by paying laborers “weekly wages when they work, with which coyne shall be lawfull and free for them to buy any provisions out of the Store.” The metallic content – or intrinsic value – of the money stood far below the legal, extrinsic value stamped upon the coin. This disparity in value ensured that the currency would never leave the island, as no foreign merchant would accept money worth a greater sum on Bermuda than anywhere else.

Little else is known of the coin: one anonymous account in the early 1620s suggested that its use did not continue far beyond 1619, and John Smith in 1624

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32 Instructions to Governor Daniel Tucker, 15 February 1616, quotation in Chalmers, History of Currency, 150.

33 As company officials instructed Governor Tucker, the coins may “pass freely from man to man, only throughout the Islands, & not otherwise,” Somers Island Company to Governor Daniel Tucker, quotation in Ibid., 150.
referenced the currency in past tense.\textsuperscript{34} The money evidently dissatisfied some company laborers. The aforesaid anonymous account emphasized the derisive origins of the money’s nickname – “in a scoff, tearmed by the people hogge mony” – perhaps owing to the lack of any notable silver content, or more likely resulting from the unpopularity of compulsory work requirements under Governor Tucker.\textsuperscript{35}

Forgotten by history and only temporarily utilized, the Bermudan coinage was still very significant. First, it demonstrated the preeminence of Bermuda in this early period. Historical hindsight blurs the fact that Bermuda, initially, far outshone the Jamestown settlement, boasting a population that nearly doubled that of Virginia in 1616.\textsuperscript{36} Secondly, the Bermudan episode was the earliest recorded example of a colonial demand for money, foreshadowing a general colonial theme of experimental solutions to the currency question. Thirdly, because there was no like instance afterward of an English colony issuing coins with royal permission, the Bermudan currency was a mere ad hoc experiment – a pilot program of sorts – never again repeated after the first trial decade of English Atlantic settlement. Finally, the Bermudan currency thoroughly demonstrated the symbolic and iconographic power of money. With a hog on the one side, and the \textit{Sea Venture} on the other, the coin was a tribute to the fantastical, storybook drama of 1609-10. No matter how many settlers may have “scoffed” at the currency, the

\textsuperscript{34} The anonymous writer of \textit{The History of the Bermudaes}, possibly John Smith, discussed the coin under the heading “1616-1619,” \textit{History of the Bermudaes}, 76; Smith, \textit{Generall Historie}, 183. Sylvester Crosby likewise believes that active circulation of the coin ended around the year 1619, see Crosby, \textit{Early Coins of America}, 17.\textsuperscript{35} \textit{History of the Bermudaes}, 76. Hostility to Governor Tucker also arose from his decision to institute martial law and his use of company expenses to build himself an extravagant mansion, see Jarvis, \textit{Eye of All Trade}, 22; Glover and Smith, \textit{Shipwreck that Saved Jamestown}, pp. 176, 242-3. \textsuperscript{36} Walsh, \textit{Motives of Honor}, 31; Glover and Smith, \textit{Shipwreck that Saved Jamestown}, 243-4.
money no doubt incurred memories of the extraordinary events that had taken place just six years prior. The entire ordeal of 1609-10 appeared to have been nothing less than an act of divine providence: a seemingly miraculous event for which the coin gladly commemorated.37

And yet the Bermudan coinage begs the question, why not Virginia? The first charter of 1606 in fact bestowed minting privileges upon the Virginia Company – “for the more ease of traffique and bargaining between and amongst them and the natives” – but the beleaguered colony had no time for currency questions in the first years of settlement. The second charter of 1609 conferred no such right to the company, and after 1615 only the Bermudan company enjoyed this privilege, again underlying the precedence the island settlement enjoyed over Virginia in this early period.38 Given the continued perils of the Jamestown settlement in 1616, the Virginia Company still had far too else on its mind than to meddle in currency questions. More importantly, however, beginning in 1618, tobacco became the medium of exchange in Virginia, practically eliminating, though temporarily, the demand for metallic coin.

English tobacco production began first on Bermuda, where the crop grew indigenously. Bermudan settlers exported the first batch of tobacco in January 1614, and

37 “Blessed bee God that suffered Sir Thomas Gates, and Sir George Sommers to be cast away upon these Islands,” one of the castaways, Silvester Jourdain, wrote in 1613, see Jourdain, *Plaine Description*, G1. Another castaway, Ralph Hamor, likewise wrote in 1615 that “Sir Thomas Gates, and Sir George Summers by the providence of God, miraculously wract and saved upon the hopeful Sumer Islands,” Hamor, *True Discourse*, 16.
a few months later John Rolfe – who had been among the Bermudan castaways – famously exported the first tobacco from Virginia\(^\text{39}\). Within a few years, the crop eclipsed virtually all other economic activity in both colonies. Between 1617 and 1624, exports of Virginia tobacco rose tenfold, thanks in part to the headright system, which incentivized greater industry by granting private shares of land to farmers who no longer worked as mere company employees.\(^\text{40}\) Bermudan tobacco exports initially outstripped those of Virginia – sometimes doubling or even tripling output – before Virginia exports decisively surged ahead in the 1630s.\(^\text{41}\)

Tobacco mania swept both colonies, occasioning common use of the crop as a medium of exchange. Tobacco, literally speaking, became money. In Virginia, tobacco was practically the only money in existence; in Bermuda, the “hogge” coinage became a


mere subsidiary currency before finally disappearing from circulation sometime around 1619. “Tobacco answers all the uses of Silver and Gold in Trade,” an English traveler to the Chesapeake later affirmed; “the Money of that Country which Answers all Things.”

Because tobacco was in constant demand for export to England, the owner could discharge it at practically any moment to practically any body. Traders now accepted tobacco in payment without any intention to consume the crop itself, but as a medium to acquire something else. “All this Summer little was done,” Smith wrote in 1622, “but securing themselves and planting Tobacco, which passes there as current Silver.”

42 John Oldmixon, *The British Empire in America*, 2 vols. (London, 1708), 1:203; Henry Hartwell, James Blair and Edward Chilton, *Present State of Virginia, and the College* (1697; repr., London, 1727), 7-8. Oldmixon was an English historian, and was speaking of the Maryland colony. On p. 315 Oldmixon remarked that in Virginia, “the common way of Traffick there is by Barter or Exchange of one Commodity for another, or of any for Tobacco.” As late as 1740, Massachusetts writer Hugh Vance had this to say: “Look into our British Plantations, and you'll see such Money still in Use, As, Tobacco in Virginia, Rice in South Carolina, and Sugars in the Islands; they are the chief Commodities, used as the general Money, Contracts are made for them, Salaries and Fees of Office paid in them, and sometimes they are made a lawful Tender at a yearly assigned Rate by publick Authority,” see [Hugh Vance], *An Inquiry into the Nature and Uses of Money* (Boston, 1740), 22-3.

One of the first acts of the Virginia House of Burgesses in its inaugural session in 1619 was the legal recognition of tobacco money. The Burgesses fixed the value of higher grades at three shillings (3s) a pound and lower grades at one shilling six pence (1s6d). This way, familiar English denominational units could still govern trade.

Nevertheless, most Virginians and Bermudans kept their accounts and contracts in pounds of tobacco, and not in shillings. The Virginia governor, members of the assembly, and government clerks all received their salaries in tobacco, and one 1624 Bermudan account called “tobacco (our only mony).” The Burgesses declared tobacco legal tender in all public payments: the penalty for missing church on Sunday, for instance, was a pound of tobacco, and a fifty-pound fine awaited anyone missing an entire month.

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44 Journals of the House of Burgesses of Virginia [JHB], ed. H.R. McIlwaine and John Pendleton Kennedy, 13 vols. (Richmond, 1905-15), 1:8. In 1633 the Burgesses acknowledged, “It hath beene the usuall custome of marchants and others dealinge intermutually in this colony to make all bargaines, contracts, and to keepe all accounts in tobacco, and not in money [shillings],” The Statutes at Large; Being a Collection of All the Laws of Virginia, from the First Session of the Legislature in the Year 1619, ed. William Waller Hening, 13 vols. (Richmond, Philadelphia, and New York, 1809-23), 1:216.

Sociologist Geoffrey Ingham argues that prior to the 3s valuation, tobacco was merely a “money substitute,” and that only by fixing its value to shillings did tobacco actually become money. First, this is a very strange argument that the status of a good suddenly and almost magically alters simply because of a top-down proclamation, though Virginians prior to the statute had used tobacco in the same way as they did after the statute. Second, the seventeenth-century Virginia records are clear that Virginians (including the Burgesses) mostly calculated value in pounds of tobacco, not shillings. It was more convenient to use pounds of tobacco in economic calculation because the value of tobacco (relative to shillings) constantly fluctuated. Ingham’s ideological argument, on these grounds, does not hold water, see Geoffrey Ingham, “On the Underdevelopment of the ‘Sociology of Money,’” Acta Sociologica 41, no. 1 (1998): 9. Philip Grierson and John Maynard Keynes – neither of them historians – made the same assertion, not really digging at all too into the Virginia records to see if that was truly the case, more eager simply to prove an ideological point about their state theory for money, see Philip Grierson, The Origins of Money (London: Athlone Press, 1977), 17-9; John Maynard Keynes, A Treatise on Money: The Pure Theory of Money (London, 1930), 3.

45 JHB, 1:16; Historye of the Bermudaes, 295. Virginia Governor John Harvey, for instance, received 40,000 pounds of tobacco in 1629, see “Harvey's Propositions touching Virginia,” August 1629, TNA: CO 1/5, no. 22, p. 66.

46 JHB, 1:54.
Yet tobacco was by no means an ideal currency. As a perishable good, it lacked the durability of other historical monies, including not only silver and gold, but also the cowrie shell, cacao bean, brass, and copper. Tobacco was also a bulky commodity, lacking the portability of other commercial media. In 1621, for instance, the Virginia Company delivered 150 “young and uncorrupt girls” as wives to the colony, with an individual price tag of 100 to 150 pounds of tobacco. Unmarried settlers – men outnumbered women 7.5 to 1 – hastily made way to the James River with large bundles or casks of tobacco to purchase a mate.\(^{47}\) While the man’s momentary excitement certainly mitigated the cumbersomeness of hauling 150 pounds of tobacco, the bulkiness of tobacco money – compared to a few coins or a paper bill in the pocket – rendered normal transactions highly inconvenient. Book credit only postponed the inconvenience, for tobacco would still ultimately have to be delivered by cask to settle the buyer’s debt with the shopkeeper or planter.

Falling tobacco prices caused further problems with the money, amounting to a severe form of currency devaluation. The effect was the same as when the price of silver collapsed after the opening of Potosí. When the price of tobacco collapsed, traders had to spend greater quantities of the currency to complete a transaction. Tobacco prices sank from a high of 3s (36d) a pound in the early 1620s to only 3d in the late 1630s: a 92

percent fall in value. By midcentury, the price was only 1-2d a pound.\textsuperscript{48} The Burgesses had no choice but to raise tobacco taxes in the late 1620s from one pound per poll to five pounds, and the treasurer now provided casks to each taxpayer.\textsuperscript{49} The use of tobacco for currency encouraged further overproduction. Settlers could literally grow money from out of the ground: a virtual printing press on each acre of Virginia farmland.

Tobacco money further discouraged the development of a wage economy in Virginia. In the latter months of the year, after shipping the crop to England, little tobacco remained in the colony to circulate for money. “Workemen and laborers are discouraged,” Governor John Harvey wrote in 1636, “...when they have done theyr worke there is no means to paye them untill the crop of Tobacco be ready.”\textsuperscript{50} Planters, in the meantime, made due by recording credits and debts in book before the next crop, but wage-earners and artisans needed their money now. “Nothing has hindred the proceedings of Arttes, manuall Trade, and Staple comodities more than the want of


\textsuperscript{49} JHB, pp. 1:41, 53.

\textsuperscript{50} Governor John Harvey to Secretary Windebank, 26 June 1636, TNA: CO 1/9, no. 17, p. 40. Much later, in 1706, the Maryland Council likewise stated that tobacco currency is a “greate discouragement” because wage-earners “cannot receive their pay but at one certaine tyme in the year,” though “necessity calls for a present dayly Supply,” see \textit{Archives of Maryland: Proceedings and Acts of the General Assembly of Maryland}, eds. William Hand Browne, Clayton Colman Hall, and Bernard Christian Steiner, 72 vols. (Baltimore: Maryland Historical Society, 1883-1972), 26:530. Also see Hartwell, Blair, and Chilton, \textit{Present State of Virginia}, 8.
money amongst us,” Virginia Governor Francis Wyatt reported in 1626, “...there is not Tobacco (which is our mony) all the yeare for us to pay workemen.”

Variations in quality presented yet another problem for tobacco currency. The Burgesses acknowledged the difficulty in 1619 by assigning the higher grade a value nearly three times the value of the “second sorte,” but the issue long plagued the colonists. The curing process made a key difference in the quality, with the worst sort thrown into large heaps on the ground, causing rankness and discoloration, and with the better sort carefully hung on racks to dry for several weeks. “If it had not been perfectly Dryed,” one writer observed, “it will certainly Rot, Perish, and become good for nothing.” Many traders notoriously concealed casks stuffed with lower-grade tobacco by lining higher-quality leaf near the top, cunningly settling exchanges and debts with “trash” tobacco.

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51 Governor Francis Wyatt and the Council of Virginia to the Privy Council, 17 May 1626, in TNA: CO 1/4, no. 10, p. 22. “In a state of barter, there can be but little trade, and few artizans;” Joseph Harris, English mint-master wrote in 1757, “…Without some kind of money, the arts can make no progress; and without the arts, a country cannot flourish or grow populous,” see [Joseph Harris], An Essay upon Money and Coins: Part I, The Theories of Commerce, Money, and Exchanges (London, 1757), 35.
52 JHB, 1:8.
54 Dalby Thomas, An Historical Account of the Rise and Growth of the West-India Collonies (London, 1690), 26. Also see Waterhouse, Declaration of the State, 7; William Bullock, Virginia Impartially Examined (London, 1649), 11.
Bills of exchange intermittently arrived from abroad, alleviating a small few. Wealthy planters, under the consignment system, loaded tobacco onto ships – including the crop of dependent neighbors – and consigned the produce to a specific merchant-dealer in England. Upon receiving the consignment, the merchant negotiated a sale and then purchased goods the planter had ordered for delivery on a return ship. If the tobacco sold in England fell short of the money required for the planter’s merchandise order, most English merchants extended credit to the planter, to be repaid with next year’s crop. If profits from the tobacco sale exceeded the merchandise order, the merchant delivered a bill of exchange to the planter, representing coin held on deposit in England. The planter could use the bill of exchange at a later date to purchase imported goods – with the bill sent on the next ship for England – or the planter could sell the bill to another colonist wishing to do the same. But no matter the convenience, bills in Virginia only infrequently, if ever, changed hands, and even then, among a select few only.  

The rapid decline in the price of tobacco made it even less likely that Virginian planters would have access to a silver currency. With such a low price for their staple crop, planters could barely hope to pay for imported necessities, much less achieve a favorable balance of trade. Tobacco prices fell by roughly 95 percent between 1620 and 1645: plunging first in the mid-1620s, recovering slightly in the mid-1630s, only to fall

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again in the late 1630s and early 1640s. Production particularly surged in the 1630s, after a stream of indentured servants inundated Virginia. The founding of Maryland in 1632, where settlers also adopted tobacco money, further saturated English markets.

Adding to the price ailment was a burst of tobacco exports from the English Caribbean, including Barbados and the Leeward Islands. The English settled St Christopher in 1624, exporting tobacco en masse just two years later. Within only a decade of settling Barbados in 1627, the tobacco-growing population on the island nearly doubled that of Virginia. Caribbean planters predictably adopted tobacco money for local exchange; the Barbadian governor, for instance, received an annual salary of 50,000 pounds of tobacco (roughly £400 sterling). Additional island settlements on Nevis, Antigua and Montserrat only worsened the glut, causing the Burgesses to petition Charles

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58 For legislation regarding tobacco money in Maryland, see Archives of Maryland, 1:20. For secondary literature on the use of tobacco money in Maryland, see Behrens, Paper Money in Maryland, 9; Andrews, Colonial Period, 2:330n; Crosby, Early Coins of America, 124.


60 Amussen, Caribbean Exchanges, pp. 24-9; Koot, Empire at the Periphery, pp. 28-34, 49-50; Cyril Hamshere, The British in the Caribbean (Cambridge: Harvard University Press, 1972), 27-38.

I on the matter in 1638. The collapse irreparably harmed Bermuda. Most of the land had been cleared by the mid-1620s, and so the island’s overall share of tobacco exports sank dramatically, causing most investors to lose interest and placing Bermuda on a road of relative insignificance.

Virginia Governor John Harvey, by this time, began pressing for a very different kind of currency, one not so liable to radical fluctuations. In 1636 he petitioned the Crown that “some farthing tokens may be sent thither.” “The means of exchange is a very princepall part of trade, which Virginia wants,” he urged. The former Virginia Company’s charter had allowed the coining of money, but the royal government established after the revocation of the company’s charter in 1624 carried no such authority.

By “farthing tokens,” Harvey likely had in mind a currency similar to the “hogge mony” of early Bermuda. Charles I’s advisory Privy Council agreed to his request, and granted Harvey permission “to stamp farthing tokens of Copper or Brasse,” under condition that the coins be minted in England by a particular nobleman in special favor with the Crown. The Crown further ordered that the copper tokens be available for each of the foreign plantations, including New England and Bermuda, so that English settlers may “not totally be driven to trucke with Comodities for another.”

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62 *JHB*, 1:60. “The vast and excessive quantytes of tobacco which are yearely made in the Cariba Islands,” they wrote, “...beate downe the price of all tobaccoes.”
63 Jarvis, *Eye of All Trade*, pp. 23, 28, 37-8, 40-1; Bernhard, “Bermuda and Virginia,” 61-2; Andrews, *Colonial Period*, 1:237. In 1640, Bermudan tobacco exports amounted to 240,000 pounds, whereas Virginia’s amounted to over one million. Total West Indian tobacco production amounted to 206,000 pounds the same year; for statistics, see Jarvis, *Eye of All Trade*, 28.
64 Governor John Harvey to Secretary Windebank, 26 June 1636, TNA: CO 1/9, no. 17, p. 40.
65 License to Henry Lord Matravers, 1638, CO 1/9, no. 132, p. 308.
After word reached Virginia of the royal assent for a colonial copper coinage, the Burgesses humbly pleaded for £5,000 in silver coin instead, which they deemed “more portable.” Settlers would “bee altogether dishartened,” they argued, if compelled to use copper “tokens.” A silver coinage, the Burgesses continued, would help shift their economy toward “more honorable ymployments then plantinge tobaccoe,” including artisanal work, fishing, and shipbuilding, “which may not well bee accomplished without a Coyne.” The king refused the new request and nothing else came of the prospective copper coinage. The money neither reached the minting stage nor was any design for the coin made public.

Tobacco persisted as the currency of Virginia, symbolizing the colony’s utter dependency on the staple from the 1620s onward. Between its bulkiness, disparity in quality, and fluctuating price, tobacco was a crude medium at best, but evidently satisfactory enough to cause Virginia to be the final colony, in 1755, to adopt a paper currency. English officials had little reason to discourage this unconventional form of money, for despite its flaws, the currency reduced the need for silver in the Chesapeake and encouraged cultivation of a crop that progressively drew money to the parent state.

Tobacco had rapidly become the chief staple crop of English America, and though company and royal officials initially resisted the new commodity, the mercantilist advantages of tobacco cultivation became evermore apparent as time progressed.

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66 *JHB*, 1:57-9, 65.
67 Philip Alexander Bruce is the only historian I have found who mentioned the prospective Virginian coinage, see Bruce, *Economic History of Virginia*, 2:500-1.
English consumers had first become familiar with tobacco in the Elizabethan period, using it initially for medicinal purposes. By 1614 there were roughly 7,000 shops in London alone that sold the product, with English merchants annually importing roughly 50,000 pounds of tobacco from the Spanish Caribbean island of Trinidad.\textsuperscript{68} Tobacco imports jeopardized England’s trade balance with Spain. James I famously condemned the crop, calling it “poysonous and dangerous,” a “weede of no necessary use,” which “doe transport much Gold bullion and Coyne out of Our Kingdomes.”\textsuperscript{69} James was not alone in this conviction: many other English mercantilists considered Spanish tobacco a “wastfull expense” that “doth hinder the importation of Bullion.”\textsuperscript{70}

Though colonial tobacco could potentially satisfy English demand, the tobacco fixation in Virginia and Bermuda initially evoked extreme disappointment on the part of English mercantilists and company investors. Colonial tobacco might indeed save England’s trade balance with Spain, but a better remedy, they argued, would be for English consumers to abstain from tobacco altogether. Tobacco was an “unnecessary expence,” a “vaine and needlesse weed,” distracting Virginians from “better and more


\textsuperscript{69} Royal Proclamation of James I, 30 Dec. 1619 and 29 June 1620, in \textit{BRPA}, pp. 18, 27. Also see p. 35.

solide commodities,” especially naval goods, doing nothing to solve England’s perplexing trade deficit with the Baltic countries.\footnote{In the early years of the tobacco boom, Virginia Company officials consistently pressed the Burgesses to do everything within its power to oppose the “excessive plantinge” of that “deceavable weede.”\footnote{The bankrupt corporation lost its charter in May 1624, placing the province under direct rule of the Crown, but efforts by Charles I to divert economic activity toward “more staple and honorable comodityes” likewise failed.\footnote{Unlike other trades, tobacco cultivation required neither skilled labor nor large sums of capital, and so the temptation to plant was simply too great to resist. Its status as money made the attraction that much greater. The Burgesses retained “greate hope” that the “ritchnes of the Mountaines” contained “Mynes of Gould, Silver, Copper,” and as late as the mid-eighteenth century, rumors persisted of “Mines contained in the Appelachean Hills,” but tobacco was clearly here to stay.}}

In the early years of the tobacco boom, Virginia Company officials consistently pressed the Burgesses to do everything within its power to oppose the “excessive plantinge” of that “deceavable weede.”\footnote{First quotation in a letter from James I reprinted in Bonoeil, His Majesties Gracious Letter, A4; second quotation from Royal Proclamation of Charles I, 14 Mar. 1638, in BRPA, 83; third quotation from Royal Proclamation of James I, 30 Dec. 1619, in BRPA, 18.} The bankrupt corporation lost its charter in May 1624, placing the province under direct rule of the Crown, but efforts by Charles I to divert economic activity toward “more staple and honorable comodityes” likewise failed.\footnote{Governor and Council of Virginia to the Virginia Company, January 1622, in JHB, 1:17. Company member Sir Edwin Sandys in June 1622 disparaged “this deceavable weede Tobacco... founded only on humor, which might soon vanish into smoake and come to nothing,” quotation in Andrews, Colonial Period, 1:153.} Unlike other trades, tobacco cultivation required neither skilled labor nor large sums of capital, and so the temptation to plant was simply too great to resist. Its status as money made the attraction that much greater. The Burgesses retained “greate hope” that the “ritchnes of the Mountaines” contained “Mynes of Gould, Silver, Copper,” and as late as the mid-eighteenth century, rumors persisted of “Mines contained in the Appelachean Hills,” but tobacco was clearly here to stay.\footnote{Charles I to the Virginia House of Burgesses, February 1638, in JHB, 1:57. “Virginia is no doubt a good Countrie... capable of the best things,” John Hagthorpe wrote in 1625, adding, however, that the fixation on tobacco, “deprived themselves of the greatest benefit thereof,” Hagthorpe, Englands-Exchequer, 30.}

So long as tobacco was the predominant export, imperial officials, of course, wanted the trade to benefit England. Direct commerce between Virginians and foreign traders not only deprived the Crown of customs revenue, but also deprived London merchants of the profitable re-export trade of tobacco to Amsterdam and Hamburg.\footnote{75} Though few Dutch vessels yet appeared off the shores of Virginia, the temptation for planters to market tobacco to Dutch merchants constituted a growing threat by the 1630s.\footnote{76} Dutch shipmasters charged the lowest freight rates in Europe, as much as one-third to one-half cheaper than English rates. Low-value, bulk trades like tobacco were especially sensitive to freight expenses.\footnote{77} Dutch merchants also offered a higher price for

tobacco than their English counterparts. The Netherlands possessed no tobacco colonies, and otherwise had to purchase the crop at marked-up prices from a middleman in London or Spain. The Dutch further offered planters inexpensive European imports. According to the Burgesses in 1628, Dutch merchants far undersold the “greate and excessive rates” charged by the “unconscionable and cruel [English] Merchants.” This was partially owing to the lower freight rate, but also because the European good did not have to channel first through a middleman in London.

Dutch trade, simply put, was desirable for Virginians because it saved money. The fact that the English Crown and London merchants lost money from the trade, however, guaranteed its restriction. When the Virginia Company in 1621 announced that its settlers would openly sell tobacco to Dutch shipmasters, the Privy Council under James I instantly vetoed the decision. Virginia-Dutch trade, the council wrote in their strongly-worded rebuke, violated “the honor of the state” and represented “a losse unto his Majestie in his Customes.” Hereafter, colonial tobacco could only be transported to

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78 Virginia officials constantly clamored that English merchants sold imported goods at excessively high rates: see JHB, 1:45, 47, 49, 57, 121. Richard Grassby estimates that between 1606 to 1660, only thirty English merchants were truly active in the Virginia tobacco trade: of the 1,304 English merchants who traded to Virginia in that period, 1,062 of them only made a single venture; see Grassby, Business Community, 57. In 1645 one English writer confirmed that Dutch traders sold cloth at cheaper prices than the English, see [Thomas Johnson], A Discourse Consisting of Motives for the Enlargement and Freedome of Trade, Especially that of Cloth, and other Woollen Manufactures (London, 1645), 38.

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England, and only then could the crop be transported to Europe, by English merchants on English ships.\textsuperscript{79}

The Privy Council instruction of 1621 was a landmark decision, inaugurating a mercantilist policy that unambiguously placed the American colonies in a state of economic and subordination to England. The instruction, moreover, came on the heels of a severe monetary contraction in England, spanning the early 1620s.\textsuperscript{80} Any regulation siphoning money into London enjoyed immediate favor. When Governor Harvey asked in 1632, “why we may not have the same freedome of his Majesties’ other subjects to seek our best marquett,” the answer should have been readily apparent.\textsuperscript{81} To allow planters to sell valuable produce to foreign nations – or as the Burgesses lobbied for in 1638, “the free benefitt and use of our comodity” – violated the very mercantilist

\textsuperscript{79} Acts of the Privy Council of England, Colonial Series [APCC], eds. W.L. Grant and James Munroe, 6 vols. (Hereford, UK: 1908-12), 1:48-9. The Privy Council instructions temporarily lapsed in 1625 when Charles I succeeded his father to the throne, but pressure from English merchants contributed to a renewal of the prohibition in the early 1630s, see Beer, British Colonial System, 232-4. Not all English observers agreed with this trade restriction: in 1625, Sir Francis Bacon advised that infant colonies ought to have “Freedome to carrie their Commodities where they may make their Best of them,” Bacon, “Of Plantations,” 202.


foundations upon which the colony existed. Colonial trade was to benefit the English first, the colonists second.

Transatlantic trade restrictions, on occasion, worked to a colony’s advantage: Colonial tobacco planters especially benefited from imperial efforts to discourage the importation of Spanish American tobacco, an allegedly superior variety still preferred by many English consumers. According to the mercantilists, English consumption of Trinidad tobacco was a dead loss to the nation, made worse by the contractionary flight of silver from England in the early 1620s. Exporting coin from the kingdom remained illegal without a license, yet merchants continued in spite of the prohibition, causing James I in 1622 to rebuke such men as “covetous and greedy persons... exhausting the treasure of the Realm.”

“Corruptible smoaking things,” one writer complained in 1620, “...draweth away our treasure and ready Moneys to the incredible los... impoverishing of the Realm.”

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84 Malynes, Consuetudo, 62-3. “States-men therefore might in this particular,” he continued, “take some course that every man should not make employment in Tobacco in Spain.” In 1621 Thomas Mun likewise wrote extensively of the “great quantity of our money [that] hath beene carried out of the Kingdome,” see Thomas Mun, A Discourse of Trade, from England unto the East-Indies: Answering to Divers Objections which are Usually Made Against the Same (London, 1621), pp. 45-7, 50-3.
Member of Parliament Edward Sandys, himself an investor in the Virginia Company and Somers Island Company, estimated in 1621 that Spanish tobacco annually cost the kingdom £120,000 in silver coin.\textsuperscript{85} The English, he decried, once enjoyed an overwhelming trade surplus with Spain, but now “the rayne of their silver to us hath beene in a manner dryed up.”\textsuperscript{86} Restricting English tobacco consumption to the Virginia and Bermuda variety “will be a double profit to us... for thereby we shall enrich those countries under our dominion [Virginia], and also England shall be better stored with money.”\textsuperscript{87}

In 1624 the House of Commons, with James’s assent, prohibited the importation of all foreign tobacco. English merchants, nevertheless, still “secretly and cunningly” imported the product anyway.\textsuperscript{88} Three years later, Charles I, hoping to “husband Our Revenue to the best” – i.e., rule without Parliament – legalized a limited import of foreign tobacco.

\textsuperscript{85} Proceedings and Debates of the British Parliaments Respecting North America [PDBP], ed. Leo Francis Stock, 5 vols., (Washington, DC: Carnegie Institution of Washington, 1924-41), 1:30. One Member of Parliament unsuccessfully proposed a law “that noe coyne should bee altered into plate,” and a few weeks later a House committee unanimously resolved that “the importation of Spanish tobacco is one cause of the want of money,” see PDBP, pp. 1:27, 29. English economist Thomas Mun in 1628 likewise suggested a prohibition on “the importations of Hemp, Flax, Cordage, Tobacco, and diverse other things which now we fetch from strangers to our great impoverishing,” Thomas Mun, England’s Treasure by Forraigne Trade, Or, The Balance of our Forraigne Trade is the Rule of our Treasure (1628; repr., London, 1664), 16.

\textsuperscript{86} PDBP, 1:72. The full quotation: “since this need of tobacco hath growen into request, they [the Spanish] have paid (as their proverb is) for all our commodityes with their smoke, and the rayne of their silver to us hath beene in a manner dryed up.” MP William Strowde agreed: “The importation of Spanish tobacco is a greater mischief than we can think of.”

\textsuperscript{87} Ibid., 1:28. Under the banner of saving additional money, some members of the House of Commons even flirted with the idea of prohibiting the importation of all tobacco. When one MP objected that this would “overthoweth the [Virginia] plantation,” a supporter of the total ban retorted that Parliament ought to “loveth England better than Virginia.” “Thousands have died of this vile weed,” another MP argued, “tobacco hindereth all the kingdom, in health, and otherwise... pull it up by the roots.” Others blamed the crop for “the spoiling of the subjects manners” and “idleness” among the “base vulgar sort,” see PDBP, 1:32-4, 38. John Hagthorpe likewise argued that a total prohibition of “smoake” within just twenty years would save England enough money to “make this Kingdome happie in her selfe, and dreadfull to her neighbours,” Hagthorpe, Englands Exchequer, 19.

\textsuperscript{88} Royal Proclamation of James I, 29 Sept. 1624 and 2 Mar. 1625, in BRPA, pp. 35-6, 42-3.
tobacco, with higher duties for the Spanish product. By 1639 the Privy Council could unequivocally state that the duties on Spanish and English colonial tobacco had “payed his Majestie great Summes of money.”

From a mercantilist standpoint, the Continental European and East Indian trades were still of far greater consequence than Virginia to the money supply of England. Virginia, however, was quite clearly England’s most valuable Atlantic possession, a welcome turnabout from the devastating first decade of settlement. Nevertheless, underlying seeds discontent had been sown with the 1621 prohibition on Virginia-Dutch trade. Money was at stake, and though Virginia protests against the measure barely rose above that a whimper, the episode foreshadowed far greater tension reserved for later in the century.

Several hundred miles north of Virginia, the New England settlements posed a unique set of problems for the mercantilist model. Unlike the tobacco colonies, New England never fully developed a staple export: the rocky soil and brief growing season encouraged

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89 Royal Proclamation of Charles I, 1627 Feb. 17, in Ibid., 55-7. In the following years the higher duties decreased English consumption of the Spanish crop, but failed to eliminate it. For precise data on English imports of foreign tobacco in the 1620s, see Williams, “England’s Tobacco Trade,” 419. Maintaining pressure on the Crown to prohibit foreign tobacco, the House of Commons insisted throughout the decade that foreign tobacco was “one of the greatest occasions of the disordering of trade and want of money,” see PDBP, 1:71. The House of Burgesses also lobbied “that all Spanishe tobacco bee utterly prohibited... the markett glutted, to our damage and hinderance,” but these efforts proved unsuccessful, see JHB, pp. 1:45, 49. Nevertheless, in 1631, Charles I deplored that the “wealth of this Kingdome be exhausted by so uselesse a Weede as Tobacco is,” and by the “incredible quantity of Brasill and Spanish Tobacco imported hither,” see Royal Proclamation of Charles I, 6 Jan. 1631, in BRPA, 68.

90 APCC, 1:258. For more on the increase in customs revenue from tobacco in the 1630s, see Williams, “England’s Tobacco Trade,” 414; Bruce, Economic History of Virginia, 1:52. For more on the English mint under Charles I, see Craig, The Mint, 146-50; Dodd, History of Money, 58-64; Ruding, Annals of the Coinage, 1:380-406.

91 Ralph Davis, A Commercial Revolution: English Overseas Trade in the Seventeenth and Eighteenth Centuries (London, The Historical Association, 1967), 9; Zahedieh, Capital and the Colonies, 44.
settlers to focus rather on subsistence farming, livestock, and basic foodstuffs. By the latter half of the century, the illegal carrying trade of tobacco and sugar to foreign markets, the rise of a colonial shipbuilding industry, and a growing hunger for colonial manufacturing rendered New England more of a competitor to England than a subordinate partner.

English mercantilists had high expectations for the region in the half-century preceding settlement. The tall white pines would make ideal masts for English ships, and London merchants might also re-export “Riche Furres” to Continental Europe.92 Still more importantly, the fisheries might stay the kingdom’s annual purchase of herring from Dutch fishermen in the North Atlantic. English fisherman had long frequented the waters surrounding Newfoundland and Maine, and by 1630 over three hundred fishing vessels regularly made the seasonal trip.93 A permanent settlement might increase the number.

The monetary contraction of the early 1620s sparked further interest in the New England fisheries. “This is a most beneficial trade for money,” an MP assured the House of Commons in 1621.94 “A Mine of Gold it is,” Edward Misselden agreed in 1623, “the Mine is deepe, the veines are great... another means, not inferior unto any, for the


94 PDBP, 1:26.
recovery of our Exportations, in the Ballance of Trade.”

In 1624 another likewise promoted fishing “for the bringing in of gold, and money, which now is growne but scarce, by reason that the Dutch and Hollanders have so long time beene suffered to carry away our money and best gold for fish and Herrings.”

John Smith, who coined the name New England, foresaw tremendous mercantilist value in the region after visiting in 1614. “Our plot was there to take Whales and make tryalls of a Myne of Gold and Copper,” he recorded, adding, with frustration, “For our Golde, it was rather the Masters device to get a voyage that projected it, then any knowledge hee had at all of any such matter.” Smith was more interested in the “Fish & Furres” and “of woods seeing there is such plenty of all sorts... that build ships and boates.”

To critics pestering him with constant inquiries over precious metals, Smith replied: “Now I know the common question is, For all those miseries, where is the wealth they have got, or the Gold or Silver Mines? To such greedy unworthy minds I say once againe: The sea is better then the richest Mine knowne.”

“Though I can promise no Mines of gold,” he continued, look toward the Hollanders, “whose wealth and strength are good testimonies of their treasure gotten by fishing.” “Let not the meannes of the

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96 Gentleman, *Englands Way to Win Wealth*, 8. English dependence on Dutch fishermen, Gentleman argued on p. 17, cause the Hollanders to “carry away our money and gold every day.”


98 Smith, *Generall Historie*, 240. Smith nevertheless maintained that there was a good possibility that “there are metalls in the Countrey,” Smith, *Description of New England*, 21.
word Fish distate you,” he urged, “for it will afford as good gold as the mines of Guiana or Tumbatu, with lesse hazard and charge, and more certaintie and facilitie.”

Raleigh’s strategy for drawing gold and silver to England was a relic of the sixteenth century; Smith’s strategy for doing the same reflected the emerging mercantilist consensus of the new century.

Notwithstanding Smith’s optimism, however, attempts to colonize New England had thus far met bitter disappointment. In 1608 an English colony at Sagadahoc, in present-day Maine, had floundered after only one year. Permanent New England settlement did not begin again until the founding of the Plymouth colony in 1620, where nearly half the settlers perished under the bitter cold of the first winter. By the early 1620s the word in London, according to Christopher Levett, was that New England was “good for nothing but to starve so many people as comes in it.” But where disappointed investors saw continual failure, Levett saw exceptional promise. “Some have beene starved to death,” he conceded frankly, “but where was the fault, in the Country or in

99 Smith, New England’s Trials, E1.
100 The same 1606 charter that had launched the Virginia Company of London also established the Virginia Company of Plymouth, which founded the Sagadahoc settlement in 1607. Subscribers to the company hailed largely from western England, and failed to match the large sums of capital pledged by wealthier investors in the London-based company. The settlement quickly failed and the last of the colonists returned to England by 1608. See Bernard Bailyn, The New England Merchants in the Seventeenth Century (Cambridge, MA: Harvard University Press, 1955), 1-3; Games, Web of Empire, 117; Glover and Smith, Shipwreck that Saved Jamestown, 46; Beer, British Colonial System, 10-11.
themselves?”

Masts, planks, and naval stores, he wrote, would propel England’s shipping industry – “the strength of a Nation” – relieving England from Baltic dependency. Hemp and flax seed, he added, would supply materials to make rope and sails, commodities that England, again, imported from northern Europe. “Send men over but with 18 Moneths provision, and Cattell, and Corne to plant, and other necessaries, and they shall afford you thus much profit yearely.”

The floodgates finally opened after 1628 with the founding of a settlement by the Massachusetts Bay Company, an incorporated group of middling tradesmen and Puritan dissenters. Over the next twelve years, nearly 20,000 English men and women landed on the shores of New England, nearly doubling the population of Virginia, with numerous towns sprouting up across the eastern half of Massachusetts. The migration included middling families who owned modest amounts of property in England, as well as men from the lower strata of London’s commercial community, making up the first generation

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of New England merchants. Rising unemployment levels and a stagnated woollen industry had momentarily cast a grim shadow over the English economy, and emigration to a country with an abundance of land promised to preserve the middling status of a family or individual. The prospect of being a part of something greater than themselves – the creation of a spiritual haven presumably divorced from Old World corruption – combined with economic opportunity to encourage thousands of English to flee for a distant, unknown land over three thousand miles from home.

Puritan ideals governed life in the early years of settlement, with an emphasis on moral, communalistic living, in towns where each person purportedly worked for the good of the whole in both economic and moral matters. The compactness of settlement allowed for a popularly responsive form of government, mutual defense, common schooling, church-attending, economic cooperation, and communal supervision over the moral well-being of citizens: where men like John Baker, for instance, could be publicly “whipped for shooting at fowle on the Sabbath day,” and other modes of maintaining

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106 Breen and Foster, “Early Massachusetts Immigration.” 199. For a detailed discussion of the problem of increasing numbers of laboring poor in England in the seventeenth century, along with the depressed cloth industry, see Appleby, Economic Thought, 129-57; Supple, Commercial Crisis, pp. 53-8, 64-72, 120-5; Holderness, Pre-Industrial England, 90; Israel, Dutch Primacy, 144.
unity in pursuit of higher ideals. Outside town, families raised livestock and cultivated a wide assortment of crops, including wheat, peas, barley, corn, and rye, and along the New England coast a small collection of tradesmen-turned-merchants distributed goods imported from England. A medium of exchange of some sort or another would be necessary for the commercial well-being of the province, and like Virginia, the nascent colony could not yet rely upon a trade surplus to bring silver into the region. Unlike Virginia, however, there was no single, obvious commodity to adopt as money in place of silver.

Exchange was fundamentally vital for the needs of the first generation of New England settlers. The myth of the self-sufficient family was rarely a reality at any place or time in colonial America, and early Massachusetts Bay was no exception. The local division of

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108 Over the last half-century, particularly in the 1970s and 1980s, there has been considerable debate amongst historians on the character and extent of the market’s reach over pre-industrial, early American settlements. Perhaps the most heated debate occurred between James Henretta and James Lemon: see James T. Lemon, The Best Poor Man’s Country: A Geographical Study of Early Southeastern Pennsylvania (Baltimore: The Johns Hopkins Press, 1972), 1-41; James A. Henretta, “Families and Farms: Mentalite in Pre-Industrial America,” The William and Mary Quarterly, 3rd ser., 35, no. 1 (Jan. 1978): 3-32; James T. Lemon, “Comment on James A. Henretta’s ‘Families and Farms: Mentalite in Pre-Industrial America,’” and James A. Henretta, “A Reply,” The William and Mary Quarterly, 3rd. ser., 37, no. 4 (Oct. 1980): 688-700. Lemon argued that “the accumulation of property [was] central from the first settling of America onward. This does not mean that everyone was an entrepreneur, or that every waking hour was devoted to making money, or that capitalism was full blown... The basic dynamic was toward economic growth, toward success defined by wealth... and toward accumulation as a goal in its own right,” Lemon, “Comment,” 694. Henretta accused Lemon of portraying pre-industrial settlers as profit-driven individualists, replying, “economic gain was important to these men and women, yet it was not their dominant value. It was subordinate to (or encompassed by) two other goals: the yearly subsistence and the long-run financial security of the family unit,” Henretta, “Families and Farms,” 19.

An underlying theme in the self-sufficiency debate revolves around the question of whether or not the existence of markets and commercial transactions should imply that pre-industrial farmers were
labor occasioned a system of trade within the community that encompassed both direct and indirect exchange between neighbors. Items of trade included corn, flour, textiles, butter, meat, cheese, grains, peas, shoes, farming equipment, and other commodities which, in the aggregate, no single family could produce entirely themselves. Neither was the community itself self-sufficient: transatlantic trade procured essential goods that few colonists could live without, notwithstanding the Puritan ideal of a self-contained community. Most middling families simply desired a comfortable living, with perhaps a few luxury items if circumstance permitted, a modest state of economic being the early

commercially-oriented. Winifred Rothenberg and Rona Weiss, in particular, engaged in this debate: see Winifred B. Rothenberg, “The Market and Massachusetts, 1750-1855,” *The Journal of Economic History* 41, no. 2 (June 1981): 283-314; Rona S. Weiss, “The Market and Massachusetts Farmers, 1750-1850: A Comment” and Winifred B. Rothenberg, “Reply,” *The Journal of Economic History* 43, no. 2 (June 1983): 475-480. Rothenberg argued that pre-industrial farmers in Massachusetts were intimately tied to the marketplace; Weiss objected to this characterization, arguing, “the presence of market production of agricultural commodities need not imply capitalism,” Weiss, “Comment,” 478; Rothenberg replied that his article pertained simply to markets, and that he had made no judgment call on whether or not they were capitalists. Almost a decade later, Daniel Vickers took a position between the two polarized sides by pointing out that early modern Englishmen used the term “competency” to describe their economic aspirations, which Vickers defined as “a degree of comfortable independence”; see Daniel Vickers, “Competency and Competition: Economic Culture in Early America,” *The William and Mary Quarterly*, 3rd ser., 47, no. 1 (Jan. 1990): 3-29.

modern English branded ‘competency.’ Competency, historian Daniel Vickers explains, demanded the existence of communal and market exchange networks, which in turn demanded a medium for trade.109

Direct exchange, or barter, made up a good deal of the trade in early New England, wherein each party consumed the object of trade themselves: butter for flour, for instance, or pork for cheese.110 Indirect exchange was requisite in cases where the wants of each party did not align with one another. Silver was the preferred medium in such instances, but in early Massachusetts, coin was not always readily available. Middling persons emigrating from England brought along small quantities of coin, but the trade deficit often returned the same money back to London.111 “Our Fathers that first settled the Province of the Massachusetts-Bay brought some Gold and Silver with them,” one writer later reflected, “[but the] Silver Money was generally Exported.”112

The Massachusetts General Court – the representative assembly – responded to the silver shortage almost immediately after settlement began, prohibiting all residents

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109 Daniel Vickers defines “competency” as the “possession of sufficient property to absorb the labors of a given family while providing it with something more than a mere subsistence,” see Vickers, “Competency and Competition,” 3-4. “The aspiration to comfortable independence, or competency,” he writes, “accompanied English families to America and infused the economic culture of free working people from the period of settlement down to the beginnings of industrialization.” Stephen Innes refers to the early New England economic system as “communal capitalism,” see Innes, Creating the Commonwealth, pp. 29, 59, 76, 91-2, 114-5, 120, 132, 224, 310-1
110 James McWilliams, Building the Bay Colony: Local Economy and Culture in Early Massachusetts (Charlottesville: University of Virginia Press, 2007), 110-1.
112 The Present Melancholy Circumstances of the Province Consider’d (Boston, 6 March 1719), 1.
from exporting coin without legal permission, “under paine of forfeitinge the money.”  

Enforcing the ban, however, proved particularly difficult, and so the assembly resorted to other measures to keep money in circulation, ruling in 1631 that if any person “doe trade, trucke, or sell any money, either silver or golde, to any Indian,” the offender “shall forfeit twenty for one.”

Three years later the assembly prohibited all clothing with silver and gold lace, owing to the “greate, supfluous, & unnecessary expences” occasioned by using the material. There was a moral element to the ban on silver and gold lace – a Puritan condemnation of conspicuous wealth – but in a society in want of money, it was especially absurd, at least seemingly so, for settlers to boast “newe & imodest fashions” that could have otherwise been used for money.

New England settlers soon adopted non-metallic commodities – Indian corn, furs, pork, peas, grain and other farm produce – to support indirect exchange in the local marketplace. “Corne” – a generic term for grain that usually signified Indian corn or maize – was the first non-metallic medium of exchange legally recognized by the General Court. In 1631 the assembly ruled that “corne shall passe for payement of all debts,” at 6s a bushel, excepting any debt where payment in coin was “expressely named.”

Four years later, in 1635, the assembly ruled that musket balls circulate for small change at one farthing a piece, and that beaver skins pass at 10s the pound. The same statute ruled

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113 Records of Massachusetts, 1:93.
114 Ibid., 1:83.
115 Ibid., 1:126
116 Ibid., 1:92. Richard Lester notes that corn had been used as a medium of exchange by the ancient Greeks, and in parts of Norway, residents even deposited corn in banks, see Lester, Monetary Experiments, 12.
“merchantable corne” legal tender in all public payments, including taxes.\textsuperscript{117} Prior to 1635, only silver or gold could satisfy public payments, but the overwhelming difficulty in satisfying this requirement finally forced the government to acquiesce to a corn medium.

Were these goods actually money, as tobacco was in Virginia? Massachusetts Reverend John Wise seemed to think so. Nearly a century later, in a pamphlet on paper currency, Wise recounted the seventeenth-century use of “Corn Specie,” reminding his audience that previous governors received their salary in a grain medium valued at £100. “When the Salary was changed, from the Corn Specie to Money [silver],” Wise remarked, “there was such a muttering and grumbling in the Country, as tho’ they were going into a mutiny. What! to Pay such a Salary, and pay it in Money!”\textsuperscript{118} Wise’s choice of words is significant: “Money” was synonymous with silver or gold coin in the early modern period, but by labeling bushels of corn “Specie,” Wise attributed monetary properties to the bushel of corn. Similarly, in 1667, Connecticut Governor John Winthrop, Jr. observed that “Corne is not only the provision for subsistence, but that which is in use amongst us for payments instead of mony [silver].”\textsuperscript{119} One paper-currency advocate, nevertheless, went so far as to call corn money in 1691. “Why may not Paper-

\textsuperscript{117} Records of Massachusetts, 1:137-40. On p. 88 the General Court reports: “Chickataubott is fyned a skyn of beaver for shooteing a swine of Richard Saltonstalls.”

\textsuperscript{118} [John Wise], A Word of Comfort to a Melancholy Country, or the Bank of Credit Erected in the Massachusetts-Bay (Boston, 1721), 9-10.

\textsuperscript{119} Governor John Winthrop, Jr. to Secretary Lord Arlington, 7 May 1667, TNA: CO 1/21, no. 42, p. 78.
mony be as good as Tobacco-mony, Potato-mony and Sugar-mony?” he asked, “Yea, do not our Brethren at Connecticut find Corn-mony will do their business for them?”

When historians dismiss early colonial trade as mere barter, they fail to differentiate between goods used in direct exchange and goods used in indirect exchange. Part of the problem lies in the ambiguous definition of barter, broadly defined as the exchange of commodities for commodities, without the intervention of money. But in a world of commodity money, every exchange involved commodities for commodities, and so this simple definition of barter cannot suffice.

A key distinction between barter and indirect exchange, of course, was that the latter process involved two trades instead of one, and such was the case with the use of “Corn Specie.” But another key distinction is that, in a barter transaction, both parties purely consider the subjective use-value of the good in question. In other words, does the good hold subjective value for me? Under indirect exchange, however, the person trading for silver or grain only considers exchange-value: does silver or grain hold subjective

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121 Michael Merrill was one such historian, in a 1977 article entitled “Cash is Good to Eat: Self-Sufficiency and Exchange in the Rural Economy of the United States,” Merrill proudly belonged to the Marxist historical school, and – in an effort to reject the notion of a market-oriented colonial economy – sought to prove that the early American settlers engaged in a “non-commodity mode of production.” Merrill’s evidence: “Where money does not mediate the exchange of products, the social relations among the producers cannot be commodity relations... The absence of any universal equivalent playing its assigned role is a priori evidence that we are dealing with a non-commodity mode of production... The inhabitants of rural America, for their part, lived in a non-commodity world. Money did not mediate exchange,” see Merrill, “Cash is Good to Eat,” 60.

Merrill assumed that only silver, gold, or paper can be money, and thereby dismissed all other media of exchange as mere barter. Instead, we argue that no – country pay was money when commonly used as a medium of exchange, just as silver, gold, or paper currencies. Interestingly enough, the very title of Merrill’s article echoes our very argument and contradicts his: “Cash is good to eat” meant that country pay was literally cash.
value for *others*? Exchange-value, not use-value, matters to the person involved in indirect exchange, because he or she plans to exchange the good later for something else, and has no consumptive use for it.

Clearly, then, the use of grain or corn as media of exchange was very different from barter. But was it *money*? The conventional view of barter privileges gold and silver as the only legitimate commodity monies, but this is a faulty and ahistorical presumption. Money can take any form or shape, so long as the good is a *commonly-accepted* medium of exchange. The fact that these goods had another use besides money is beside the point: the very idea behind commodity currency is that the money also has non-monetary uses, hence the phrase ‘intrinsic value.’

In order to warrant the title ‘money,’ the good must be generally-accepted enough in ordinary, day-to-day transactions. Historians can state with confidence that tobacco was money in the Chesapeake and pre-sugar Caribbean. The case in New England, however, is far more ambiguous. Without complete records of the hundreds, if not thousands, of daily transactions between ordinary people in early Massachusetts, we may never know with absolute certainty which commodities consistently acted as money and which did not.

The fact that “corne” usually signified maize over other grains is significant. Indian corn was an extremely vital and popular mainstay in the colonial diet, making it a natural medium for trade. A government officer who received his salary in “Corn Specie,” did not consume all or most of the corn himself, of course, but rather used it to acquire other goods. The General Court even collected bushels of corn to fund the initial
construction and maintenance of Harvard College, and maize mediated some of the trade with the Indians. As early as 1624, according to Plymouth Governor William Bradford, colonists “begane now highly to prize corne as more pretious then silver, and those that had some to spare begane to trade one with another... for money they had none, and if any had, corne was prefered before it.” The 1635 order that musket balls circulate as a “farthing peece,” or that a pound of beaver “shall passe att 10s,” implies monetary status, at least in this early period, and Connecticut mirrored the same law three years later.

The New England goods used as media of exchange varied widely. One John Patch, for instance, of Essex County, Massachusetts, reportedly signed a £45 contract to build a house for another John Norman, to be paid “one half in corn and cattle at or before the house was raised and the remainder at the next wheat harvest.” £45 worth of corn and cattle was a phenomenal sum, far too great for the sole consumption of a single man or family, and so presumptively, Mr. Patch must have used at least part of the corn or cattle as a medium to trade for other goods. College students at Harvard used a wide range of produce to settle tuition payments: in 1649 one student, who was later president of the college, even used “an old cow” to help finance his education. In 1645, John Dunham of Plymouth bought a house and garden for 13 bushels of Indian corn and 5

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126 Quotation in Lester, *Monetary Experiments*, 11.
bushels of wheat, with “three pounds more in Countrey pay” to be settled sometime within the next twelve months.\textsuperscript{127}

New England colonists used the phrase ‘country pay,’ or ‘pay,’ as a general synonym for agricultural media of exchange. The Commissioners of the United Colonies of New England, in 1655, defined “countrey pay” as “paiment of Indian Corn and other Cash.”\textsuperscript{128} Colonials usually denominated country pay in familiar English monetary units, i.e., “thirteen shillings in country pay.”\textsuperscript{129} One New England colonist bought a house and land for the sum of £9 2s6d, to be paid within the space of one year “in currant Countrey pay.”\textsuperscript{130} The guard at the Governor’s mansion in Plymouth received a salary of £30 in “currant countrey pay”; the printer of New Englands Memoriall likewise received the “sume of twenty pound in countrey pay... towards the procuring of paper for the printing of the said booke.”\textsuperscript{131} Sometimes the sum was so high that payments had to be broken up: in 1668, for instance, a Plymouth real-estate purchase of £150 had to be paid in full

\textsuperscript{128} Ibid., 10:139.
\textsuperscript{130} Records of New Plymouth, 12:88.
\textsuperscript{131} Ibid., pp. 3:25, 4:186.
within the space of nine years, with one-third of the payment settled every three in
“current countrey pay.”

Country pay and tobacco money shared a few of the same inconveniences, namely bulkiness and perishability. When the Massachusetts General Court in 1684 defended its 1652 establishment of the Boston mint, they recalled that previously there was no other way “to pay debt or buy necessaries, but Fish and Corn, which was so cumbersom and troublesom as could not be born.”\(^{132}\) One story from 1693 highlights the problem particularly well. The constable of Springfield, Massachusetts ventured into the country to collect taxes for delivery to Boston. One payment included 130 bushels of peas. The bulkiness of the peas combined with the inadequacy of country roads to impel the constable to choose water carriage on his journey back to Boston. The constable successfully loaded the bushels onto the watercraft and headed toward his destination. When he encountered the Falls of Connecticut River, however, the water soaked the vessel and the peas were now entirely unsaleable.\(^{133}\)

But there were also clear benefits that country pay enjoyed over tobacco. Relative price stability was one. But more importantly, merchants did not export country pay out of the country, and so the currency was available year round for use. Over and over, New England documents describe “workmens wages” as “paid in corne.”\(^{134}\) Almost as frequently, Chesapeake documents decried their inability to do the same. Indeed, the

\(^{132}\) Instructions to Joseph Dudley and John Richards, 15 Feb. 1682, TNA: CO 1/48, no. 32, p. 147.

\(^{133}\) Massachusetts Archives, Pecuniary, vol. 1, cited in Joseph B. Felt, An Historical Account of Massachusetts Currency (Boston, 1839), 53.

\(^{134}\) Records of Massachusetts, 1:340. Also see Records of New Plymouth, pp. 3:25, 4:186; Records and Files of the Quarterly Courts of Essex County, Massachusetts, ed. George Francis Dow, vol. 2 (Salem, MA: Essex Institute, 1911-21), 28, cited in McWilliams, Building the Bay Colony, 65.
rapid development of artisanal work in New England over the Chesapeake may have partially—though not wholly—resulted from the sheer fact that country pay was available year round to settle wages, and tobacco money was not.

The adoption of the shilling unit by country-pay users was simply a matter of convenience, and should not deter historians from viewing these goods any less as currency. Indeed, the same was true in England. English men and women kept accounts in shillings, not ounces of silver. In like manner, New Englanders kept accounts not in bushels of corn, but in shillings. Neither should the occasional use of book credit detract us. Merchants and shopkeepers often maintained bookkeeping entries that recorded the debt balance of any who bought a good but did not pay on spot, a form of I.O.U. Book credit, however, was not a medium of exchange. It was simply postponing payment. If the debt was settled in coin, then silver or gold was the ultimate medium of exchange; if settled in agricultural produce, then country pay was the ultimate medium of exchange.135

If no single agricultural good was money in early New England, then country pay in the aggregate was money. Again, we can reference a later paper-currency supporter to evidence this point. Before the adoption of paper money, a Massachusetts writer recalled in 1731, people settled “payments in Pay (as the Countrys produce was then called)... the

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Country's produce was indeed as good as *Money*” [italics in original]. As late as 1704, Sarah Kemble Knight – travelling through Connecticut on a journey from Boston to New York – remarked in her journal that “Pay is Grain, Pork, Beef, etc.,” adding, “It seems a very Intricate way of trade.”

Clearly, Knight was referring to something far more than mere barter, which can hardly be called “a very Intricate way of trade,” but is rather the very opposite. Simple barter no doubt existed, but by emphasizing only this form of trade we ignore a multifaceted, complex system of indirect exchange, and fail to fully appreciate an elaborate and rather creative response to the vexing problem of silver shortages in North America. Tobacco money and country pay were certainly less convenient than metallic coin and, later, paper currency, yet these alternative commodity monies served the purposes of seventeenth-century America rather well – at least enough to facilitate commerce when coin was not available.

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And yet country pay was not the only currency in New England. Wampum beads too operated as money, functioning as a subsidiary currency when small change was necessary. Originally produced by the native population, wampum beads (also known as wampumpeage or peage) were smoothly polished, cylindrical pieces of shell, drilled through the center with a sharp stone and then strung together into belts or sashes. One fathom or belt of wampum consisted of 360 beads, and a skilled indigenous craftsperson in the pre-colonial era could produce up to 40 beads a day. Wampum beads differed in value, with the white beads (derived from periwinkle shells) worth half the value of the rarer ‘black’ (or rather, purple) beads derived from clam shells. Both shells proliferated off the coast of the Long Island Sound, and natives across eastern North America esteemed wampum belts for centuries preceding contact. Indians used wampum too in


the Virginia and Carolina regions, where they called the beads “Roanoake”; Cortés had also sighted “colored beads made from shells” as far south as the Yucatan Peninsula.¹⁴⁰

In native culture, possession of large sums of wampum signaled a high degree of power, wealth, and prestige for the owner. John Lawson, who visited Carolina in the early-eighteenth century, called wampum “the richest Commodity amongst the Indians,” with which the people wore “great Necklaces.”¹⁴¹ Natives believed that particular animals and objects possessed spiritual properties, which Algonquian speakers called manitou. Bright and shiny objects in particular possessed this power, including not only wampum, but also silver, gold and the shiny glass beads introduced by European traders.¹⁴²


Also see Adriaen van der Donck, *A Description of the New Netherlands* (1653; repr., Syracuse: Syracuse University Press, 1968), 93; Roger Williams, *A Key into the Language of America* [1643], in *Collections of the Massachusetts Historical Society*, vol. 3 (Boston: Munroe & Francis, 1810), 231; Beverley, *History and Present State of Virginia*, 227; Morton, *New English Canaan*, 40-1.


¹⁴¹ Lawson, *New Voyage*, pp. 164, 203. Roger Williams also wrote, “they hang stringes of money about their necks and wrists, as also upon the necks and wrists of their wives and children... the prices make rich capes and aprons, or small breeches, of these beads, thus curiously strung into many forms and figures: their black and white finely mixed together,” Williams, *Language of America*, 231-2.

together, the white and purple wampum beads produced elaborate pieces of artwork, detailing humans, animals, and other objects, “curiously strung into many forms and figures,” Roger Williams of Rhode Island reported, “their black and white finely mixed together” (Figure 3). Indians also used wampum belts in treaty protocol, arranging the beads in such a way so that speakers could accurately read the belt when delivering a message, and the belts additionally served as tribute between native groups, for redemption of captives, compensation for a crime or murder, gift exchanges during marriage, and other ceremonies or rituals.

Some contemporary writers and later historians believed wampum to be “the common Indian currency” and “Money made of Shells.” “It answers all occasions with them, as gold and silver doth us,” one author stated in 1674; another, in 1632, remarked that Indians use “beads in steede of money, to buy withall such things as they want.”

According to John Smith, wampum beads “occasion as much dissention among the

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143 Williams, Language of America, 232. Also see Francis Daniel Pastorius, Circumstantial Geographical Description of Pennsylvania (1700), in Narratives of Early Pennsylvania, West New Jersey and Delaware, 1630-1707, ed. Albert Cook Myers (New York: Barnes & Noble, Inc., 1912), 382.


145 Bullock, Monetary History, 7; Lawson, New Voyage, 203. William Graham Sumner likewise wrote, “It was, for the Indians, in their limited community, a perfect money. They divided their labors, some hunting and fishing, some, who lived on the shore, making peag... It was a product of labor, and subject to demand and supply. It was valued as jewelry, and when thus made up and appropriated, it passed out of circulation,” Sumner, History of American Currency, 4. Also see Palfrey, History of New England, 1:31-2; Thomas Budd, Good Order Established in Pennsilvania & New-Jersey in America (London, 1685), 28.

146 Gookin, Historical Collections, 18; Morton, New English Canaan, 40.
Savages, as gold and silver amongst Christians.”¹⁴⁷ “These past with them instead of
Gold and Silver,” Robert Beverley of Virginia wrote in 1705, “and serv’d them both for
Money and Ornament.”¹⁴⁸ Roger Williams called wampum “their Coin,” another called it
“coral-money,” and Adriaen van der Donck in nearby New Netherlands described
wampum as the “moneyed medium among the natives.”¹⁴⁹ One author in 1634 even
called the Narragansett Indians “Mint-masters” and “curious minters of
Wampampeage.”¹⁵⁰ The difference in value between the white and purple beads
occasioned comparisons to the difference in value between silver and gold. “The white
with them is as silver with us; the other as our gould,” one suggested; “their Money they
call Wampum,” another wrote, “...the Black is with them as Gold, the White as Silver.”¹⁵¹
These claims aside, however, historian William Cronon argues persuasively that
wampum functioned more as a “medium of gift giving” among pre-contact natives than
as a medium of commerce, thus differing substantively from the cacao bean in
Mesoamerica, which truly did act as money.¹⁵²

Native Americans, nonetheless, used wampum as a medium of exchange when
trading with Europeans, and soon the colonists used wampum as a currency amongst each
other. The Dutch first discovered the Indians’ demand for wampum in the early 1620s,

¹⁴⁷ Smith, Generall Historie, 148.
¹⁴⁸ Beverley, History and Present State of Virginia, 227.
¹⁴⁹ Williams, Language of America, 231-2; Pastorius, Circumstantial Geographical Description, 382;
Donck, New Netherlands, 93.
¹⁵¹ Morton, New English Canaan, 40; Oldmixon, British Empire, pp. 1:102, 163. William Penn, in 1683,
likewise wrote, “their Money... is made of the Bone of a Fish; the black is with them as Gold, the white,
Silver; they call it all Wampum,” see William Penn to the Committee of the Free Society of Traders, 16
¹⁵² Cronon, Changes in the Land, 95.
using the beads to facilitate exchange with the natives of the Hudson Valley. The Dutch colony of New Netherland began in 1609, and for several decades thereafter Dutch merchants sent ships as far north as 150 miles up the Hudson River to present-day Albany, where they acquired furs from distant Iroquois nations. In 1625, at the mouth of the Hudson, the Dutch founded New Amsterdam, one of the most advantageous harbors in all of eastern North America. Conveniently bordering New Amsterdam was Long Island Sound, where Dutch traders exchanged European wares to local Indians for wampum, and then exchanged the coveted beads for furs in the interior. The wampum medium was largely responsible for the surge in fur exports from New Netherland: the Great Seal of the colony even displayed a beaver encircled by wampum currency.

“Wampum is the source and the mother of the beaver trade,” wrote Peter Stuyvesant, Director-General of New Netherland, “...without wampum, we cannot obtain beavers from the savages.”

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155 Peter Stuyvesant to the Directors of the West India Company, 21 Apr. 1660, in Documents Relative to the Colonial History of the State of New York [DRNY], eds. E.B. O’Callaghan and Berthold Fernow, 15 vols. (Albany, 1856-87), 14:470. “Many thousand [wampum] strings are exchanged every year for peltries,” remarked Adrian van der Donck in New Netherlands, 93. Wampum references overwhelmed the New Netherland and New Sweden documents of the day, namely in vols. 12 and 13 of DRNY.
Dutch colonists soon used wampum for trade with each other: one observer in 1634 even called it “the currency of the country.”\textsuperscript{156} “There has been no currency but Wampum among the common people in New Netherland,” Dutch West India Company officials remarked in 1650.\textsuperscript{157} This was a slight exaggeration, not because the common people used silver coin – though some of the merchants did – but because beaver skins also circulated as money. Soldiers received payment in both beaver and wampum, and as late as 1662 tax collectors in New Netherland handled 25-30,000 beaver skins, with Director-General Stuyvesant affirming, “payment of salaries here in beavers.” Stuyvesant was unhappy with this monetary predicament, begging the West India Company to “consider measures by which coin or some sort of currency may be brought into this country.”\textsuperscript{158} Wampum, even so, was the lifeblood of the New Netherland economy, and the shell beads had so benefited Dutch fur interests that Secretary Cornelis van Tienhoven called the wampum-saturated Long Island coast “the mine of New Netherland.”\textsuperscript{159}

\textsuperscript{156} Patroons of New Netherland to the States General, June 1634, in \textit{DRNY}, 1:87. Another document in 1649 called wampum “the currency here,” see Remonstrance of the People of New Netherland, 28 July 1649, in \textit{DRNY}, 1:303. For more on wampum currency (or \textit{sewant}) among the Dutch, see Jacobs, \textit{New Netherland}, 193-6.

\textsuperscript{157} Answer of the West India Company to the Remonstrance from New Netherland, 31 Jan. 1650, in \textit{DRNY}, 1:344. “The reason for not prohibiting unstrung wampum,” New Netherland officials stated months later, “was, because no money was in circulation, and mechanics, farmers and the rest of the Commonalty, having no other currency, would suffer loss,” see Answer of Secretary Cornelis van Tienhoven to the Remonstrance from New Netherland, 29 Nov. 1650, see \textit{DRNY}, 1:425.

\textsuperscript{158} Directors of the West India Company to Peter Stuyvesant, 22 Dec. 1659, in \textit{Ibid.}, 14:450; Peter Stuyvesant to the Directors of the West India Company, 25 June and 6 Oct. 1660, in \textit{Ibid.}, pp. 14:476, 484-5. For more references to beaver currency in New Netherland, see \textit{Ibid.}, pp. 2:457, 474, 594, 703, 14:343, 372, 385-6, 438, 476, 484. For more on the Dutch West India Company, see Klooster, \textit{Illicit Riches}, pp. 11, 21-4.

\textsuperscript{159} Observations by Secretary Cornelius van Tienhoven, 22 Feb. 1650, in \textit{DRNY}, 1:360. “Great profit,” he added, “could be realized by those who would plant a Colonie” nearby the sound in order to secure “the Wampum trade.”
The mine of New Netherland became the mine of New England once English colonists too discovered the great value of wampum currency. The Dutch West India Company, in the mid-1620s, first introduced the Plymouth colony – also located near Long Island Sound – to the “trade of Wampampeake.” Dutch company officials feared competition in the Connecticut fur trade if the English independently found out the value of wampum, and so in exchange for the knowledge the Plymouth settlers assured the company that they would trade in more eastern areas out of Dutch reach.160

Wampum saved and temporarily enriched the Plymouth colony for a brief period in the late 1620s and 1630s. Plymouth traders acquired wampum from the nearby Pequots, Narragansetts, and Mohegans, using the shells to dominate the fur trade of southeastern New England. Between 1631 and 1636 the value of fur exports from the Plymouth colony totaled at least £10,000 sterling, with Plymouth fur traders ultimately extending their trade as far north as Maine.161 The wampum medium became, in the words of William Cronon, “the single most important commodity” of New Plymouth, so that by 1634 Massachusetts Governor John Winthrop complained that Plymouth traders had “engrossed all the cheif places of trade in N.E.”162 Wampum, of course, became a natural choice for a currency between the Plymouth settlers. One Nicholas Jyde, for

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instance, received a fine of £25 in “good wampam” for “selling a gun to an Indian,” and
the beads were also legal tender in all public payments, including taxes.\textsuperscript{163}

Unfortunately for New Plymouth, fur exports abruptly declined around the end of
the 1630s, now that the beaver population neared extinction in key areas they once
exploited. The decline in local beaver supplies required the construction of posts deep in
the interior, which in turn necessitated capital far beyond the means of a community
comprising of only a few hundred settlers. After 1640 most Plymouth fur traders turned
to agriculture or moved elsewhere, and by 1660 New Plymouth was "a poor small Towne
now, the People being removed into Farmes in the Country."\textsuperscript{164}

Massachusetts merchants looked to fill the void left by New Plymouth.\textsuperscript{165} The
Bay Colony desperately needed a dependable export to obtain a favorable, or at least less
unfavorable, trade balance with England, else coin would continue leaving the province.
Country pay may have sufficed for local exchange, but New England merchants required
silver to buy imported goods. The colonial supply of silver thus affected even those who
never dealt directly in silver, as the New England merchant was the link between country
folk and the outside world. Furs were a possible staple export, but the Bay Colony first
required a steady supply of wampum. “This is the Money,” John Lawson later wrote,
“with which you may buy Skins, Furs... or any thing the Indians have.”\textsuperscript{166}

\textsuperscript{163} Records of New Plymouth, pp. 2:93, 3:119. Also see pp. 2:140, 4:186, 11:57.
\textsuperscript{164} Records and Files of the Quarterly Courts of Essex County, Massachusetts, ed. George F. Dow, vol. 1
(Salem, 1911), 294-5, quotation in Bailyn, New England Merchants, 95.
\textsuperscript{165} Bailyn, New England Merchants, 26; McWilliams, Building the Bay Colony, 12-3.
\textsuperscript{166} Lawson, New Voyage, 204. Wampum, Lawson hyperbolically added, “entices and persuades them to do
any thing, and part with every thing they possess.”
Technology provided one answer. Once the Indians acquired metal drills from the Europeans, the production of wampum jumped dramatically. By the mid-1630s, natives along the Long Island coast could produce tens of thousands of beads a year. Dutch and English competition in the fur trade gave local Indian wampum producers powerful leverage in their dealings with the Europeans; Plymouth Governor William Bradford noted that the natives “became rich and potent by it.”

Wampum’s meteoric rise had wide implications for Indian culture. New leaders emerged amongst those who had greater access to the shells, and the trade introduced European goods to the Indians on an unprecedented scale. The trade also encouraged them to inhabit the Long Island coast year-round instead of seasonally. “Strange it was to see the great alteration it made in a few years among the Indians,” Bradford wrote, “...and it may prove a drugg in time.” “They delight much,” another noted, “in having and using knives, combs, scissors, hatchets, hoes, guns, needles, awls, looking glasses, and such like necessaries, which they purchase of the English and Dutch with their peague.”

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167 Richter, Facing East, 45; Cave, Pequot War, pp. 53, 61; Cronon, Changes in the Land, 95; Lester, Monetary Experiments, 14. John Lawson likewise wrote, “some English Smiths have try’d to drill this sort of Shell-Money, and thereby thought to get an Advantage,” Lawson, New Voyage, 203.


171 Gookin, Historical Collections, 18. According to Roger Williams, Indian wampum traders were “marvellous subtle in their bargains to save a penny, and very suspicious that Englishmen labour to deceive them.” “Whoever deals or trades with them,” said Williams, “had need of wisdom, patience, and faithfulness in dealing; for they frequently say, ‘You lie: you deceive me’... they will beat all markets and try all places, and run 20, 30, yea 40 miles and more, and lodge in the woods, to save six pence,” Williams, Language of America, 232. The Massachusetts General Court mentions the use of wampum in Euro-Indian trade in Records of Massachusetts, 1:179.
wampum tribute from subordinate Indian groups in return for Pequot military protection from Narragansett rivals. Even more alarming was that European traders began exchanging firearms to native wampum producers.\textsuperscript{172}

In 1636 the leaders of Massachusetts, Plymouth, and Rhode Island abandoned peaceful relations with the rising Pequot Indians and demanded tribute in wampum. War escalated shortly after refusal, with the rival Narragansett and Mohegan Indians siding with the English. The Mystic River Massacre of 26 May 1637 constituted the bloodiest day of the Pequot War, when colonial forces destroyed an Indian settlement of nearly 400 inhabitants, mostly consisting of women, children, and elderly who slept as colonial forces set fire to the village. The massacre stunned Indian leaders, including the allies of the English, unacquainted with such a brutal style of warfare. Even several of the Puritans questioned whether Christians ought not “have more mercy and compassion?” Captain John Underhill staunchly defended his actions, and colonial leaders demanded wampum as a ransom for each Indian taken captive from the massacre.\textsuperscript{173}

Colonial forces assassinated the Narragansett sachem, their former ally, six years later, demanding a tribute of “2000 fathome of good white wampame, or a third parte of


black wampampeage.” New Englanders could now rely upon tribute and force rather than voluntarism and trade to secure further stockpiles of wampum currency. Over the next three decades New England government exacted more than 21,000 fathoms of wampum, or seven million beads, in tribute from subordinate Indian groups. The Pequot War was not unlike the Spanish atrocities in Latin America, albeit on a smaller scale: both aggressors lusted after money, and neither wished to engage in legitimate commerce with the producers of that money, which would have granted the latter group far too much wealth, power, and leverage.

Bay colonists thereafter adopted wampum as a supplementary currency, and ordinary use of the bead money reached its peak after the Pequot War. In November 1637, only six months after the Mystic River Massacre, the Massachusetts General Court officially recognized wampum as a medium of exchange within the colony, equating six white beads (or three purple beads) with a penny, forbidding the use of more than a shilling worth (seventy-two white beads) in a single transaction. Connecticut followed a few months later. In 1641 the Massachusetts assembly ruled wampum legal tender in payment of debts, and for a period the treasurer accepted wampum for tax payments.

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176 *Records of Massachusetts*, 1:208. Three years later the General Court altered the price so that the less valuable white bead passed at four a penny and the purple bead at two a penny, see *Records of Massachusetts*, 1:302. As early as 1632, one writer reported that “these beads are currant in all the parts of New England, from one end of the Coast to the other,” see Morton, *New English Canaan*, 41.
Virginia was the exception, not because Chesapeake Indians did not value wampum, and certainly not because of the superiority of tobacco money, but because of the relative lack of trade between Virginians and the native population.

The Pequot War shifted the regional balance of power from New Netherland to New England, as the Dutch West India Company now had to purchase much of its wampum from New England sources in order to continue its fur trade.179 “The English endeavor... to monopolize all the profits of the Wampum trade to themselves,” New Amsterdam merchants petitioned the States-General of the United Provinces.180 Adrian van der Donck likewise warned that “the English will retain all the Wampum manufacturers to themselves and we shall be obliged to eat oats out of English hands.”181 Access to the Hudson River nevertheless still guaranteed Dutch traders premier access to distant fur supplies, and the beaver population had all but vanished in eastern New England by the 1640s.182

The ever-present difficulty in finding a dependable export remained with the colony at the end of the 1630s. Farm produce would not yet suffice as an exportable good until the midcentury rise of Caribbean sugar plantations. Fishing, as of now, supplied only the regional food supply, and even then, settlers still imported large quantities from

Weeden, *Indian Money*, pp. 6-7, 18-28. Wampum was also said to be currency in the first decade of New Jersey settlement, see *DRJ*, pp. 1:17, 138.
180 Petition of New Amsterdam Merchants to the States-General of the United Netherlands, 26 July 1649, in *DRNY*, 1:269. Also see Directors of the West India Company to Peter Stuyvasant, 22 Dec. 1659, in *DRNY*, 14:450-1.
itinerant English fisherman in Newfoundland and Maine.\textsuperscript{183} The colonial shipbuilding industry began in 1631 with the launch of a small, thirty-ton coasting vessel, but not until midcentury would Massachusetts shipbuilding reach significant proportions.\textsuperscript{184} The province enjoyed ample supplies of timber for potential export, but transportation costs proved inhibitive, except in the case of pine-tree masts. Timber suffered from a low value-to-bulk ratio, and the transatlantic voyage was five times the distance between England and Norwegian suppliers.\textsuperscript{185}

In the meantime, in Boston, a substantial contingent of middling merchants arose to prominence, equipping the region with imported goods.\textsuperscript{186} The New England merchant occupied a dubious position in early Massachusetts society. On the one hand, he supplied the colony with vital essentials, such as clothing and ironwares. Yet on the other, in a community stressing spiritual unity and the purported public good, merchants who openly pursued private profit incurred automatic scrutiny. The Puritan-dominated General Court

\begin{thebibliography}{99}
\bibitem{183} Vickers, Farmers and Fishermen, 91-7; McWilliams, Building the Bay Colony, 37-43; Bailyn, New England Merchants, 44.
\bibitem{184} Joseph A. Goldenberg, Shipbuilding in Colonial America (Charlottesville: University Press of Virginia, 1976), 8-9; Jacob M. Price, “A Note on the Value of Colonial Exports of Shipping,” The Journal of Economic History 36, no. 3 (Sept. 1976): 709; McWilliams, Building the Bay Colony, 45; Charles F. Carroll, The Timber Economy of Puritan New England (Providence, RI: Brown University Press, 1973), 69. The first supply of New England masts reached England in 1634, and although lumbering became an important industry in Maine and New Hampshire in the 1630s, exports remained small until mid-century, see Carroll, Timber Economy, pp. 70, 86, 116; McWilliams, Building the Bay Colony, 43-8; Cronon, Changes in the Land, 109.
\bibitem{185} Zahedieh, Capital and the Colonies, 194; Carroll, Timber Economy, 86; Cronon, Changes in the Land, 111. The transatlantic voyage was three times the distance between England and suppliers off the eastern-most coast of the Baltic. Freight rates of Baltic timber to England ranged from 9-12 shillings a ton; freight rates of New England timber averaged between £8-10 a ton.
\bibitem{186} Bailyn, New England Merchants, 38; Rutman, Winthrop’s Boston, 181-2; Anderson, New England’s Generation, 115; Moore, New World Settlers, pp. 3, 14, 21, 71, 105-6.
\end{thebibliography}
recurrently enacted price controls, punishing merchants who seemingly exploited the public for private advantage.\textsuperscript{187}

New England merchants incurred additional scrutiny because they controlled the greatest portion of the colony’s stock of silver coin. Even worse, they exported money to England when bills of exchange were in short supply. Control over money and imported goods, from the view of the Puritan leadership, allotted commercial men unwarranted power and influence. Though few could question the need for a distributor of goods, they simultaneously endangered societal cohesion. The New England merchant was a necessary, but problematic figure: a seemingly self-interested individual who represented the colony’s key point of access to an outside world stained by radical corruption and sin.\textsuperscript{188}

As time progressed, the New England merchant advanced in influence and in stature, greatly fretting those who desired that colonists prioritize metaphysical profit over pecuniary gain. Puritan texts and sermons continually warned of the dangerous


fixation on money. One extraordinarily popular English text, John Bunyan’s *Pilgrim’s Progress* explicitly addressed the allegedly destructive tendencies of silver. In the allegorical tale, Christian, the main character, embarks on a pilgrimage to the Celestial City, encountering numerous adversaries along his way. In one scene, Christian approaches “a delicate Plain, called Ease,” on the other side of which there stood “a little Hill called Lucre, and in that Hill a Silver-Mine.” Venturing toward the mine, however, required straying from the main path. Others before Christian, “because of the rarity of it, had turned aside to see; but going too near the brink of the pit, the ground being deceitful under them, broke, and they were slain.” “That Treasure is a snare to those that seek it,” Christian warns as he wisely avoids the silver trap.189

The message conveyed in *Pilgrim’s Progress* was clear: beware of the acquisitive spirit, as blind devotion to money will distract from your greater, spiritual calling, and may likely contribute to your ultimate downfall. Many New England readers – the book, published later in the century, was second only to the Bible in popularity – no doubt applied this advice to their own situation, perhaps perceiving the merchants of Boston as foolishly committing the same mistake as those who had fallen into the silver pit. The problem for now, however, was that there was no sign of a metaphorical silver mine to even tempt them with. Though most Massachusetts settlers used country pay and wampum for local exchange, the province needed some way to acquire silver money to import goods from abroad, no matter the moral risk. A partial solution to the silver

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189 John Bunyan, *The Pilgrim's Progress from this World, to that which is to Come* (London, 1678), 141-2.
shortage would finally arise by midcentury, but the dilemma on how to balance money and religiosity would vex New England for years to come.

Back home in England, the economy had made considerable strides under the first two Stuart kings, notwithstanding the severe money contraction of the early 1620s. In the 1630s, especially, England enjoyed a remarkable trade boom, ushering in far greater sums of coin than under the previous decade. The 1630s commercial boom resulted largely from England’s abstention from the Thirty Years War, which had temporarily paralyzed Dutch mercantile activity in the Mediterranean. Under James I and especially Charles I, popular awareness of the link between national prosperity and global commerce – what historian Carole Shammas calls the “mercantilization of English society” – surpassed even that of Elizabeth’s commercially-oriented reign, drawing greater mercantile attention to the prospects of North American trade.

English woolen cloth still represented roughly 80 percent of all English exports – including the re-exports of East Indian spices and American tobacco – but the nature of the textile trade had evolved substantially since the sixteenth century. England now exported woolen cloth in finished form, and to markets other than northern Europe, with exports of lighter English fabrics to the Mediterranean now making up a far greater share

of the export trade. The import trade changed as well. Toward the end of Elizabeth’s reign, three-quarters of all imported goods came from northern Europe, yet by 1633, this number had fallen to less than one-third. Imports from southern Europe and the Mediterranean grew from 18 percent to 31 percent; East Indian imports grew from near-zero to 33 percent. Imports from North America and the Caribbean, by 1640, meanwhile, accounted for only 3 percent of total English imports, though traffic with the tobacco colonies was clearly ascending.

Despite this revolution in English commerce, then, the American colonies still barely registered on the typical merchant’s radar in 1630s London. The early Stuarts, too, exhibited a general indifference toward most colonial affairs, as did the royal Privy Council, at least relative to other issues. Imperial administration over the colonies was mostly conducted in a haphazard or indifferent manner, leaving the various settlements to generally pursue their own course. Virginia was the only royal colony controlled directly by the Crown; the rest were owned either by absentee proprietors (Maryland and the Caribbean islands) or charter companies (Massachusetts Bay and Bermuda). Connecticut, New Haven, and Rhode Island were settled without any formal authorization at all, neither did the Crown did not seem to much care. All colonists, nevertheless, were still subjects of the Stuart king, and most, if not all, colonists had a near-impenetrable attachment, commercially, emotionally and psychologically, to the home country.

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192 Davis, *Commercial Revolution*, 9; Games, *Web of Empire*, 82.
The difficulties that the early colonial settlers faced in accumulating even a modest supply of coin were predictable. Few Virginia immigrants carried money with them from England, and the coin that accompanied New England immigrants was minimal. Most necessary products – clothing, shoes, nails, and ironwares – had to be imported, placing the colonists in profound dependency upon English and European goods. “As the first settlers... were poor,” Noah Webster reflected over a century later, “the purchase of a few foreign articles drained them of specie. Indeed for many years, the balance of trade must have necessarily been greatly against the colonies.” Thomas Pownall of England asserted the same in his 1765 tract *The Administration of the Colonies*: “An encreasing country of settlers and traders must always have the balance of trade against them... and for this very reason, they must always labour under a decreasing silver currency, though their circumstances require an encreasing one.”

Colonists responded to the general lack of silver by adopting alternative commodity monies, including tobacco, beaver, wampum, musket balls, and country pay. Sir Dudley North, English economist, wrote this in 1691: “Nations which are very poor have scarce any Money, and in the beginnings of Trade have often made use of something else; as Sweden hath used Copper, and the [English] Plantations, Sugar and Tobacco, but not without great Inconveniences.”

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196 Thomas Pownall, *The Administration of the Colonies*, 2nd ed. (London, 1765), 110. “The progressive improvements of a commercial country of settlers,” Pownall continued, “must necessarily have the balance of trade against them... their continual want of money and other materials to carry on their trade and business must engage them in debt.”
197 Dudley North, *Discourses Upon Trade* (London, 1691), 16.
deficiencies, alternative monies did fairly well in serving the needs of local exchange. So long as colonial merchants and tax collectors accepted country pay, wampum, or tobacco for money payments, the middling farmer in early America had little direct need for coin, even as the colony’s supply of coin determined its ability or inability to import outside goods.

English authorities had money on their mind as well, demonstrating a clear desire that the tobacco colonies boost the money supply of England, foreshadowing the later Navigation Acts. The prohibition of Virginia-Dutch trade in 1621, as well as the importation restrictions on Spanish tobacco, prefigured a common theme of the English mercantilist system: some trade restrictions deprived colonists of money, others saved the colonists money, but all trade restrictions, first and foremost, promoted the monetary ambitions of England, at least purportedly.

Following the eleven-year Personal Rule of Charles I without summoning Parliament, a newly-assertive Parliament, summoned in 1640 out of desperation for additional revenue, boldly pronounced its rights and privileges as a body, denouncing the King’s alleged use of arbitrary power. Charles immediately dissolved the Parliament, only to call them into session again a few months later after city mobs, army mutinies, and a persistent need for additional funds compelled him. England plunged into a prolonged era of internal strife, civil war, and regicide before the Restoration of the

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Crown in 1660. It was during this Interregnum period that the American colonies largely wrested themselves from English dependency, assuming a substantial degree of economic and political autonomy, and exercising their newfound ability to acquire, and sometimes create, silver money for their own settlements.
CHAPTER THREE: MONETARY UPHEAVAL, RECOVERY AND THE DUTCH INFILTRATION

Grave uncertainty clouded the English Atlantic in 1640. As Parliament gathered for the first time in eleven years and furiously demanded redress from Charles I, the English world simultaneously plunged into a severe economic depression. Transatlantic credit collapsed, capital fled the cities of London and Bristol, and silver coin largely retreated from circulation, resulting in a deflationary collapse in commodity prices in New England, Virginia, and the Caribbean.

As civil war engulfed England, colonial governments, merchants, and general inhabitants embarked upon a concerted effort to recover from the depths of a fierce monetary depression, adopting several economic tactics to usher money into their respective provinces. Economic strategies included new export trades, direct contact with foreign traders, currency devaluation, and the establishment of a mint-house in Boston. With the English distracted at home throughout much of the 1640s and 1650s, American colonists were largely undeterred in pursuit of this money-oriented agenda.

In England, the newly-victorious Commonwealth Parliament, after briefly flirting with a paper-currency proposal, replied to the monetary gloom with the Navigation Act of 1651. Though the law primarily focused upon English trade with Continental Europe, the act also targeted colonial-Dutch commerce. The 1651 codification of pre-existing
mercantilist ideas represented a watershed moment in the development of English imperial policy. Though enforcement of the law was initially lax, it constituted the beginning of a coherent colonial agenda from London and exposed a great disparity in economic and monetary interest between parent state and colony.

Just as conflict erupted between King and Parliament in the early 1640s, a severe monetary crisis struck England. The political uncertainties of civil war resulted in large capital withdrawals from the country, the hoarding of metals within, higher interest rates, and an exceptionally large trade deficit with Continental Europe.\(^1\) Cloth exports to the Baltic and Mediterranean collapsed, and customs revenue fell from over £500,000 in 1640 to less than £200,000 in 1643.\(^2\) “Great discontent betwixt the King and Parliament...


makes trade here very dead,” one London merchant remarked in May 1642. 3 A pamphlet
the same year, entitled A Caution to Keepe Money: Shewing the Miserie of the Want
Thereof, declared the “want of Money to be an Epidemicall Disease... all from the highest
to the lowest feeling the misse of it.”

In August 1642, Parliamentary forces seized the Tower Mint in London, forcing
Charles I to establish new royalist mints in the English countryside. 5 A year and a half
later, in March 1644, Charles took the unprecedented step of declaring that all foreign
coin could now circulate domestically. 6 The proclamation signified a total surrender of
the most visible hallmark of royal sovereignty: the exclusive circulation of coin bearing
the face or symbol of the Stuart king. English men and women could now pass money
with the stamp of a foreign prince, a testament to the waning authority of an English
monarch who enjoyed fewer resources than Parliament in prosecuting the war. The
melted silver plate of the landed nobility and gentry financed much of the royalist war
effort, yet the wealthy merchant-financiers of London allowed Parliament a clear fiscal

3 Quotation in Ibid., 20.
now hath not halfe that employment, nor is so readily and well paid for his commodities as in former
times,” the writer continued on p. 8, “there being little store of monie by reason of so many and so huge
summes disposed of, this and that way, that the land it selfe is welnigh drawn dry.” Also see Thomas
Violet, An Humble Declaration.. Touching the Transportation of Gold and Silver, and other Abuses
Practised Upon the Coynes and Bullion of this Realm (London, 1643), 1-4.
5 After Parliament seized the Tower Mint, the Royalists minted coins in the countryside, but Charles never
matched the supply of coin that Parliament enjoyed during the war. C.E. Challis estimates that the total
minted by the Royalists across the entire war was only two or three times the average month’s output by
Parliament at the Tower Mint, see Challis, "Great Silver Recoinage,” 281-5. In the summer of 1642,
Parliament called all supporters to donate plate and coin to be minted for use by the Parliamentarians;
Charles followed shortly after with a similar Royal Proclamation. For more on the seizure of the Tower
Mint, see Sir John Craig, The Mint: A History of the London Mint from A.D. 287 to 1948 (Cambridge:
6 Charles I, “A Proclamation for making of several pieces of Forreigne Coyne to be Currant in this
Three years later, in 1647, the House of Lords decried the mass “counterfeiting of the Kings Coyne”
through clipping, an act of “High Treason,” see House of Lords, 13 Mar. 1647, accessed on EEBO.
edge, demonstrating the truly revolutionary implications of a commercial revolution that accorded greater wealth to trade than to land.⁷

Loud cries of the great “scarcity of Coine” reverberated across England for much of the conflict-ridden decade. Member of Parliament Thomas Roe even proposed reinstating the death penalty for all merchants caught exporting money from England without a license. “If a man may justly suffer death for robbing of a private man,” Roe argued in 1641, “I see no injustice or cruelty to infrlict the same punishment upon him that robs a Kingdome.”⁸ Roe’s proposition did not find favor with Parliament, yet coin-smugglers – men who threatened “to damnifie the Common-wealth” – still faced fines of up to £4,000. “By these deceits,” wrote prosecutor Thomas Violet, “commerce is spoil’d, Traffick decayeth... and the commonaltie, to speak all in a word, is brought to Povertie.”⁹

New England faced an equally, if not greater, monetary contraction at the start of the decade. The convening of the Puritan-friendly Short Parliament in April 1640 and Long Parliament in November reduced the incentive for religious dissenters to leave England, abruptly terminating immigration to Massachusetts. Immigration was the colony’s chief supply of incoming coin: in the 1630s, Puritan migrants, prior to leaving,

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⁸ Sir Thomas Roe, Speech in Parliament, 1641, accessed on EEBO. In 1643 Thomas Violet, royalist, likewise bemoaned the “many thousand of dollers and Spanish money... yearely Merchants... trade for Norway and Denmarke and other parts, to transport silver for those parts, to the great weakning of the stock of this Kingdome... which dollers are closely packed in some part of the ship,” Violet, *Humble Declaration*, 21-2.
sold property in England for silver or bills of exchange.\textsuperscript{10} Now, according to Governor Winthrop in June 1640, inbound vessels transported “but few passengers (and those brought very little money).”\textsuperscript{11} The closing of the monetary spigot that immigration hitherto provided coalesced with the empire-wide contraction to create a perfect economic storm in the summer of 1640. Prices collapsed and Massachusetts Bay plunged into a deflationary spiral, causing “a great stop in trade & commerce.”\textsuperscript{12}

Between May and October 1640, agricultural prices in the colony fell by almost half, tumbling further in the following months.\textsuperscript{13} “He who last year, or but three months before, was worth 1000 pounds,” Winthrop wrote, “could not now, if he should sell his whole estate, raise 200 pounds.”\textsuperscript{14} Colonial merchants who had once accepted country pay for imported goods now demanded coin, as the potential for further deflation made agricultural commodities too risky for merchants to accept. Panic spread, causing farmers to desperately sell their produce before an additional fall in prices, contributing to a glut in supply that worsened the deflation.\textsuperscript{15} Most of the silver and bills of exchange had left


\textsuperscript{13} Gottfried, “First Depression,” 655-6. Within those five months, corn fell from 5s to 2s6d; wheat from 7s to 4s; rye from 6s to 3s6d; cattle from £25 to £6-8. May 1640 prices in \textit{Records of Massachusetts}, 1:294; December 1640 prices in Winthrop, \textit{Journal}, 342.

\textsuperscript{14} Winthrop, \textit{Journal}, 342.

\textsuperscript{15} “Merchants would sell no wares but for ready money,” Winthrop wrote, “prices of lands and cattle fell soon to the one half and less, yea to a third, and after one fourth part... a sudden and very great abatement...”
the colony. “All our money was drained from us, and cattle and all commodities grew very cheap,” Winthrop wrote, “…the scarcity of money made a great change in all commerce.”¹⁶ Prices continued their downward spiral into the summer of 1641, so that the General Court warned the population of the “want of cloathing which is like to come upon us the next winter.” “All foreign commodities grew scarce, and our own of no price,” Winthrop remarked; “Corn would buy nothing: a cow which cost last year 20 pounds might now be bought for 4 or 5 pounds.”¹⁷

Debtors languished more than any other. “Many men in the plantation are in debt,” recorded the assembly in October 1640, “and heare is not money sufficient to discharge the same.”¹⁸ Many farmers had signed debt contracts by which the farmer received imported goods from the merchant-creditor in advance of the upcoming crop. To obtain this credit, farmers generally offered land as collateral. Now that agricultural prices had fallen, however, debt settlement required more than double the bushels of corn, wheat, rye, or peas that the farmer originally thought he would owe. Land seizure resulted. Those fortunate enough to keep their land had to sell large portions of their property at severely-reduced values. The local merchant-creditor, for his part, was often indebted to a creditor in England. English creditors expected coin for debt settlements, not country pay, and so the colonial merchant, in turn, required silver. The English

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¹⁷ Ibid., pp. 339, 342. For more on the 1640-2 deflation, see Bailyn, New England Merchants, 47.
¹⁸ Records of Massachusetts, 1:307. “Though their cattle & goods should bee sould for halfe their worth,” the record continued, “...yet their debts not satisfied.”
creditor likely stood in want of money himself. The entire transatlantic chain of credit collapsed.19

Colonists all over English America faced similarly grim circumstances. Tobacco prices reached historic lows in the early 1640s, devastating Chesapeake and Caribbean planters, inducing the Burgesses to protest that “manie and great inconveniencies do dayly arise by dealing for monie.”20 Elsewhere in New England, the Connecticut General Court too bemoaned the “great scarcity of mony,” resulting in the “extreame damage of the debtor.”21 Coin and bills of exchange were scarce throughout, and commodities everywhere earned but little money. The way in which the colonists responded to this monetary predicament permanent altered the economic trajectory and character of each settlement.

Massachusetts faced gloomier prospects than perhaps any other province. An utter lack of staple exports, impoverished debtor population, and near-disappearance of money rendered trade within the colony, as well as the purchase of imported goods, immensely difficult. Armed with sincere convictions of an obligation to rescue their metaphorical flock from earthly distress, the Puritan leadership immediately embarked upon a

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multifaceted program for economic recovery. The program included several short-term remedies as well as a long-term blueprint to boost the colony’s productive capacity.

Short-term debtor relief was the most immediate item on the Puritans’ economic agenda. In October 1640, the General Court ordered that country pay be legal tender for all debts, including those contracted explicitly in silver. The law remained in place for nearly six years. The assembly further raised the legal-tender rates for produce used in debt settlement. The new legal-tender rates for country pay exceeded the current, depressed market price for the same goods. A bushel of corn for instance, was now legal tender at 4s, though the market rate had fallen to 2s6d; wheat at 6s, despite a market rate of 4s.22 Eight months later, the General Court declared wampum legal tender for all debts as well, so long as the sum was under £10.23

The new legal-tender laws after 1640 meant that creditors received less money for their debts than what the original contract had stipulated. When merchant-creditors in Boston received country pay for debts, they typically sold the produce in town for silver shillings. But now, the market price of the produce fell below the shilling-value of the debt. Never mind the effect on creditors, the Puritan-led assembly could not simply look the other way as ordinary farmers suffered economic calamity.

22 Records of Massachusetts, pp. 1:304-7. One year later, in October 1641, the General Court rescinded the former order, declaring, “all sorts of corne are left at liberty, as concerning the prices,” see Records of Massachusetts, 1:340. The Virginia House of Burgesses, in January 1642, went one step further and declared that “all monie debts... shall not be pleadeable or recoverable,” see Journals of the House of Burgesses of Virginia [JHB], eds. H.R. McIlwaine and John Pendleton Kennedy, 13 vols. (Richmond, 1905-15), 1:262, 267-8. In May 1646 the Massachusetts General Court finally rescinded the order, see Records of Massachusetts, 3:69.
23 Records of Massachusetts, 1:329.
Inflationary legislation, or currency devaluation, provided a further semblance of temporary relief for the colony. Eighteenth-century colonial inflation involved the printing of paper money, but seventeenth-century colonial inflation involved raising the legal (or extrinsic) value of foreign silver coin. The method was simple. Because colonists preferred familiar English monetary units when using Spanish money, foreign coins required a legal valuation specifying the number of shillings and pence that the money would pass for in the colony. The silver content of the Spanish piece-of-eight (or dollar) was equal to the silver content of 4s6d of English coin, and so Spanish dollars hitherto passed in Massachusetts at 4s6d. In June 1642, the General Court declared that dollars would now pass at 4s8d. Three months later, in September, they raised the coin again to 5s.\textsuperscript{24} With a stroke of the pen, the number of shillings in Massachusetts Bay increased by 11 percent, though the quantity of silver remained the same.

A brief word on terminology. By raising Spanish coin from 4s6d to 5s, the Massachusetts government simultaneously devalued the shilling. A shilling, that is, no longer represented as much silver as it once did. In May 1642, the shilling-unit represented \textit{more} than one-fifth of a Spanish dollar, because the shilling-rate for a Spanish dollar was 4s6d. By September, however, a shilling now represented exactly one-fifth of a Spanish dollar, and so the unit-of-account was devalued. The procedure went by a number of names: raising the coin, advancing the coin, devaluing the currency, depreciating the currency. All refer to the same.

Debtors gladly embraced the new rate if their contract stipulated payment in silver (though until 1646, the silver-debt could also be settled in country pay). Farmers contracted most of their debts in country pay, and so silver-debtors in early New England were generally middling tradesmen or lesser merchants. With Spanish coin now adjudged at 5s, the debtor could settle his payments with only 89 percent of the coin required at the former rate. The new law, then, had the same effect as when the assembly raised the legal-tender price of corn and wheat in October 1640: the new coin valuation eased the debt and allowed the creditor less money than the contract had stipulated. The new price of silver, however, did not simply affect debt payments, but all market transactions.

Prices ultimately rose to correspond with the new silver valuation, though the inflation did not occur evenly. Prices for imported goods rose first. Merchants still required the same quantity of silver as before to purchase goods from abroad, and so merchants had to adjust their prices accordingly. English merchants did not care that the Massachusetts assembly had changed the extrinsic value of Spanish coin in the colony, they cared solely for the intrinsic content. “All Foreigners that deal with us regard the Intrinsick Value more than the Extrinsic Denomination,” William Lowndes, a supporter of the practice in England, later wrote.²⁵

²⁵ William Lowndes, A Report Containing an Essay for the Amendment of the Silver Coins (London, 1695), 32. Lowndes’s rival, John Locke, too affirmed that “the foreign Merchant that comes to sell his Goods to you, always counts upon the Value of your Money by the Silver that is in it,” [John Locke], Some Considerations of the Consequences of the Lowering of Interest, and Raising the Value of Money (London, 1692), 155. Advancing coin, John Pollexfen likewise wrote in 1697, “will not have any effect with Foreigners in their Dealings; they will always proportion the Price of their Commodities according to its Weight and Finessen,” see John Pollexfen, A Discourse of Trade, Coyn, and Paper Credit (London, 1697), 11. “Foreigners will not be imposed upon by names, or by false measures,” another remarked the following century, see [Joseph Harris], An Essay upon Money and Coins: Part II, Wherein is Shewed, that the Established Standard of Money should not be Violated or Altered (London, 1758), 72.
Prices for domestic goods rose later. Imported shoes, stockings, hats, and ironwares all increased in price before that of butter, cheese, corn, or wheat. If a bushel of corn was 4s on the eve of devaluation, it usually remained 4s in the weeks following. Only later, perhaps in a few months, would domestic goods rise proportionally to match the inflation in imported goods. The same was true for the price of labor. Wages ultimately increased, but for a season, wages lagged behind the import inflation. This price disparity between domestic and imported goods was temporary, but it had a tremendous effect. This interim phase we shall call the ‘lag period.’

Because of the lag period, currency devaluation temporarily profited some groups over others. Farmers and workers, for a time, had greater difficulty in acquiring imported goods, as the price for their produce and labor had not yet increased correspondingly. Still others, for a time, did quite well. Of course, any debtor owing silver money benefited, but money-holders in general also benefited. During the lag period, any merchant or landowner in possession of silver coin could now purchase more domestic goods with his money than previously, enjoying greater purchasing power because the extrinsic value of the coin in his possession was now greater.

For this reason, many wealthy colonial merchants, especially importers, supported raising the rates of Spanish coin, though they may have simultaneously lost a modest sum

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26 Inland traders ultimately raised prices as well because “all men are in some degree consumers of foreign commodities,” and so the advance in prices of imported goods “will naturally affect the nominal prices of all the rest.” see Harris, Money and Coins, Part II, 36-7. William Petty had this to say in 1682: “you would indeed have 1/4 part more of the new christned Shillings; but not an Ounce more of Silver, nor Money; nor could you get an Ounce more of Forreign Commodities for all your multiplied Money than before: Nor even of any Domestick Commodities, but perhaps a little at first,” see William Petty, Quantulumcunque (1682), in A Select Collection of Scarce and Valuable Tracts on Money, ed. J.R. McCulloch (London, 1856), 160-3.
of money from debts. 27 These import-merchants were “not very impartial advocates” of the practice, an English author later remarked. 28 Opponents of the measure argued that it accomplished little or nothing in the long-run, unfairly raised the price of imported goods before all others, and wreaked “Injustice and Oppression to all those who are in place of Creditors.” 29

The lag period produced another, perhaps more important effect. Because Spanish coin temporarily enjoyed greater purchasing power, the measure, for a season, encouraged traders from abroad to bring coin into the colony to buy up and purchase cheap domestic goods. Like the local money-holder, the outside trader could buy more of the colony’s goods than previously, and with the same amount of silver. The chief difference was that the former spent money already within the colony’s borders, but the latter actually brought silver into the colony.

Once domestic prices fully adjusted to the new valuation, the incentive for outside traders to bring money into the colony utterly ceased (as did the advantage of local money-holders). In the meantime, however, the province enjoyed a temporary boost in exports and a stream of incoming coin. Conversely, the lag period discouraged all exports of coin from the colony. It made little sense to export money from a colony where money could buy more than it could anywhere else. 30

27 Cathy Matson, for instance, demonstrates that many of the wealthy merchants in late-seventeenth century New York – especially importers – habitually lobbied for raising the value of Spanish money, whereas lesser merchants and middling traders consistently opposed it, see Cathy Matson, Merchants and Empire: Trading in New York (Baltimore, The Johns Hopkins Press, 1998), 82-5.
28 Harris, Money and Coins, Part II, 39.
29 Rice Vaughn, A Discourse of Coin and Coinage (1630; repr., London, 1675), 164.
30 For seventeenth- and eighteenth-century comments on the effects of currency devaluation – outlining all of the principles laid above – see Ibid., pp. 32-3, 137-66; Thomas Mun, England’s Treasure by Forraigne
Finally, and not surprisingly, the lag period provoked great jealousy from surrounding colonies or states. When a colonial government devalued its currency, the measure temporarily drew coin away from its neighbors. Naturally, this transfer of silver incentivized other colonies to match or exceed the new rates, resulting in a not-so-subtle form of intercolonial monetary warfare.  

Such was the case between Massachusetts and New Netherland in 1642-43. When the Massachusetts government, in September 1642, raised the Spanish dollar to 5s, they did so citing the “oft occasions wee have of trading with the Hollanders at the Dutch plantation.” Four months later, in January 1643, the Dutch West India Company petitioned the New Netherland government that the “value of money be raised in order that it be retained here and not exported.” The government agreed and raised the coin by 20 percent, surpassing Massachusetts. In April the Connecticut government responded in kind by matching the Massachusetts rates, setting the dollar at 5s. The Virginia government eclipsed all three colonies in 1645 by raising the piece-of-eight to 6s, an increase of 33 percent, though the Burgesses lowered the dollar down to 5s a decade later.

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33 Petition of the Dutch West India Company to the Director-General and Council in New Netherland, 21 Jan. 1643, in *Documents Relative to the Colonial History of the State of New York* [DRNY], eds. E.B. O’Callaghan and Berthold Fernow, 15 vols. (Albany, 1856-87), 1:203. Also see McCusker, *Money and Exchange*, 156. Several years later, in 1652, the government in Holland condemned the measure as “a matter of dangerous import” and generally “very unadvisable,” scolding the New Netherland government for having passed “this resolution without our knowledge,” see Directors in Holland to Peter Stuyvesant, 4 Apr. 1652, in *DRNY*, 14:169.  

34 *Records of Connecticut*, 1:86.
later. The Barbadian government established a 6s rate in 1651, though here too the law ultimately lapsed and the coin thereafter passed at 5s. Bermuda also joined the inflationary trend, raising the coin to 5s in 1658.

The 1640s and 1650s thus witnessed the beginning of a practice that, in years to come, excited great animosity between neighboring governments. Intercolonial currency wars were especially tense in the final quarter of the century. European states, dating back to the Middle Ages, had long participated in the same sort of practice, reducing the metallic content of their respective money units for very similar reasons. Currency devaluation, or debasement, was certainly nothing new. But intercolonial strife over the issue promoted an unacceptable degree of disunity and resentment within the Atlantic empire. Finally, in 1704, the Crown restricted the practice and prohibited any colony from raising the Spanish dollar above 6s.

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36 McCusker, Money and Exchange, 239. The rating is Barbados is highly uncertain because the precise texts of the numerous Barbadian laws passed during the 1650s have not survived. John J. McCusker argues, persuasively, that the 1651 law was of a limited term, and it is certain that the rate was 5s after the Restoration.

37 Ibid., 276.

38 There were several ways by which European nations debased the currency: first, alter the denominations of their minted coins without any alteration in the quantity or fineness of the metal. This option was William Lowndes’s proposal in the 1696 recoinage controversy in England. Second, continue the same names and weights, but use baser metal (less silver and more allow). Third, preserve the fineness, but lessen the weight by making the minted coins smaller or lighter. See Harris, Money and Coins, Part II, 24-5.

The motives behind devaluation could vary widely, depending on the circumstance. The motive could chiefly lie in helping debtors, or it could lie chiefly in enriching money-holders, especially the great import-merchants. The motive could also lie in a desire for temporary trade advantages: a sudden boost in exports and an incoming stream of coin. It might simply be a protective measure, responding to a similar move by a neighboring government. Or it could be a combination of several of these. As we shall see later, sometimes the motives for devaluation could be altogether benevolent, and sometimes they could be outright malicious. Because merchants did not yet control or exercise much influence over the Massachusetts government in 1642, this initial raising of rates was likely grounded in a genuine wish to alleviate debtors, prevent the further export of coin, and also to aid a new program of export expansion.

The long-term agenda for economic recovery in Massachusetts Bay included various measures to improve the balance of trade. The trade balance had stood against the colony since the beginning of settlement, but with the near-disappearance of money in 1640-41, the issue was more pressing than ever. Fishing, shipbuilding, lumber exports, and cloth and iron manufacture were all part of the greater effort to improve the balance of trade and return wealth to the province. Individually speaking, settlers pursued this work for personal gain, hoping to purchase additional goods at the store, or perhaps to

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pocket some additional silver change. But collectively speaking, individual activity in the aggregate made a key difference in the balance of trade, and therefore the supply of money, a collective consequence that most New Englanders consciously understood and appreciated. “So long as our ingate exceeds our outgate,” the General Court affirmed in 1646, “the ballance... cann leave us but little mony.”

Import substitution was a conceivable option. Cloth and iron made up the bulk of imported goods: coats, blankets, stockings, farming and building equipment, pots, pans, nails and weapons. Producing the same internally would certainly help increase the supply of money in the colony. To incentivize cloth production, the General Court, in October 1640, offered each settler a direct subsidy of 3d for every shilling (12d) worth of homespun cloth produced, dispatching officials to the various towns for “teaching the boyes & girles in all townes the spining of the yarne.” “God is leading us by the hand into a way of cloathing,” Nathanael Byfield boasted in his 1643 publication *New Englands First Fruits*. From midcentury onward, a growing number of households...

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40 Records of Massachusetts, 3:92.
42 Records of Massachusetts, pp. 1:294, 303. Settlers evidently responded favorably enough so that in June 1641 the General Court had to repeal the subsidy for being “over burthensome” to the expenses of government, see Records of Massachusetts, 1:320. In order to avoid a subsequent fall in production, the same statute strongly urged that “all masters of families should see that their children & servants” devote their “mornings & evenings... for the working out of hemp & flaxe, & other needfull things for cloathing,” see Records of Massachusetts, 1:322. The Connecticut General Court similarly urged the same, see Records of Connecticut, 1:61. Optimism for an emerging cloth industry in New England was exceptionally high, see Virginia DeJohn Anderson, *New England's Generation: The Great Migration and the Formation of Society and Culture in the Seventeenth Century* (Cambridge: Cambridge University Press, 1991), 134-40; Roger Thompson, *Divided We Stand: Watertown, Massachusetts, 1630-1680* (Amherst: University of Massachusetts Press, 2001), 95-6; Bailyn, *New England Merchants*, 71-2; Stephen Innes, *Creating the Commonwealth: The Economic Culture of Puritan New England* (New York: W.W. Norton & Co., 1995), 17; Newell, *Dependency to Independence*, 57.
produced coarse clothing during slack periods on the farm, and leather shoemakers began
supplying a decent bulk of the country’s needs. 44

In 1645 John Winthrop, Jr., founded the Company of Undertakers for the Iron
Works in New England. Within three years the company produced nearly a single ton of
iron a day. Yet heavy capital expenses, the high price of skilled labor, and a relatively
small domestic market rendered the venture unprofitable, and led to the company’s
demise in 1652. 45 Large-scale textile production encountered similar difficulties: the cost
of labor, too high; the slack season, too short; the quality of clothing, mediocre at best.
For now, at least, import substitution was impractical; other methods for retaining money
would have to do. 46

Export expansion, particularly the export of fish, proved remarkably successful.
Before the English Civil War, New Englanders imported most of their fish from itinerant
English fishermen in Newfoundland. The wartime impressment of English sailors,
however, had left an instant vacuum to fill, and temporarily doubled the price of fish. 47

44 Zahedieh, Capital and the Colonies, 260-1; John J. McCusker and Russell Menard, The Economy of
45 Records of Massachusetts, 2:61; Bailyn, New England Merchants, 62-9; Innes, Creating the
Commonwealth, 237-70; E.N. Hartley, Ironworks on the Saugus: The Lynn and Braintree Ventures of the
Company of Undertakers of the Ironworks in New England (Norman: University of Oklahoma Press,
1957); James McWilliams, Building the Bay Colony: Local Economy and Culture in Early Massachusetts
(Charlottesville: University of Virginia Press, 2007), 66-74; Marsha L. Hamilton, Social and Economic
Networks in Early Massachusetts (University Park: The Pennsylvania State University Press, 2009), 29-34;
Newell, Dependency to Independence, 58.
46 Anderson, New England’s Generation, 145; McCusker and Menard, Economy of British America, 329.
“The development of a domestic cloth industry in New England was by no means a complete failure,”
Anderson writes, “but it never proved to be more than a disappointment to its promoters,” Anderson, New
47 Daniel Vickers, Farmers and Fishermen: Two Centuries of Work in Essex County, Massachusetts, 1630-
1850 (Chapel Hill: University of North Carolina Press, 1994), 98-100; Peter E. Pope, Fish into Wine: The
Newfoundland Plantation in the Seventeenth Century (Chapel Hill: University of North Carolina Press,
New England fishermen immediately took to the coasts of Newfoundland, New Hampshire, and Maine. Boston merchants even began exporting cod across the ocean to Portugal, Spain and the Wine Islands (Madeira, the Azores, and Canary Islands).\textsuperscript{48} Within thirty years New England fishermen annually took in roughly 6,000,000 pounds of fish, up from a mere 300,000 pounds in 1641.\textsuperscript{49}

Fishing was one of the colony’s most vital sources for money. Between one-third to one-half of all fish exported to the Wine Islands and Iberian Peninsula returned silver coin or bills of exchange to New England.\textsuperscript{50} Thomas Morton, back in 1632, had predicted as much. New England cod, he wrote, is “a commodity better than the golden mines of the Spanish Indies... a commodity that without question will enrich the inhabitants of New England quickly,” owing to high demand “at the Canaries.”\textsuperscript{51} “Some silver mine, if any here doe wish, they it may finde in the bellyes of our fish,” another author quipped in a 1648 New England almanac.\textsuperscript{52}


\textsuperscript{49} Vickers, \textit{Farmers and Fishermen}, 99; Lydon, “Fish and Flour,” 173.

\textsuperscript{50} Lydon, “Fish and Flour,” 182; Rutman, \textit{Winthrop’s Boston}, 187. The remainder of the trade returned salt, fruit, and wines (the predominant currency of the Wine Islands). For more on wine currency on the Wine Islands, see David Hancock, \textit{Oceans of Wine: Madiera and the Emergence of American Trade and Taste} (New Haven: Yale University Press, 2009), pp. 11, 303. For the use of Portuguese and Spanish coin on Madiera, see pp. 412-5.

\textsuperscript{51} Thomas Morton, \textit{New English Canaan, or New Canaan} (London, 1632), 86.

\textsuperscript{52} Samuel Danforth, \textit{An Almanac for the Year of Our Lord 1648} (Cambridge, MA, 1648), page for December, quotation in Gottfried, “First Depression,” 667. Several decades later, one Boston pamphleteer recalled, “the Fishing Trade brought in considerable Quantities of Spanish pieces of Eight, and some other
Shipbuilding became yet another cornerstone of New England’s emergent economy. Timber was abundant, and Boston merchants in the 1630s had already exported barrel-staves, clapboards, planks and other lumber products to the deforested Wine Islands and Caribbean.\(^5^3\) “The general fear of want of foreign commodities, now our money was gone, set us on work to provide shipping of our own,” Winthrop remarked, “…the work was hard to accomplish for want of money, etc., but our shipwrights were content to take such pay as the country could make”: a probable reference to workers accepting wages in country pay.\(^5^4\) By 1645 Boston shipwrights had constructed six vessels of at least 300 tons for transatlantic trade, as well as many additional smaller craft of 45-90 tons for the coastal trade with the Chesapeake and Caribbean.\(^5^5\)

Shipbuilding retained money within the colony by relieving New England merchants from paying English or foreign shipmasters expenses of freight and shipping insurance. Freight expenses included hiring the vessel, victualing the ship, and settling

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\(^{54}\) Winthrop, *Journal*, 353. In October 1641 the General Court declared that “for servants and workmens wages it is ordered, that they may bee paid in corne,” see *Records of Massachusetts*, 1:340

wages for the master, mates, cooks, and seamen, all of which money returned to the country of origin. Thomas Mun, in 1628, estimated that “freight of Ships, ensurance of the Adventure,” and other related charges typically amounted to 25 percent of the value of the goods onboard. Economists today call these charges ‘invisible earnings’ because they did not show up in the custom-house ledgers, which only counted ‘visible’ imports and exports. A seemingly unfavorable trade balance, then, could be offset through high invisible earnings. And now, after midcentury, New England shipowners, generally merchants, kept the money earned from freight and insurance, retaining silver within the province that would have otherwise gone to an English or foreign shipmaster. Freight indeed was the “most certain Profit a Country can possibly make by Trade.”

As prosperity returned to the Bay Colony, the English Caribbean underwent its own critical transition, exchanging tobacco for sugar as their staple crop. Sugar had been wildly popular in England since the beginning of the century, yet the sweet additive was still expensive, and English consumers imported the Brazilian product. A 1645

57 Mun, England’s Treasure, 209.
Portuguese revolt against Dutch rule in Brazil, however, abruptly halted sugar production and caused a sudden spike in the price of sugar from 3d to 6d a pound, to which Barbadian planters ditched the tobacco crop for sugar. By 1649, “above one hundred Sail of ships” annually docked off the coast of Barbados, with as many as 20-30 vessels at any single time. “There is a greate change on this island of late,” a planter happily wrote in 1646, “from the worst to the better.”

Slave labor promised even greater wealth for the nascent sugar planters. In the two decades after the sugar conversion, Barbadians imported over 40,000 slaves, so that by 1660 Barbados became the first English Atlantic colony with a black majority. Sugar plantations required extraordinary numbers of workers to plant, cultivate, cut, grind, and boil the cane. Defoe later commented that labor on the sugar islands was “so severe, the Climate so hot, the Food so course, that no Europeans were ever yet found that could go thro’ it, at least to the Profit of the Planter.” Caribbean slaves were “whip’d forward like

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61 William Bullock, Virginia Impartially Examined (London, 1649), 31. Also see Ligon, True and Exact History, 40.


Horses,” he wrote, subject to “the cruellest Masters.”64 One slave alone could produce up to 6,000 pounds of sugar annually, and at 6d a pound this translated to £150 annually per worker (after the initial capital cost of setting up the plantation).65 “These they get their Wealth from,” Defoe continued, “... they have much to answer about, as to Cruelties and Barbarities.”66 The prodigious capital requirements for a sugar plantation – not simply labor, but also heavy equipment – altered the demographic landscape even further by forcing small tobacco farmers off the island, contributing to a rapid consolidation of landholdings in the second half of the century.67

The greatest Barbadian planters became fabulously wealthy, yet silver was still in short supply. Planters used their newfound wealth to import additional capital equipment, slaves, and European luxury items, including furniture, silk, wines, books, clocks, and other goods intended for pleasure or conspicuous consumption.68 So long as imports exceeded exports, another medium of exchange than silver was necessary. Not surprisingly, the planters displaced tobacco money with sugar money, a monetary about-

65 Zahedieh, *Capital and the Colonies*, 214.
67 Dunn, *Sugar and Slaves*, 84-116; Zahedieh, *Capital and the Colonies*, 211. Landholders on Barbados fell from roughly ten thousand in the early 1640s to well under three thousand by the late 1670s, see Amussen, *Caribbean Exchanges*, 76.
face as sudden as the agricultural transition itself. Governor Francis Willoughby later called sugar “theire Coyne” and “our ready money.” When the Leeward Islands finally latched onto the sugar staple in the 1670s, the planters of St. Christopher, Nevis, Antigua, and Montserrat too adopted sugar currency, “for wee have noe other payments to make, there being noe Money.”

Taxes, fees, fines, and salaries were all payable in sugar. Any planter concealing a “pocket Pistol” or dagger, for instance, received a fine of 500 pounds of sugar. A fine of 5,000 pounds awaited anyone who formally challenged another to a fight. The government, in the early 1650s, used sugar money to regulate social behavior in the emerging slave culture. Any freeman, for instance, who traded with a slave without consent of the owner, received a fine of 500 pounds; any who knowingly entertained a slave not his own received a fine of 500 pounds per night. Much like tobacco currency in the Chesapeake, sugar money was also liable to various deceits, with regard to quality.

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70 Governor Francis Willoughby to Charles II, 16 September 1667, TNA: CO 1/21, no. 108, p. 218; Governor Francis Willoughby to Secretary Henry Bennet, 18 February 1664, TNA: CO 1/18, no. 29, p. 63.


72 *Acts and Statutes of the Island of Barbados* (London, 1654), 13-5, 17, 20-6. For other examples, see *Acts of Assembly, passed in the Island of Barbadoes, from 1648, to 1718* (London, 1732), pp. 39-43, 45, 59-51, 61-3, 77-9, 100. Like the Massachusetts General Court in October 1640, the Barbadian assembly also assigned a legal-tender status to sugar at rates above the market price, exacerbating creditors — often Dutch slave-traders — compelled by law to accept overvalued sugar money from planters who had acquired slaves on credit, see Sheridan, *Sugar and Slavery*, 278-9; Pitman, *British West Indies*, 139.
In 1652 the legislature appointed a special officer to oversee disputes respecting the use of “unmerchantable” sugar being “given and received in payment,” for “Trade, being the life of this Island, ought to receive all just encouragement.”

The Barbadian sugar revolution arrived at just the perfect time for Massachusetts. Sugar was so profitable that planters devoted as much land as possible for “that Noble Juice of the Cane”; “so intent upon planting sugar,” one planter told Winthrop in 1647, “that they had rather buy foode at very deare rates than produce it by labour, soe infinite is the profitt of sugar workes.”

New England merchants gladly responded to the call, and exported fish, barrel-staves, horses, pork, beef, cheese, corn, peas, and other provisions to the Caribbean. The merchants returned some sugar, rum, and molasses to the North American mainland, but because exports to the Caribbean overbalanced imports, the trade also brought silver coin and bills of exchange to New England, another reason why silver was scarce on Barbados.

New England shipbuilding advanced markedly from the trade. Bay Colony merchants owned roughly 80 percent of the vessels traveling to and from the Caribbean and North American mainland. New England merchants even profited from the slave

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73 Acts and Statutes of Barbados, 83-4.
74 Thomas, West-India Collonies, 14; Richard Vines to John Winthrop, 19 July 1647, in Winthrop Papers, 5:172. Merchants would henceforth be “coming to your porte,” the planter continued, “to trade for provisions for the belly.” As early as June 1641, Winthrop wrote that Boston merchants would “look out to the West Indies for a trade for cotton,” see Winthrop, Journal, 353. Defoe later wrote, “It is no Grievance, but a Gain to them, that they do not sow Corn enough to feed their Cocks and Hens,” see Defoe, Review, 244-5.
75 Carroll, Timber Economy, pp. 82-4, 89; Dunn, Sugar and Slaves, 210; Vickers, Farmers and Fishermen, 99; Innes, Creating the Commonwealth, 295-9; Anderson, New England’s Generation, pp. 132, 153-4; McWilliams, Building the Bay Colony, 51; Zahedieh, Capital and the Colonies, 192; Rutman, Winthrop’s Boston, 186-7.
76 Nettels, Money Supply, 82-4; Bailyn, New England Merchants, 85; Innes, Creating the Commonwealth, 299; Dunn, Sugar and Slaves, 210.
trade, exchanging fish and barrel-staves on the Canary Islands for slaves to carry for sale on Barbados, thereafter returning silver coin and bills of exchange from Barbados to New England.\(^{77}\) Less than two percent of the New England population was of African descent at midcentury, yet the Massachusetts money supply, in more than one way, was already deeply connected to and largely dependent upon the slave system.\(^ {78}\)

Massachusetts Bay had recovered fantastically from the earlier depression, and out of the recovery emerged a diversified, commercially-oriented economy where no single staple dominated, but rather a multiplicity of trades.\(^ {79}\) The most visible sign of the transformed economy, and its integration into the larger Atlantic commercial system, was the growing presence of foreign coin in the province, particularly Boston. New England merchants imported coins minted in Portugal, Spain, the Holy Roman Empire, France and Holland, as well as diminutive sums of Barbary and Turkish gold from the export of fish to the Mediterranean.\(^ {80}\)

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\(^ {77}\) As early as 1643 one Massachusetts vessel in particular traded fish and barrel-staves to the Canary Islands “in exchange for Africoes,” selling the slaves again in Barbados for silver coin, see John Winthrop, *The History of New England from 1630 to 1649* (1649; Boston: Little, Brown and Company, 1853), 269. Also see Bailyn, *New England Merchants*, 44; McWilliams, *Building the Bay Colony*, 51-2.


\(^ {79}\) “The character of the economic system as it emerged in this period,” Bernard Bailyn remarks of Massachusetts, “remained essentially the same until the American Revolution,” Bailyn, *New England Merchants*, 45. Also see Innes, *Creating the Commonwealth*, 296; Newell, *Dependency to Independence*, 70; Rutman, *Winthrop’s Boston*, pp. 164, 186-7, 190, 241-2; Carla Gardina Pestana, *The English Atlantic in an Age of Revolution, 1640-1661* (Cambridge: Harvard University Press, 2004), 3-4. Of this period Thomas Hutchinson later noted, “After a few years, by hard labour, and hard fare, the land produced more than was consumed by the inhabitants; the overplus was sent abroad to the West-Indies, the Wine-Islands, &c. Returns were made in the produce of the respective countries, and in bullion, the most of which... went to England, to pay for the manufactures continually necessary from thence,” Hutchinson, *History of Massachusetts*, 1:90.

Because Massachusetts was still highly dependent on European imports, money rarely circulated long before merchants exported it to England or Europe. Those who most actively circulated coin generally inhabited the port towns. “Itt is true, some men have here Spanish mony sometimes,” the General Court affirmed in 1646, yet unfavorable balances “leave us but litle mony.” Middling farmers still relied almost exclusively on country pay, wampum, or direct barter for trade, and New England governments still levied taxes in wheat, barley, rye, peas, and Indian corn. Nevertheless, Bay colonists could now undoubtedly afford greater quantities of imported goods than previously, and by 1646 the General Court had enough confidence in the money supply to rescind the earlier order making country pay legal tender for silver debts.

Further south, in the Chesapeake, tobacco growers witnessed a mild recovery after the Barbadian transition to sugar eliminated one of their largest competitors in the English tobacco market. Virginia, Maryland, and the Leeward Islands were the only

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81 Records of Massachusetts, 3:92.
83 Records of Massachusetts, 3:69. Many in Massachusetts longed “for the discovery of mines” as a shortcut route to greater supplies of coin. One year after the depression had set in, the General Court offered a twenty-year monopoly to any individual or group discovering gold or silver mines within the colony, see Records of Massachusetts, 1:327. In 1648 legislators boosted the incentive by offering a lifetime monopoly that would pass to “their heires forever... paying onely yearly 1/5 part of gold & silver [to the colonial treasury]... & no more,” see Records of Massachusetts, 2:242. The following year Rhode Island was “thrown into great excitement” when reports spread of the discovery of a gold mine within the province, but the rumors proved unfounded, see Records of the Colony of Rhode Island and Providence Plantations, in New England, ed. John Russell Bartlett, 7 vols. (Providence, 1856-62), 1:214. In 1644, rumors also spread of a silver mine in New Netherland, see Report of the Deputies of the States-General on New Netherland, 28 Dec. 1644, in DRNY, 1:148.
colonies to not witness dramatic economic change in the 1640s. The Chesapeake became ever more dependent on the tobacco staple, boasting a tenfold increase in tobacco exports from 1638 to 1668, amounting to 15 million pounds by the latter date. Yet signs of future economic diversification also slowly appeared, as Virginians exported small numbers of livestock to Barbados and even engaged in limited shipbuilding projects for coastal trade. Tobacco continued as the primary medium of exchange: in 1656, for instance, the Burgesses allocated 25,000 pounds of tobacco to the governor and 6,000 pounds to the Speaker of the House. Even Anglican ministers received their pay in tobacco money.

“It is remarkable how small the amount of coin is among the items of inventories,” Philip Alexander Bruce, historian of early Virginia, noted, “...Even where an estate was equal in value to several thousand dollars, it is exceptional if we find a few shillings.”

In November 1645 there was a momentary push in Virginia to supplement tobacco currency with a copper coinage, coupled with a simultaneous devaluation in the currency. First, the Burgesses raised the legal value of Spanish dollars by nearly one-

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88 Perfect Description, 7.
89 Bruce, *Economic History of Virginia*, 507.
third, from 4s6d to 6s, exceeding that of any other colony. By doing so, the Burgesses
hoped that outsiders would choose to spend their coin in Virginia. More interestingly,
however, the second half of the 1645 legislation authorized the establishment of a
Virginia mint. The mint was to issue copper coins in denominations ranging from 2d to
9d, stamped with the Virginia motto on one side, and the other side “stamped yearly with
some new figure.” Each county of the province was to take turns in annually determining
the particular feature on the reverse of the coin.⁹⁰

To get the coinage started, the Burgesses stipulated that the colony purchase
10,000 pounds of copper, paid for by a tobacco levy. Because the current, market price
for copper was 18d a pound, the Burgesses required £750 pounds sterling worth of
tobacco for the copper purchase, amounting to a tax levy of 120,000 pounds of tobacco
(rated at three halfpence a pound). Once minted, a pound weight of the new copper
currency was to legally pass at 20s (240d): an extrinsic value tremendously higher –
1,233 percent – than the intrinsic value of a pound weight of copper (18d). The extrinsic
gold of the entire copper coinage was to amount to £10,000, despite an intrinsic value of
only £750.⁹¹

The Burgesses anticipated that this remarkable difference in value would
discourage traders from exporting the copper coinage from the colony, keeping the
currency within Virginia where it possessed far greater purchasing power than anywhere
else. The higher extrinsic value also guaranteed greater portability: if coined at market

⁹⁰ Statutes of Virginia, 1:308–9.
⁹¹ Ibid., 1:308.
value, the nine-pence piece would have weighed half a pound, but at the enhanced legal price, the piece weighed little more than half an ounce.

In passing the coinage and devaluation bill of 1645, the Burgesses declared “how advantageous a quoine current would be to this collony, and the great wants and miseries which do daily happen unto it by the sole dependency upon tob’o.”92 The Burgesses in 1636 had flatly rejected the Privy Council’s authorization for a copper coinage minted in England, but because tobacco had decreased further in value over the last decade, a supplementary copper currency now found greater appeal. With 9d serving as the highest denomination, the coinage would have mostly served the purposes of small change and would not have entirely supplanted tobacco money, but even a limited metallic coinage seemed to promise at least some relief for the commercial well-being of the colony.

Mysteriously, however, the prospective Virginia coinage never went into effect, and no records seem to exist explaining why. Informed speculation offers at least three possible answers. First, the bill may have languished in England, never receiving royal approval from a besieged Crown with infinitely more on its mind than Virginia currency matters. The 6s valuation went into effect immediately, but for an act as significant as minting coins, the colony may well have sought royal approval despite the ongoing civil war. Virginia was a profoundly royalist colony, and minting coins without Charles’s permission could have rightly been interpreted as trenching upon the royal prerogative, a charge that Virginia royalists would have strictly wanted to avoid. Second, the recovery of tobacco prices in the late 1640s – doubling from three halfpence to 3d a pound –

92 Ibid., 1:308.
rendered tobacco money slightly less inconvenient and the situation a little less desperate than previously. Third, the 6s valuation – higher than anywhere else in the Atlantic – likely drew small sums of coin into the hands of wealthy planters or legislators, temporarily easing the anxieties of the colony’s lawmakers. Whatever the reason, the Burgesses presumably never collected the 120,000 pound tobacco levy for which to purchase the 10,000 pounds of copper, leaving the colony dependent, as before, on the tobacco medium.  

Debtor relief, currency devaluation, and general economic expansion, particularly in the export sector, were all ways in which the several colonies worked to recover from the monetary crisis of the early 1640s. The three methods enjoyed varying degrees of success, bearing greater fruit in New England and the Caribbean. None of the aforesaid tactics threatened the goals and aspirations of the English mercantilist system, except perhaps the limited effort at import substitution in New England, which mostly proved a disappointment. A fourth strategy, however – Dutch commercial contact – represented a graver threat to English mercantilism than any development preceding it.

Tobacco and sugar planters needed markets to vend their goods, and colonial consumers required a dependable, affordable source for imported necessities. The Civil War disrupted a great deal of the trade with England: capital was largely unavailable and

93 Remarkably little has been written of the prospective Virginia coinage and the sources available are generally old, see Bruce, Economic History of Virginia, pp. 2:502-3, 507-8; Crosby, Early Coins, 22; Craig, The Mint, 376.
commercial vessels faced inordinate risk in English waters. Another European power would have to step in and fill the void, and the United Provinces of the Netherlands gladly assumed the role. Dutch traders at midcentury, more often than not, paid higher prices for colonial exports than their English competition, and charged less for imported goods. Money was the motive driving colonial-Dutch trade.

After the 1642 eruption of war inside England, Dutch shipmasters out of New Amsterdam scoured the Atlantic coastline, buying up colonial produce and selling Dutch manufactures. The several assemblies in New England took immediate steps to secure this trade, sending coasting vessels directly to New Netherland and inviting Dutch merchants “to supply us with necessaries, and to take of our commodities.” In 1642-43 the governments in Massachusetts and Connecticut, for the first time, recognized non-Spanish and non-English money as current within their colony, “considering the oft occasions wee have of trading with the Hollanders.” New coins included the ducatooon and rixdollar: silver pieces issued by the Netherlands and Holy Roman Empire, respectively.

The Virginia House of Burgesses, in like manner, dispatched agents to New Amsterdam in 1644, as English merchants were now “unable to Mannadg the affaires.” For royalist Virginia, Dutch trade represented both practical economics as well as protest.

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94 Parliament had ordered seizure of all vessels destined for Bristol and other ports under Royalist control, while Royalists likewise threatened seizure of all ships destined for London and other ports under Parliamentary control, see Coates, *English Civil War*, pp. 90-2, 97-9, 109, 117-32, 189-90.
97 JHB, 1:71.
against Parliamentary dominance in London, where most of the pre-war trade had
centered. Dutch merchants offered “Content, Comfort & releife,” in stark contrast to the
rebellious London merchants, who, according to the Burgesses, wished to “Monopolize
not onely our labours and fortunes, but even our Persons.”

Between 1636 and 1642, only four Dutch vessels made way to Virginia, an illegal
form of trade after 1621. Between 1643 and 1649, however, at least 33 Dutch vessels
made the trip, purchasing tobacco and selling “Linnen Cloth of all sorts... Stockins,
Shooes, and the like things.” English trade did not eviscerate entirely, but now
represented a smaller share of the total. English imports of Chesapeake tobacco fell by
nearly half in the 1640s. “At last Christmas,” wrote one Virginian in 1649, “we had
trading here ten ships from London, two from Bristoll, twelve Hollanders, and seven
from New-England.” When incensed London merchants petitioned Parliament in 1644
to “transport ammunition” to Virginia “to interrupt the Hollanders,” the Burgesses boldly

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98 Ibid., 1:74.
99 Quotation from Perfect Description, 4; statistics from Victor Enthoven and Wim Klooster, “The Rise and
Fall of the Virginia-Dutch Connection in the Seventeenth Century,” in Douglass M. Bradburn and John C.
Coombs, eds., Early Modern Virginia: Reconsidering the Old Dominion (Charlottesville: University of
Virginia Press, 2011), 99. “Commerce with Virginia... must be encouraged by all proper means,” the Dutch
West India Company instructed Director-General Peter Styuyvesant of New Netherland, in DRNY, 14:333;
also see DRNY, pp. 14:77, 241-2, 301, 350, 428, 471. For more on Dutch-Chesapeake trade during this
period, see Enthoven and Klooster, “Virginia-Dutch Connection,” 96-104; Hatfield, Atlantic Virginia, pp.
Virginia,” The Virginia Magazine of History and Biography 90, no. 4 (Oct. 1982): 486-93; Walsh, Motives
of Honor, 122-4; Koot, Empire at the Periphery, 73.
100 Coates, English Civil War, 174; James R. Perry, The Formation of a Society on Virginia’s Eastern
Shore, 1615-1655 (Chapel Hill: University of North Carolina Press, 1990), 148; Zahedieh, Capital and the
Colonies, 35-6.
101 Perfect Description, 15.
proclaimed their determination for “the whole Collony to defend them [the Dutch] with our uttermost power & abilitye.”

The Dutch made even greater inroads in the English Caribbean. By the late 1640s, as many as 40-50 Dutch vessels annually frequented Barbados to purchase sugar and sell European goods, capital equipment and African slaves. New England merchants dominated the provisioning trade, the governor of Barbados explained, but the sugar trade and sale of clothing, slaves, and European luxuries “was most of all carried on by the Dutch.” On the Leeward Islands, St Christopher especially, Dutch traders even built warehouses and inhabited the island for part of the year, extending credit to the planters and buying up tobacco.

English merchants opposed Dutch competition (and colonists embraced it) for monetary reasons. Dutch traders sold goods 30-40 percent cheaper than their English rivals, a difference in price resulting partly from the great disparity in freight expenses.


103 Israel, Dutch Primacy, pp. 206, 236-9, 243; Koot, Empire at the Periphery, 56; Sheridan, Sugar and Slavery, 38-40; Dunn, Sugar and Slaves, pp. 19, 66, 231; Coates, English Civil War, 193-4; Andrews, Colonial Period, 3:50; Zahedieh, Capital and the Colonies, 36. The Dutch sugar refining industry was the largest in Europe.

104 Quotation in Koot, Empire at the Periphery, 94. A half-century later, Francis Brewster recalled that “the Dutch had got such a Trade to our Plantations in the West Indies, that we could scarce get so much Sugars home, as the Nations consume’d.” “They supplied our Plantations,” he continued, “with Wines and Brandies, Linnen, and almost every thing they spent in the islands,” Francis Brewster, Essays on Trade and Navigation (London, 1695), 99-100.

105 Koot, Empire at the Periphery, 49-51.

“The Cheapness of their Freight enable them to under-sell us,” one English official wrote in 1651, “...in our Plantations they have three, if not four Sail of Ships, for our one.”\textsuperscript{107} In transporting tobacco to Europe, Dutch shipmasters reportedly charged only £4 per ton; the English charged anywhere from £8-14 per ton.\textsuperscript{108} Shipping expenses were especially pertinent for a bulky commodity like tobacco, where the margin of profit per ton was far lower than more valuable commodities like spices or silk. Yet even without this disparity in freight, the mere presence of additional buyers of colonial produce, and additional sellers of European goods, worked to the clear economic and monetary benefit of English America, and colonists proved more than happy to receive them in.

The United Provinces of the Netherlands were in the midst of a great commercial boom at midcentury. Dutch-European traffic had undergone a roller-coaster of over half-a-century, with periods of stagnation sandwiched between extraordinary spurts of growth. The 1590s marked the beginning of Dutch commercial hegemony in the Baltic and Mediterranean, a stark turnabout from the modesty of Dutch commercial aspirations in the 1580s. Following the Truce with Spain in 1609, Dutch freight rates plunged and Amsterdam emerged the indisputable commercial hub between northern and southern Europe.\textsuperscript{109} Renewed warfare with Spain in 1621, however, temporarily paralyzed the

\textsuperscript{107} Benjamin Worsley, \textit{The Advocate. Or, A Narrative of the State and Condition of Things Between the English and Dutch Nation, in Relation to Trade} (London, 1651), 5-6.
\textsuperscript{108} Lionel Gatford, \textit{Publick Good without Private Interest, or, A Compendious Remonstrance of the Present Sad State and Condition of the Cololie in Virginea} (London, 1657), 14.
Dutch carrying trade. English merchants, in the 1630s, enjoyed a period of unprecedented commercial dominance in the Mediterranean, profiting greatly from England’s neutrality during the Thirty Years War.\footnote{110}

England’s commercial euphoria ended with the onset of the Civil War, and more especially after the treaty between Spain and the Netherlands in 1647. Dutch freight rates cut in half almost immediately following the peace – well below the rates of English ships – allowing Dutch merchants to reassume their commercial dominance with unparalleled vigor.\footnote{111} The English carrying trade between the Baltic and Mediterranean suffered immensely, as did English woollen exports.\footnote{112} Merchants in London now found it more profitable to buy Baltic and Mediterranean goods from the Amsterdam entrepôt, and between 1647 and 1651 the number of English ships arriving home from the Baltic

\footnote{108}{Israel, \emph{Dutch Primacy}, pp. 121, 125-32, 134-6, 140-3, 149-56, 197, 226; Klooster, \emph{Illicit Riches}, 10-1; Ormrod, \emph{Commercial Empires}, 62; Coates, \emph{English Civil War}, pp. 10, 13-4, 189; Clay, \emph{Economic Expansion}, 2:187; B.A. Holderness, \emph{Pre-Industrial England: Economy and Society, 1500-1750} (London: J.M. Dent & Sons Ltd., 1976), 117. Between 1614 and 1620, 1,005 Dutch vessels reportedly sailed directly from southern Europe to the Baltic; between 1621 and 1627, that number fell to a mere 52 vessels, see Israel, \emph{Dutch Primacy}, 136. The change in fortunes contributed to rapid growth in the English carrying trade and shipping in the late 1620s and 1630s, see Davis, \emph{English Shipping Industry}, 10; Coates, \emph{English Civil War}, 19; Carroll, \emph{Timber Economy}, 7; Goldenberg, \emph{Shipbuilding in Colonial America}, 5.}
\footnote{109}{Israel, \emph{Dutch Primacy}, pp. 197-204, 224-6; Klooster, \emph{Illicit Riches}, 11-2.}
\footnote{110}{Israel, \emph{Dutch Primacy}, pp. 197-204, 224-6; Klooster, \emph{Illicit Riches}, 11-2.}
\footnote{111}{Coates, \emph{English Civil War}, pp. 163, 175, 180, 189-90, 195, 230; Supple, \emph{Commercial Crisis}, pp. 24, 53-8, 120-5; Ormrod, \emph{Commercial Empires}, pp. 34, 310; Clay, \emph{Economic Expansion}, pp. 2:184; Lipson, \emph{Economic History of England}, 3:90-1; Israel, \emph{Dutch Primacy}, pp. 144, 201; J.E. Farnell, “The Navigation Act of 1651, the First Dutch War, and the London Merchant Community,” \emph{The Economic History Review, New Series} 16, no. 3 (1964): 451. For more on the Dutch cloth industry during this period, see Israel, \emph{Dutch Primacy}, pp. 187-96, 259-69. In the 1580s, 91 percent of total cloth imports by the Baltic states had been English; by the 1640s, only 32 percent was English, see Israel, \emph{Dutch Primacy}, 144.}

\footnote{112}{Israel, \emph{Dutch Primacy}, pp. 197-204, 224-6; Klooster, \emph{Illicit Riches}, 11-2.}
fell from 130 to a mere 22.\textsuperscript{113} Indeed, by the latter date, the combined tonnage of all Dutch commercial and naval vessels more than doubled that of England.\textsuperscript{114} Dutch merchants now handled roughly 70 percent of Baltic exports, 80 percent of Spanish exports, and had practically cornered the East Indian and Atlantic markets.\textsuperscript{115}

Silver and gold now centered in a country that had been occupied by the Spanish only a generation prior, a spectacular turn-of-events for a small landmass boasting very few natural resources. Amsterdam’s merchants were masters of the carrying trade: the art of buying goods produced in foreign countries, to sell again to markets in other foreign countries, pocketing the difference in coin. Great warehouses lined the city’s canals, storing goods imported from all around the globe, waiting to be profitably re-exported to foreign markets. “They carry all before them like a mighty torrent,” marveled one English writer; they were the “Store-keepers of the Goods of Foreign Nations.”\textsuperscript{116} The most profitable branch of the carrying trade belonged to the Dutch East India Company, an unbridled tour de force that far exceeded all like English and Portuguese activity.

\textsuperscript{114} Zahedieh, \textit{Capital and the Colonies}, 35.
\textsuperscript{115} Israel, \textit{Dutch Primacy}, pp. 201, 215; Coates, \textit{English Civil War}, pp. 190, 196; Klooster, \textit{Illicit Riches}, 11-2. As John Bland, London merchant, argued in 1659, it was bad enough that England depended on Baltic naval stores, even worse that Dutch vessels carried those same goods to England, “whereby we enrich them, and increase their shipping, to our own prejudice and infinite disadvantage,” John Bland, \textit{Trade Revived} (London, 1659), 16.
perhaps twenty ships to one.\textsuperscript{117} The entire Dutch commercial fleet exceeded that of England and France combined.\textsuperscript{118}

Dutch merchants, moreover, enjoyed a banking system surpassing any other in Europe. Founded in 1609 through a fusion of public and private enterprise, the Bank of Amsterdam – or \textit{Wisselbank} – shortly became the world’s most powerful financial institution, supplanting Venice and other financial centers in Italy. Other banks soon appeared across the country, most notably in Middleburg and Rotterdam. Dutch banks, among other things, received coin on deposit from merchants, oversaw the transfer of funds between clients, bought and sold bills of exchange, and occasionally issued paper receipts representing money deposited at the bank. For now, Dutch banks issued paper receipts – or bank notes – backed by 100 percent reserves, meaning that the quantity of notes in circulation equaled the exact quantity of silver or gold held physically in the vault. Bank notes circulated side-by-side with silver and gold because the possessor at any time could redeem the note on demand at the bank counter, receiving the specified sum of coin and thereby making the note as good as gold in the marketplace.\textsuperscript{119}

English merchants, for their part, deposited coin with individual goldsmiths, not institutional banking firms. English merchants had formerly kept their silver and gold at

\textsuperscript{117} One English writer claimed in 1651 that the Dutch East India Company boasted “20 Sail and above for our one,” see Worsley, \textit{Advocate}, 7. Also see Lambe, \textit{Seasonable Observations}, 21.


the Tower Mint, but after the Forced Loan of 1640 – when Charles I confiscated £130,000 in deposited coin – London merchants turned overwhelmingly to private goldsmiths. Goldsmiths dated back to the Tudor era, primarily serving as moneylenders, buyers and sellers of bills of exchange, and dealers in plate and bullion. Now, however, unprecedented sums of coin found way into the goldsmiths’ hands, so that by midcentury they could be properly called “the Merchants Cashkeepers.” For the first time, to attract a greater pool of clientele, most goldsmiths offered interest payments on all money deposits, earning handsome profits by lending out the deposited money at a higher rate of interest. Some even slowly introduced handwritten paper receipts, known as Goldsmiths’ Notes, functioning much like the notes of the Dutch and Italian banks.

English goldsmiths undoubtedly provided a service of great demand. And yet, ever subtly, a degree of discontent prevailed in London over the lack of incorporated banking firms. Thomas Mun, for instance, praised “the worthy trade of the Goldsmiths,” but also deeply envied the “greatest Banks and Bankers” of Italy and the Netherlands,

120 Supple, Commercial Crisis, 125-6; Lipson, Economic History of England, 3:229; Coates, English Civil War, pp. 20-1; Challis, “Great Silver Recoinage,” 318. For remarks made as early as 1641 on the Forced Loan, see Robinson, England’s Safety, 35.

By midcentury, Holland’s overwhelming commercial successes seemed to reinforce the argument that banks were necessary in a commercial nation. One self-described \textit{Poore Mans Advocate}, in 1649, argued that a “Publique Banck” would “cause a great quicknesse of Trade” and “great plenty of money.”\footnote{“It will invite forraine Nations to secure their money here, rather then Amsterdam or Venice,” see Peter Chamberlen, \textit{The Poore Mans Advocate, or, Englands Samaritan} (London, 1649), 6-7.} Another, Samuel Lambe, in 1657, proposed a “Banke at London” by arguing that the “profitable use of Bankes” was the “chief and most considerable way by which the Hollanders have brought themselves to what they are.” “The good we may do our selves by Banks, if settled in England, are many,” he urged, “for no Nation yet ever made use of them, but they flourished and thrived exceedingly.”\footnote{Lambe, \textit{Seasonable Observations}, 9-18.} “They are of great Advantage to Trade,” another later wrote of the Dutch and Italian banks, “for they make Payments easie... and cause a great Dispatch in Business.” English merchants, meanwhile, “have been forced to Carry their Cash to Gold-smiths.”\footnote{Nicholas Barbon, \textit{A Discourse of Trade} (London, 1690), 28. For other seventeenth-century writers attributing Holland’s success partly to its banking system, see Josiah Child, \textit{Brief Observations Concerning...}}
Low interest rates provoked further English jealousy of the United Provinces. Dutch interest rates averaged around three percent, making it relatively easy for Dutch merchants to borrow capital to finance voyages around the world. English rates, on the other hand, generally fell no lower than six percent, French rates seven percent, and Spanish rates between ten and twelve percent. Only in the Italian city-states, where banks also proliferated, were rates as low as in Holland.  

Interest rates – the price of borrowing money – reflected the relationship between the supply of loanable money and the current demand for borrowing money. If the supply of loanable money increased (typically via bank deposits) and the demand for borrowing remained the same, interest rates fell. If the supply of loanable money fell – or if the demand for borrowing rose without a corresponding rise in loanable money – interest rates rose.

Dutch merchants had become remarkably wealthy since the 1590s, depositing large sums of gold and silver into the banking system, hence the lower interest rate. “It is said, that in Holland Interest is lower than in England,” one writer remarked, “I answer, it is because their Stock is greater than ours. I cannot hear that they ever made a Law to

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Trade, and Interest of Money (London, 1688), 5; Petty, Political Arithmetick, pp. 22, 28; Worsley, Advocate, 10; Robinson, England’s Safety, 34-6.

128 For interest rate statistics, see Joyce Oldham Appleby, Economic Thought and Ideology in Seventeenth-Century England (Princeton: Princeton University Press, 1978), 88; Lipson, Economic History of England, 3:226; Clay, Economic Expansion, 2:185; Child, Brief Observations, 6-7; Lambe, Seasonable Observations, 9; Petty, Political Arithmetick, 8; Barbon, Discourse of Trade, 79. A 1625 law in England had placed the maximum interest rate at eight percent, which the Commonwealth reduced to six percent; see Lipson, Economic History of England, 3:222. On the three percent Dutch rates, Lambe wrote, “These are some of the benefits the Hollanders have received by encrease of Trade, occasioned by Banks.” In 1649 Peter Chamberlen likewise predicted that a “Publique Banck” in London would “bring money to 3 per cent,” Chamberlen, Poore Mans Advocate, 7.

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restrain Interest.” Central banks in the current day lower interest rates by increasing the supply of paper currency; the United Provinces maintained low rates through overwhelming trade surpluses, resulting in a continual stream of coin into the country.

The Netherlands were clearly winning the mercantilist contest for New World metals. As late as 1625 some English writers considered Spain an equal threat, but this was no longer the case at midcentury. The mine at Potosi had reached its peak of output around 1610, and by the 1630s silver output at the Zacatecas mines in Mexico had fallen rapidly. Holland was now the chief rival. “There are no people in Christendome who do more undermine, hurt, and eclipse us daily in our Navigation and Trades,” Thomas Mun insisted, “...They do hinder and destroy us.” The “Design of Spain” had been the “Universal Monarchie of Christendom,” another Englishman wrote in 1651, but the Netherlands sought “the Universal Trade, not onely of Christendom, but indeed, of the greater part of the known world.” The Protestant Dutch had been natural allies to the English at the beginning of the century, but in the new mercantilist age, religious considerations had now yielded way to commercial consciousness.

129 Dudley North, *Discourses Upon Trade* (London, 1691), 4-5. Also see Locke, *Some Considerations*, 1-11. A contentious debate in the seventeenth century – and beyond – was whether low interest caused increased trade or if increased trade caused low interest. For the latter position, see Pollexfen, *Discourse of Trade*, 60; Charles Davenant, *Discourses on the Publick Revenues, and on the Trade of England*, 2 vols. (London, 1698), 2:170. For more on the seventeenth-century debate over interest rates, see Appleby, *Economic Thought*, 87-93.
132 Mun, *England’s Treasure*, pp. 29, 204-5.
English observers marveled at the eminent success of their new rival. “Dutch commercial prowess,” Joyce Appleby writes, “acted more forcefully upon the English imagination than any other economic development of the seventeenth century.” English writers looked upon Holland’s fortune, she adds, with “a curious mixture of jealousy and admiration.” Dutch merchants were “Masters of the Field in Trade”: an “industrious People” who “court Trade as their Mistress,” and whose sudden rise “is the envy of the present, and may be the wonder of all future Generations.”

What made the Dutch example so extraordinary was that they seemed to violate so much of the conventional wisdom of the day. The Netherlands had neither mines nor colonies with mines, and yet abounded with money. They had low duties on imported goods, and yet the state possessed enough revenue to construct fleets of powerful warships. “Although they have no Timber of their own, nor any grain or manufacturing materials, yet they have more plenty of Ships and all other Commodities,” an English writer noted. England and Spain prohibited the unlicensed export of foreign and domestic coin; the Netherlands sanctioned the export of both, and yet possessed a greater supply. Most European states established maximum rates of interest; the Netherlands established no usury laws whatsoever, and yet enjoyed a lower rate of interest. Equally remarkable, and somewhat disturbing, was the unusual nature of Dutch political life: a

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135 Child, New Discourse, 92; Cary, State of England, 123; Brewster, Essays on Trade, 94; Child, Brief Observations, 3. Also see Roger Coke, A Discourse of Trade (London, 1670), preface; Mun, England’s Treasure, 182-4; Robinson, Briefe Considerations, 6; Wood, Survey of Trade, 118.

136 Reynell, Necessary Companion, preface.
loose confederation of seven provinces (Holland the most influential) coupled with religious toleration, intellectual freedom, and republican governance. Ironically, then, in a century of state-building, the economic powerhouse in Europe was a decentralized, liberal republic run largely by merchants who operated, as Mun pointed out, by “the Dutch proverb, Live and let others live.” “Where force fails, yet money prevails; thus hopes the Hollanders,” Mun wrote with admiration. 137 Holland was the anti-Spain, the new model to emulate; if not in whole, then in part.

Not all midcentury thinkers called upon England to emulate the Dutch model. Beginning with the publication of William Potter’s *The Key of Wealth* in 1650, proposals to radically alter the English monetary system slowly gained momentum. Potter’s appeal for a paper currency, addressed to Members of Parliament, challenged the very essence of mercantilist philosophy by calling into question the use of metallic currency itself. Unlike the redeemable notes of European banks and English goldsmiths, Potter’s notes were entirely divorced from gold and silver money.

Curiously little is known of Potter: all we know is that he worked as a land administrator for the Commonwealth government, overseeing the sale of lands formerly belonging to the Crown. 138 Potter’s work nevertheless proved hugely influential over

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English and American monetary thought in the decades ahead. Even some of the earliest paper currency proponents in New England proudly cited his work as their primary influence. Though the currency failed to take hold in England, his work became the monetary blueprint for eighteenth-century British America.

The monetary crisis of the 1640s – what Potter called the “hoarding up of moneys” and “great decay of trade” – led Potter to question the “vanity” of silver and
gold. “In a time of Civil or Intestine warres,” he noted, “rich men as fast as they receive money upon any occasion... do usually keep it up in their own possessions, and by consequence, obstructing the revolution [velocity] thereof, do thereby hinder Trade.” To Potter, it made little sense to use silver and gold for money when the metals were not native to England. “In any place where there are no Mynes of silver or Gold,” he wrote, “it is not easie to increase the quantity or Current [velocity] either of Money or Credit.”

In Potter’s view, the only requirement for a sound currency was that it represent “a firm and real Security to the Receiver”: a guarantee to the holder that the currency would purchase something of like value in the future. Security to the receiver was the secret behind the public’s acceptance of silver and gold, “otherwise (I say) such mettall would be of no advantage to the owner.” “There is not at all any true worth (I say) in the best money or mettall that this Earth can afford, further then as by being generally accepted for things of real value.” What if paper could provide the same security? Potter believed that it could, and unlike bank notes, the currency need not be redeemable in coin. Indeed, an irredeemable paper currency, he argued, could “be in all respects as good as money.”

Potter proposed setting up loan offices across “most of the chief Cities and Townes in England,” lending paper notes to anyone offering collateral of “good and sufficient security.” Such collateral included land, real estate, and other property. The borrower would make regular payments on the principal, with paper notes, until he or she

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141 William Potter, The Key of Wealth, Or, A New Way, for Improving of Trade (London, 1650), pp. preface, 8, 38.
142 Ibid., 38.
settled the entire debt, after which the loan office returned the mortgaged property back to the owner. The office would then either retire the currency or let it out again to another borrower. In the event that debt payments could not be made, the loan officers would sell the mortgaged property to a third party, with the appropriate sum of paper currency still returning to the office from the sale. Land and real estate, then, represented the true security behind Potter’s notes. The currency would be in constant demand, he argued, because borrowers required the notes to make payments on their debt, causing even non-subscribers to accept the currency in normal, everyday payments.  

Potter used the following example. If a man came into the office with land assessed at £1,000, he could mortgage the land and borrow £1,000 of paper notes. With £1,000 now in his possession, he could “follow a Trade” and within a single year his investments would potentially “gain clear £200... he is now worth in all £1,200.” Clients could use the borrowed notes for virtually any activity: mercantile ventures, joint-stock investment, land improvements, or the purchase of new capital equipment.  

The office, then, backed the currency not by gold or silver, but by property of all sorts. “If all the Houses, Ships, Goods, and Lands... were prized but at an ordinary rate, the total sum would no doubt exceed the value of all the moneys [silver and gold] that is in the whole Land a hundred fould.” Why not employ that property for the backing of a new currency? “Admit a certain Myne of Gold discovered in this Land,” he wrote, “...and (I say) that this would incur more inconveniences, and yet not afford greater advantages.”

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143 Ibid., pp. 26, 28, 71
144 Ibid., 28.
Indeed, gold or silver mines “require some charge of defending, digging, coyning, and such like,” all of which Potter’s currency avoided.\textsuperscript{145}

The notes, moreover, would increase the velocity at which money circulated in England: what Potter called the “speedy putting off their Commodities one to another.” “Once Trading comes to be something quicker then ordinary,” he predicted, tradesmen in England would grow “suddenly very rich.” The greater the quantity of currency, “the more commodity they sell, that is, the greater is their Trade.” There was evidently no limit to this cause-effect phenomenon. “Let it be supposed,” he wrote, “that there is a people amongst whom there is now, ten times as much money as formerly... their trading shall be neer 100 times more then formerly.”\textsuperscript{146}

Potter’s semi-utopian currency presentation may have sounded good on paper, but there were a few hypothetical objections he needed to answer first: objections he anticipated and gladly answered. For one, would it not be possible, in light of the vast increase in trading, for the economy to overheat? Would not prices simply rise in proportion to the increase in currency? The global supply of silver, after all, had risen dramatically since the fifteenth century, but prices had risen correspondingly, rendering the increase in money essentially useless. Spain was the greatest example of this. Granted, the velocity of currency would increase, but only because tradesmen would wish to rid themselves of the paper before it fell in value.

Potter dismissed these objections out of hand. “An increase of money,” he replied, “cannot possibly occasion an increase in the price of Commodities... it is no occasion of

\textsuperscript{145} Ibid., pp. 8, 21-2.
\textsuperscript{146} Ibid., pp. 3, 6, 10.
increasing the price of Commodity at all.” Yet even if prices increased, Potter still maintained that the benefits outweighed the costs. “If it were so, that encrease of Trade did necessarily occasion an encrease in the price of commodities,” he answered, “yet the Inconvenience (especially to those whose Trade is at present, in a declining condition) would not countervail the advantage.” “One of the least Advantages proceeding from the intended enterprise,” he continued, “doth much more then countervaile all the said disadvantages.” 147 Three hundred years before John Maynard Keynes argued that moderate inflation was healthy for an economy, William Potter championed the same notion.

The similarities between Potter and Keynes are striking. One could even call Potter the unsung forerunner to Keynesian monetary theory. Though delivered less ‘scientifically,’ the basic premise of Potter’s Key of Wealth was essentially the same as Keynes’s 1936 General Theory of Employment, Interest and Money. Both argued that an increase in the money supply is good – that moderate inflation is good – because it results in a lower interest rate, which in turn results in increased investment and production. More money in the economy also spurs consumer demand, as people will want to spend their new money, encouraging further economic activity.

Both Potter and Keynes, moreover, found merit in the mercantilists’ money-objective. Keynes even remarked that there was an “element of scientific truth” in mercantilist doctrine. The mercantilists, to their credit, Keynes argued, had successfully recognized the centrality of money, but were unable “to push their analysis to the point of

147 Ibid., pp. 13-4, 17, 27.
solving it.” Because the mercantilists thought of money merely as gold and silver, they focused far too much attention on the balance of trade, unnecessarily breeding economic hostility between nation-states. Rather, they should have established what Keynes called an “autonomous rate of interest, unimpeded by international preoccupations.” That is, they could have increased the money (i.e., lower the rate of interest) through paper currency, without worrying at all about the balance of trade. Rather than having to prioritize foreign commerce above any other, as mercantilists always did, an “autonomous rate of interest,” Keynes argued, would allow them to focus their attention primarily upon the “optimal level of domestic development.”

The Potter-Keynesian critique of mercantilism was therefore very different than the anti-mercantilist critique of the classical liberal economists: Smith, Say, Ricardo, and others. The classical critique of mercantilism was that the quantity of money did not matter. The wealth of a nation lay not in its money, but in its goods. Even if the money supply cut in half overnight, these writers argued, the national wealth remained the same. Following a brief, albeit painful, adjustment period, the price of all goods, services, capital and labor would simply cut in half, nullifying the halving of money. But the nation, they argued, was no less wealthy than it was before. The same principle applied if the money supply instantly doubled. This, too, would do nothing for the true wealth of a nation; prices would simply double with it. The mercantilist preoccupation with money, the critics argued – and the Potter-Keynesian preoccupation with money – was not only

fallacious, but it could also have severely damaging effects by arbitrarily distorting price signals and the ‘natural’ rate of interest, creating speculative bubbles and the like.

This economic debate notwithstanding, there was still another objection that Potter anticipated in his currency proposal. Even if Parliament adopted his money, and even assuming the notes worked successfully, England would still require silver and gold to import goods from abroad. Foreign nations would have no use for English loan-office paper. Potter again dismissed the objection, insisting rather in the advantage of the situation. It would be a blessing, he argued, if foreign nations refused English currency because it meant that English merchants would never again deplete the domestic stock of currency by exporting it overseas, “so great a prejudice to trade.” 149 English merchants would still export coin to balance trade deficits, but this was now acceptable because the English people themselves had switched over to paper, freeing silver and gold for foreign use only. Potter had seemingly discovered the cure for a problem that Europeans states had struggled with since the Middle Ages: never again, he promised, would England suffer currency depletion through unfavorable trade balances.

Potter understood his proposal was radical, but it was a radical age to be living in. The king of England, after all, had been beheaded just a year before and the country had taken the unprecedented step of wholly abandoning the monarchical system, so why not develop a radically new alternative to the monetary system? Potter himself stated that he was “very sensible of the prejudice of people against any thing that is new,” and even admitted that he was “almost dissuaded from going on in the work.” Nevertheless he was

149 Ibid., 44.
confident that his proposal represented the future of money. “Many men look upon all Inventions, whilst they are new (though never so needful or profitable) as meer concepts or whimsies,” he wrote. Convinced that his scheme was “equivalent to a Myne of gold, discovered within their own Territories,” Potter, in the preface, begged his readers to “suppresse all prejudice.” “When that rare invention of Printing began first to be practised, how exceedingly was it opposed,” he reminded his audience, “…it being allledged that it tended to deprive a considerable number of the race of mankind, of their daily bread; who indeed at that time had no other way to live, but by the use of their pen, in writing those books which since are printed.” If printing books had proven a worthy invention, why not print money?\textsuperscript{150}

A few months after publication, in 1650, Potter released an abbreviated version for a more general audience, this time entitled \textit{The Trades-Man's Jewel}. In doing so, he cited the “Incouragement which I have found” and the “manifold Important Consequences of the Enterprise.” In the subtitle of this new version, Potter boldly promised the “Incredible Advancement of Trade, and Multiplication of Riches.”\textsuperscript{151} “To make the Generality of the People of England (now much Impoverished) exceeding Rich, (and that very speedily), is neither Impossible, nor yet Difficult,” he assured the reader.\textsuperscript{152}

\textsuperscript{150} Potter, \textit{Key of Wealth}, preface.
\textsuperscript{151} William Potter, \textit{The Trades-Man's Jewel, Or, A Safe, Easie, Speedy and Effectual Means, for the Incredible Advancement of Trade, and Multiplication of Riches} (London, 1650), 3. The following year, Potter published a third and final version, see William Potter, \textit{Humble Proposalls to the Honorable the Councell for Trade: And all Merchants and Others who Desire to Improve their Estates} (London, 1651).
\textsuperscript{152} Potter, \textit{Trades-Man’s Jewel}, 4.
Potter’s call for a paper currency did not fall on deaf ears: several other pamphleteers in England championed similar notions in the decades to come.\(^{153}\) Parliament nevertheless rejected his scheme and decided upon a more conventional means to increase the money supply, one grounded in mercantilist theory. Parliament’s solution was the Navigation Act of 1651.

When Parliamentary forces finally defeated the Royalists at the Battle of Worcester in September 1651, the new English Commonwealth inherited an Atlantic empire vastly different from the one governed on the eve of the war. Massachusetts and Barbados had each undergone economic revolutions since the early 1640s, and Barbados in particular promised enormous wealth for the mercantilist system. Sugar was a staple good previously imported from abroad, and the crop was also re-exportable to Continental Europe. And yet the Dutch infiltration, no matter how beneficial to colonial economic interests, posed a grave and immediate threat to the mercantilist empire. Colonial trade, indeed, was centering money not in London, but in Amsterdam.

First on the Parliamentary agenda, pertaining to the colonies, was empire-wide recognition of Commonwealth authority. New England inhabitants, from the start of the

\(^{153}\) Francis Cradock, *Wealth Discovered, Or, An Essay upon a Late Expedient for Taking Away All Impositions, and Raising a Revenue Without Taxes* (London, 1661); Edward Ford, *Experimented Proposals how the King may have Money to Pay and Maintain His Fleets with Ease to His People* (London, 1666); Robert Verney, *Englands Interest, Or, The Great Benefit to Trade by Banks or Offices of Credit in London* (London, 1682); [John Blackwell], *A Model for Erecting a Bank of Credit: With a Discourse in Explanation Thereof* (London, 1688). Three years after Potter published his work, Samuel Hartlib responded with a criticism of Potter’s particular method of issuing the paper currency. While Hartlib agreed with Potter’s criticism of a silver and gold currency, he disagreed that a variety of securities ought to be accepted by the loan office, but that rather the paper currency should be founded exclusively upon land mortgages only, see [Samuel Hartlib], *An Essay Upon Master W. Potter’s Desighe, Concerning a Bank of Lands to be Erected throughout this Commonwealth* (London, 1653).
war, overwhelmingly supported Parliament. Yet throughout the 1640s, the New England governments jealously resisted the half-hearted attempts by Parliament to exert transatlantic political and economic controls, declining as well to make any meaningful contribution to the war effort.154 Parliament faced an even greater challenge with Virginia, Barbados, Bermuda and the Leeward Islands, all of which supported the monarchy. “From the condition of our birth,” the Burgesses stated in 1642, they had been “naturalized under a monarchical government and not a popular and tumultuary government.”155 No colony actively assisted the royalist cause – the 1645 capture of Bristol compelled royalist planters to maintain commercial ties with London merchants – but any pretense of neutrality disappeared with the regicide of Charles I in 1649, after which Virginia Governor William Berkeley emphatically denounced the “Tyrannicall” proceedings of Parliament, mourning “the crying bloud of our Pious Souveraigne of ever blessed memory.”156

155 JHB, 1:67.
This newly-aggressive royalism in the tobacco and sugar colonies prompted the Trade Act of 1650, a Parliamentary prohibition on all English commerce with Virginia and the Caribbean. The Trade Act further proclaimed that each colony was now subject to the laws and regulations of the Commonwealth government.\footnote{PDBP, 1:218-9. Under the Trade Act of 1650 – besides prohibiting English trade with royalist colonies – foreign vessels were forbidden “to come to, or Trade in, or Traffique with” any of the colonies. Parliament, however, had explicitly enacted this prohibition to prevent foreign or exiled enemies of the Commonwealth from gaining a foothold in America, and so, being a wartime measure, the prohibition expired shortly after the war ended. The Massachusetts General Court respected the embargo by passing a like statute in May 1651, but objected to Parliament’s claim of legislative power over the colonies, see Records of Massachusetts, 3:224, 240. For more on the Trade Act of 1650, see Pestana, English Atlantic, 99-103; Andrews, Colonial Period, 4:35-40; Lawrence A. Harper, The English Navigation Laws: A Seventeenth-Century Experiment in Social Engineering (Columbia: Columbia University Press, 1939; repr., New York: Octagon Books, 1973), 40-1; Farnell, “Navigation Act,” 440; Hatfield, Atlantic Virginia, 49; Koot, Empire at the Periphery, 57-8; Enthoven and Klooster, “Virginia-Dutch Connection,” 102; Coates, English Civil War, 197.} The Commonwealth navy aggressively seized all Dutch vessels relieving the royalist settlers with clothing, shoes, and other provisions, and in January and March 1652, Barbados and Virginia, respectively, succumbed to economic pressure and conceded obedience to Parliament.\footnote{JHB, 1:79; Pestana, English Atlantic, pp. 108, 116-7; Enthoven and Klooster, “Virginia-Dutch Connection,” 91.}

When the Burgesses recognized Commonwealth authority, however, they did so under condition that “the people of Virginia have free trade as the people of England do enjoy to all places and with all nations.”\footnote{JHB, pp. 1:79-80. Over a century later, in the midst of the Stamp Act crisis, Richard Bland cited this as evidence that Parliament had long overstepped its bounds in relation to the trade of the colony, see Richard Bland, An Inquiry into the Rights of the British Colonies (Williamsburg, 1766), 19.} Surrendering to Parliament was not, in their mind, equivalent to sacrificing foreign commerce. “The Dutch found and relieved us,” Berkeley
remarked the previous year, and Barbados too insisted on having “as great freedom of trade as ever.”\textsuperscript{160}

The free-trade proclamations were next to useless. Just one month after the final victory at Worcester, and preceding the surrender of Virginia and Barbados, Parliament enacted the Navigation Act of 1651, inaugurating a new era of mercantilist control over English and colonial economic activity. English liberty had finally been secured – “never hereafter to be indangered,” assured one writer – but it was “now high time” to think upon matters regarding the trade and navigation. The chief objective now was “to invite the importation of Bullion; regulate the marchandizing Exchange, and prevent the exportation of the little remainder of our moneyes.” Secure this, and England will again “establish a flourishing Trade both Inland and Forreign,” whereby the “greatest stock of money and credit shall be raised.”\textsuperscript{161}

Supplanting the Hollanders would have to begin, first and foremost, with English shipping. The English ‘navigation’ had fallen off dramatically since the early 1640s and especially since the end of the Thirty Years War in 1648. Under the Navigation Act of 1651, no goods could now be imported into England from the Americas or East Indies except in English or colonial-owned vessels, manned by a crew at least three-fourths English or colonial. Second, neither England nor the colonies could import European goods except in vessels owned either by the English, colonists, or country that originally produced the goods onboard. This effectively outlawed the Dutch carrying trade of Baltic

\textsuperscript{161} Robinson, Briefe Considerations, pp. preface, 1.
and Mediterranean goods to England, as well as the Dutch carrying trade of European
goods (such as German linens or French wines) to the English colonies. The Act of
1651 was not the first of its kind in English history: similar regulations dated back to the
fourteenth century, though partially repealed under Elizabeth. Nevertheless, the
Navigation Act was easily the most comprehensive of these trade laws to date, in
England or in Europe.

The aims and methods of the Navigation Act were decidedly mercantilist, in both
character and in purpose. Samuel Lambe, six years later, explained it perfectly. “That
Nation which hath most warlike shipping and Marriners, will command in chief at Sea,
and he that commands the Sea, may command trade, and he that hath the greatest trade
will have the most money, which is of such value, that it doth command all worldly
things, both in War and Peace.” Here, Lambe delineated both the means and the end:
shipping was the means – trade itself was also a means – but money and power was the
ultimate end. Benjamin Worsley, Secretary to the Council of State in 1650-1, concurred.

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164 Lambe, Seasonable Observations, 19.
The Act’s primary objective, he stated, was “Weakening their Shipping, and dreyning them by degrees of their Treasure and Coin.” The “Cheapness of Freight,” Worsley continued, “…compelled our Nation... to hire and freight the Holland shipping,” especially in the case of “Bulkie Commodities” where freight expenses counted most, namely Baltic lumber and Virginia tobacco.

Parliament especially hoped to recover the trade in the Baltic and Mediterranean. The Eastland and Levant Companies lobbied heavily for the act, and the new regulations paid off. Over the next decade, Dutch share of Baltic traffic fell from 70 to 50 percent, and English merchants recovered some of the trade in Italy and Turkey. American trade at midcentury still only accounted for roughly one-tenth of the total volume of English imports and exports, and so restrictions on colonial trade were more lax in 1651 than under subsequent legislation. The Act of 1651 generally targeted colonial imports, not exports. Virginia and the Caribbean, for instance, could still legally export tobacco and sugar directly to the European continent, technically enjoying more leeway than they

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165 Worsley, Advocate, pp. 4-5, 12. Also see Lambe, Seasonable Observations, 2; Bland, Trade Revived, 16-8.
166 Israel, Dutch Primacy, pp. 215, 226-30; Lipson, Economic History of England, 3:129; Coates, English Civil War, 196-8; Farnell, “Navigation Act,” pp. 443, 449, 454; Ormrod, Commercial Empires, 310. For more on the influence wielded by London merchants over Commonwealth economic policy, see Brenner, Merchants and Revolution, 494-557. Because England was not Holland’s most vital market, the Act of 1651 did not represent a devastating blow to Dutch interests, see Israel, Dutch Primacy, 208. Ephraim Lipson argues that the Dutch benefited in part from the restrictions: instead of carrying Baltic raw materials (such as hemp and flax) directly to England (which English manufactures turned into cords, nets and sails), the Dutch now imported the hemp and flax and instead manufactured cordage, nets and sails themselves, exporting the finished product to England (as the Act of 1651 permitted them to do because the goods had been manufactured in Holland), see Lipson, Economic History of England, 3:133-5. In 1792 John Reeves ascribed the great increase in English shipping in the seventeenth and eighteenth century to the Navigation Acts, see John Reeves, A History of the Law of Shipping and Navigation (London, 1792), 543-5. Nuala Zahedieh has recently argued that the Navigation Acts were not responsible for England’s commercial success, but rather this success was attributable the closing of a “substantial cost gap” between English and Dutch shipbuilding and freight services, see Zahedieh, Capital and the Colonies, pp. 5-6, 37-8, 280-1.
167 McCusker and Menard, Economy of British America, 1607-1789, 40; Andrews, Colonial Period, 4:43.
had under Stuart rule. But the law forbade colonists from purchasing European imports from Dutch carriers, effectively rendering most foreign trade between Dutch traders and American buyers illegal.\(^\text{168}\)

Enforcing the law was far easier in England than in America, where no customs or enforcement officers had yet been installed. Dutch merchants, then, simply ignored the prohibition and continued carrying European goods to colonial buyers anyway. After the English navy captured twenty-seven Dutch ships en route to Barbados in 1652, the growing commercial antagonism between the Netherlands and England escalated into the first of three Anglo-Dutch wars.\(^\text{169}\) “Never before had a war been fought so exclusively for economic reasons,” writes C.G.A. Clay, English historian.\(^\text{170}\) Though both sides fought largely in the North Sea and English Channel, Dutch property in the Leeward Islands suffered a piercing attack from the English navy, and when the war ended two years later, the United Provinces finally, though disingenuously, conceded the legitimacy of the Navigation Act.\(^\text{171}\)

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\(^{168}\) Dutch merchants residing in New Netherland were particularly unhappy with this new restriction, petitioning the States-General of the United Provinces that the Navigation Act threatened a trade of “considerable profit” which they had conducted “for upwards of twenty years past, to all the Caribbean islands and to Virginia... formerly prosecuted by all nations freely and unencumbered,” see DRNY, 1:436-7. The new restriction was particularly ironic, in their view, because English settlers hitherto “have, by means of our supplies and liberal credits, had the opportunity to improve and advance their Colonies to their incalculable advantage, and to such a flourishing state... out of extreme ruin.” Dutch merchants, they continued, beneficially delivered English colonists “all sorts of domestic manufactures, brewed beer, linen cloth... and other articles suitable for food and raiment.”


\(^{170}\) Clay, Economic Expansion, 2:189. “That which most affected, and gave offence to the Nation was, the Dutch had got such a Trade to our Plantations in the West Indies,” Francis Brewster reflected years later in Essays on Trade, 99-100.

\(^{171}\) For more on the First Anglo-Dutch War, see Israel, Dutch Primacy, 208-12; Woolrych, Britain in Revolution, 511-4; Brenner, Merchants and Revolution, 628-32; Koot, Empire at the Periphery, 47-8; Matson, Merchants and Empire, 44; Beer, British Colonial System, 374-5; Ormrod, Commercial Empires, pp. 35-7, 313.
But while the First Anglo-Dutch War represented a short-term victory for the English mercantilist state, Dutch-colonial trade still thrived in the war’s aftermath, and colonial assemblies promptly repealed all wartime prohibitions against Dutch commerce.\footnote{Some colonists pursued Dutch trade during the war itself, see Enthoven and Klooster, “Virginia-Dutch Connection,” 105-7; Pestana, English Atlantic; 174-7; Pagan, “Dutch Maritime,” 497. Officials in New Netherland even attempted to sign a commercial alliance with Virginia during the war to continue trade, see Commission of Rev. Samuel Drisius, 16 Dec. 1653, in DRNY, 14:241-2. For the repeal of wartime prohibitions against Dutch commerce see, Records of Massachusetts, pp. 3:354, 4.1:197; Records of Connecticut, 1:261; Records of Rhode Island, 1:356. A Virginia statute of 1655 likewise ruled that “all freedom of trade shall be maintained, and all merchants and traders shall be cherished,” see Statutes of Virginia, 1:413. The Directors of the West India Company in 1656 told Director-General Peter Stuyvesant of New Netherland that “it would be exceedingly good and advantageous for our Province” to continue pursuing “a free and untrammeled commerce with our English neighbors,” DRNY, 14:372. Also see Harper, English Navigation Laws, pp. 51, 161.} During the actual war itself, officials in New Netherland had even lobbied the Virginia government for a commercial alliance.\footnote{Commission of Rev. Samuel Drisius, 16 Dec. 1653, in DRNY, 14:241-2.} For the remainder of the 1650s, colonists simply ignored the Navigation Act of 1651, exercising, in Berkeley’s words, “our right of giving and selling our goods to whom we please.”\footnote{JHB, 1:76.} On Barbados alone, up to thirty Dutch vessels annually docked in the aftermath of the Anglo-Dutch War.\footnote{Koot, Empire at the Periphery, pp. 60, 71-2; Israel, Dutch Primacy, 239; Andrews, Colonial Period, 3:50.} When an English captain seized a Dutch vessel trading off the coast of Massachusetts in 1655, the assembly condemned the action as tending “highly to the infringing of our liberties, discouraging of trade, and destructive to our comfortable being.”\footnote{Records of Massachusetts, 4.1: 229. Also see Pestana, English Atlantic, 159.} Three years later the Rhode Island assembly went a step further and made it a felony for English
captains to seize foreign vessels, responding to the several “ill-disposed persons” who had dared tried.\textsuperscript{177}

Money was at the root of this steadfast insistence on Dutch commercial ties. The temptation to ignore the law was simply too great and too easy to resist, the monetary incentive too powerful. When New Netherland officials predicted the loss of their trade with Virginia, the directors of the Dutch West India Company appropriately shrugged off any fear. “We are not so much alarmed,” the company replied, “...Virginia tobacco sells in England on average at a lower price, than here... and this, we think, should induce the Virginians to continue their commercial relations with you under all circumstances.”\textsuperscript{178}

Colonial economic obedience to mercantilist law could be achieved through one of two means: compulsory enforcement or voluntary acceptance of the public aims of the law. In both cases, the English merchant was more likely than the colonial merchant to concede obedience to mercantilist dictates. Compulsory enforcement was far easier in England than in the Americas, and the English merchant was also more likely to agree with the public aims of the law, designed by Parliament to center money in \textit{England}. The English merchant was more likely to concede obedience voluntarily, even if doing so violated his own particular, private interest.

Not so for the English colonist. In the 1650s especially, compulsory enforcement of the law was near impossible on the peripheries of empire. But more significantly, colonial inhabitants and governing officials were far less likely to agree with the public

\textsuperscript{177} \textit{Records of Rhode Island}, 1:389.
\textsuperscript{178} Directors of the West India Company to Peter Stuyvesant, 14 June 1656, in \textit{DRNY}, 14:350. Also see \textit{DRNY}, pp. 14:301, 428; Hatfield, \textit{Atlantic Virginia}, 49-51.
aims of the law. Just as the English merchant must suppress private interest for the public

good, so too must the English colonist, but not for the public good of his particular

province – that too was private interest – but for the good of a metropolitan state

thousands of miles across the ocean. This was a hard sell, especially in the 1650s.

The Navigation Act of 1651 demanded that English subjects embrace the

political-economy of empire, of which mercantilism was now the major cornerstone.

Colonial merchants, planters, and consumers must now sacrifice economic self-interest

for the greater good of political-economic unity, as defined by Parliament. Of course, the

latent royalism of the Chesapeake and Caribbean colonies made voluntary acceptance of

such arrangement next to impossible. But even in New England, the system was

unacceptable. No matter their political persuasion, American colonists in the 1650s, by

and large, were unwilling to surrender economic sovereignty for a doubtful political-

economic benefit. And so smuggling continued.

Smuggling, however, was not simply economic, it was also political. This was

especially the case when colonial governments openly encouraged the practice, as they
did in the 1650s. By resisting the terms of the Navigation Act, colonial inhabitants and
governments displayed an ambivalence or outright antagonism toward the political-
economic aims of the law. Rather than simply an act of economic sovereignty, then,

smuggling was an act of political-economic sovereignty. And in the same way that

economic obedience signified political allegiance to the greater aims of empire, economic
disobedience signified political infidelity and implicit revolt.
In one little-known instance, this infidelity assumed a very tangible form, and became the single greatest expression of de facto colonial sovereignty in the Interregnum period. On 26 May 1652 the Massachusetts General Court established authorized the coinage of a new silver currency. Denominations included a one-shilling, six-pence, and three-pence piece. The original stamp, as issued between June and October 1652, was remarkably simple: a mere “NE” on one side for New England, and the denomination in Roman numerals on the other (Figure 4). Upon bringing their foreign silver to the mint-house, colonists received a paper receipt to present later to the mint-masters, John Hull and Robert Saunderson, when claiming their money. Hull and Saunderson kept one shilling for every 20s minted.179

In October 1652 the General Court arranged for a new, more comprehensive stamp, including, for the first time, a double ring on both sides to discourage clippers from shaving silver off the edges. On one side was a tree, encircled by the inscription “Massachusetts.” On the other side was A.D. 1652, the denomination in Roman numerals, and the inscription “New England” (Figure 5).180 The species of tree varied throughout the mint’s history: a willow tree from 1652-60, an oak tree from 1660-67, and a pine tree from 1667-82.181 It was during this latter period, if not earlier, that the

179 Records of Massachusetts, pp. 3:261-2, 4:1:84-5.
180 Ibid., 4:1:104-5.
181 For more on the willow tree, oak tree and pine-tree issues, see Walter Breen, Walter Breen’s Complete Encyclopedia of U.S. and Colonial Coins (New York: Doubleday, 1988), 12-6; Crosby, Early Coins, 30-76.
coins became known as “pine-tree shillings,” though they also went by “Boston shillings” or “Bay shillings.”

Each coin contained 22.5 percent less silver than its denominational equivalent in England. Spanish dollars, prior to 1652, had a legal value of 5s: 11 percent above the rate in England. The mint act, then, simultaneously devalued the shilling-unit by raising the price of silver in the colony. The silver content of six new Massachusetts shillings equaled (roughly) the silver content of one Spanish dollar. And so the mint act of 1652 was not unlike raising the Spanish dollar from 5s to 6s.

But instead of raising the Spanish dollar from 5s to 6s – placing the coin on par with the newly-minted coinage – the mint act of 1652 returned the piece-of-eight down to 4s6d. This gave Massachusetts coin a higher extrinsic value than Spanish coin. The disparity in extrinsic value, then, between Spanish and Massachusetts coin, incentivized holders of Spanish silver to bring their money into the mint for conversion, and also incentivized merchants to export Spanish instead of Massachusetts coin when settling overseas payments.

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182 The designation “pine-tree shillings” may have existed before 1667, as New Englanders sometimes indiscriminately called trees of all sorts “pine trees.” One French traveler to New England in 1786, Marquis de Chastellux, wrote the following: “Anything that had no English name has here been given only a simple designation: the jay is the blue bird, the cardinal the red bird; every water bird is simply a duck... It is the same with respect to their trees: the pine, the cypresses, the firs, are all included under the general name of ‘pine trees,’” Marquis de Chastellux, *Travels in North America in the Years 1780, 1781 and 1782*, ed. Howard C. Rice, Jr. (1786; Chapel Hill, 1963), 1:78, quotation in Cronon, *Changes in the Land*, 8. For the importance of oak and pine in the shipbuilding industry, see Cronon, *Changes in the Land*, pp. 30, 109-11; Morton, *New English Canaan*, 62-3. Sarah Kemble Knight later confirmed that the coins went by the name “Boston or Bay shillings,” see Sarah Kemble Knight, *The Journal of Madam Knight* (1704; Boston: Small, Maynard & Company, 1920), 40-1.

183 *Records of Massachusetts*, pp. 3:261-2, 4.1:84-5.
Keeping the new shilling within Massachusetts, however, proved an arduous task. The Caribbean governments of Montserrat and Nevis soon recognized the circulation of “New England Monies,” as did the governments of New York, Maryland, Virginia, Pennsylvania, and Carolina at a later date.\textsuperscript{184} The Bay shilling even appeared as far east as the Canary Islands and Mediterranean, visibly testifying to Boston’s integration into a wider commercial network.\textsuperscript{185} The General Court, in 1654, sought to counter this drainage by banning, for the first time, the export of Boston coin from the colony, authorizing “searchers to examine & search all persons, vessels, packs, trunkes, chests, boxes, or the like.” The penalty was astoundingly harsh: confiscation not only of the money transported, but of “all the visible estate” belonging to the offender – a just punishment for “men preferring their oune gaine before the publick good.” Any captain or sailor who knowingly transported another merchant’s coins forfeited £20, or 400 shillings\textsuperscript{186}

The underlying symbolism behind the Massachusetts coinage was extraordinarily powerful. For one, the establishment of a Boston mint would have been entirely unthinkable prior to the mid-1640s; the rapid progress of the New England economy in the latter 1640s now made it possible. But there was an additional political component to


\textsuperscript{185} Osgood, American Colonies, 2:153.

\textsuperscript{186} Records of Massachusetts, pp. 3:353-4, 4.1:197-8; Massachusetts Archives, vol. 100, p. 46, repr. in Crosby, Early Coins, 104.
the Bay shilling. Historically speaking, coinage indicated political sovereignty, a prerogative reserved for monarchs, princes, and independent states. Just one year before the founding of the mint, Thomas Hobbes, in *Leviathan*, had listed “the power to coyn Money” among the “Rights, which make the Essence of Soveraignty.” The right to mint coins, Hobbes argued, “belongeth to the Common-wealth, that is to say, to the Soveraign.”

By minting its own currency, the Massachusetts government had, in effect, asserted its own sovereignty. The coin, for one, bore no reference at all to English authority, and unlike the former Bermudan “hogge mony,” the colonial government neither sought nor received English permission to move forward with the project. And it was not simply the coinage that ignored English authority over Massachusetts Bay. That same year, 1652, the General Court decreed that all settlers take an oath of fidelity to the province, with no mention whatsoever of England. Parliament had executed Charles I three years earlier, and Cromwell would not become Lord Protector until the following year; Massachusetts leaders in the meantime took advantage of the political ambiguities and assumed one of the most key characteristics of independent statehood.

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187 Thomas Hobbes, *Leviathan, or, The Matter, Form, and Power of a Common-Wealth Ecclesiastical and Civil* (London, 1651), pp. 92, 129-30. The sentence in full: “It belongeth to the Common-wealth, that is to say, to the Soveraign, to appoint in what manner, all kinds of contract between Subjects, as buying, selling, exchanging, borrowing, lending, letting, and taking to hire, are to be made; and by what words, and signs they shall be understood for valid... coyned by the Soveraign of a Common-wealth.” Later in the century, Roger Coke of England commented that “the Regulating of Coin hath been left to the care of Princes,” see Roger Coke, *A Treatise Concerning the Regulation of the Coyn of England, and how the East-India Trade may be Preserved and Encreased* (London, 1696), 6. For more on this historical connection between coinage and political sovereignty, see Bruce Carruthers and Wendy Nelson Espeland, “Money, Meaning and Morality,” *American Behavioral Scientist* 41, no. 10 (Aug. 1998): 1391-2.

188 Records of Massachusetts, 4.1:80.
The very design of the Bay shilling symbolized the colony’s sudden rise to economic prominence. Rather than circulating money stamped with the face of a foreign prince, Massachusetts colonials now circulated money stamped with a tree, the most vital resource in the growing shipbuilding industry. Such a humble image contrasted sharply with the English money of the latter 1650s, which bore a Caesar-like visage of Cromwell (Figure 6). The “New England” stamp on the back of the coin, moreover, testified to the growing dominance of Massachusetts Bay across the whole region. By midcentury virtually all of New England relied on Boston merchants for the distribution of European goods, and Boston merchants handled more Bay shillings than any other class in New England. “They call the money coyned in this colony, New England coyne,” Edward Randolph later wrote, “...thereby bespeaking the influence this small government would have over all the neighbouring colonys.”

Money discloses a great deal about the economy, culture and values of a particular people. Tobacco and sugar money were especially revealing of the staple plantations, but Bay shillings conveyed far more information, not only because of the ability to impress symbols upon the money, but also because of the aforesaid political implications. “This act of sovereignty,” historian Charles McLean Andrews wrote, “...represents the high water mark in the assumption by the Puritan commonwealth of all

the rights of independent statehood.” George Bancroft called the establishment of the Boston mint an “exercise of sovereignty”; Richard Dunn similarly calls it a “gesture of independence,” founded at a time when the colony had “reached her peak of autonomy in the early 1650s.” For Massachusetts settlers, the Bay shilling reflected a growing pride and confidence in the colony’s present and future: this was their coin, bearing their symbols, to be kept within their colony.

Yet the mint must also be analyzed within a wider context of great religious uncertainty. Spiritually speaking, New England’s errand, in the 1630s, was not simply to establish a godly form of government in the wilderness of North America, but to also be a

191 Andrews, Colonial Period, 1:519.
shining light to the entire Protestant world, particularly to those Puritans who had stayed behind in England during the Laudian persecution. The outbreak of civil war, and the dissolution of the Church of England in 1641, had seemingly provided a grand opportunity for New Englanders to spread their particular brand of church and state back to the home island. Indeed between 1641 and 1643, many English reformers considered Massachusetts a model worth emulating. By the mid-1640s, however, the tune in England had radically changed. English reformers had come to realize that a broad Protestant coalition was requisite for Parliamentary victory. The New England mode of intolerance and persecution toward other Protestant views became a source of great embarrassment in England, even among those who had actively supported the colony in previous years. By the late 1640s, few, if any, English reformers seriously endorsed the Massachusetts model.

The case worsened in the early 1650s, as the victorious Commonwealth state tolerated virtually any Protestant loyal to the cause. English men and women were mostly free to pursue a remarkably wide range of Protestant creeds, including Quakerism and use of the Book of Common Prayer and religious formality. Once allied with their New England brethren on matters of church and state, English reformers now embraced the heretical doctrine of tolerating error. In 1652, Sir Richard Saltonstall – founding member of the Massachusetts Bay Company and former resident of the colony – even urged Boston ministers to embrace inclusivity within their own province.\footnote{Sir Richard Saltonstall to John Cotton and John Wilson, 1652, in The Saltonstall Papers, 1607-1815, ed. Robert E. Moody, in Collections of the Massachusetts Historical Society, 80-1 (Boston, 1972, 1974), pp. 241} New England had
lost its primary audience on religious matters, sparking a crisis of identity that happened to coincide with a tremendous commercial boom for the province.\footnote{1:1648-9, cited in Carla Gardina Pestana, \textit{The English Atlantic in an Age of Revolution, 1640-1661} (Cambridge: Harvard University Press, 2004), 147}

The economic rationale for the mint – regularity in the currency – was certainly foremost in its original formation. Yet the date of its founding, 1652, came at too critical of a time to not signify something far deeper. Massachusetts Bay had been stabbed in the back by fellow reformers in England, and the primary mission of New World Puritans – religious revolution across the English world – had utterly collapsed. The Massachusetts mint, then, provided a degree of psychological support: a refreshingly-positive P.R. development in an age of bad news for the colony’s theological agenda. The commercial fortunes of the colony had reached a near-euphoric state at midcentury, and the Bay shilling was tangible evidence that the province remained a formidable presence on the Atlantic stage, despite the avarice of doctrinal sellouts in England. The Bay coinage, indeed, was an effort to retain the very dignity of the province: an attempt to keep the Atlantic spotlight on a spiritually-demoralized colony.

But herein also lay an apparent contradiction, reconciled only by the assignment of disparate meanings to the Boston coinage. The colony’s commercial influence had never been higher, its religious influence had never been lower, and the Bay shilling overtly celebrated this commercial ascendancy. Yet many of the most radical Puritan ministers, namely Increase Mather, were soon among the mint’s most zealous supporters.

All the while, the same ministers issued scathing criticisms of commercial greed, condemning the growing primacy of money over metaphysical concerns.\footnote{Increase Mather to Thomas Gouge, 21 Nov. 1683, in TNA: CO 1/65, no. 73iv, p. 329; [Increase Mather], \textit{New-England Vindicated} (London 1689), 2-3. For more on the threat of consumer culture to traditional Puritan religion, see Newell, \textit{Dependency to Independence}, 105-6; McWilliams, \textit{Building the Bay Colony}, 84-6.}

From the mint’s founding in 1652, then, the coin clearly meant different things to different types of people, often transcending the economic realm. For the moderate, less religiously-minded merchant, commercial expediency was foremost on his mind when considering the mint. For the independent clergymen or assemblyman, the political and cultural significance of the mint was of far greater import. Political autonomy, in their view, was absolutely requisite for maintaining spiritual purity in the colony. England had been spiritually corrupted and Massachusetts Bay was now on its own, even as the colony extended its commercial tentacles thousands of miles from Boston. The Bay shilling and commercially-skeptical Puritan made strange bedfellows, yet the alliance came quite naturally, thanks entirely to the coin’s aggressive political and cultural stance.

Cromwell made no mention of the Boston mint in any of his writings. No evidence exists that he was even aware of it, and if he was, the coinage gave him no offense. The Caribbean was Cromwell’s primary Atlantic concern; New England was barely an afterthought. The General Court had declared formal allegiance to the Commonwealth – that was enough for Cromwell – and so the mint’s political implications were of little to no consequence.

Massachusetts Bay enjoyed a degree of autonomy unsurpassed in any other period in its history, and monetary autonomy naturally extended from this political condition.
There was no particular reason to acknowledge Commonwealth authority on Boston money, and to do so would have been disagreeable to many. The relationship with England at midcentury was cordial, but tenuous and distant. As John Hull, master of the Boston mint, recorded in his diary the day news arrived of Cromwell’s death in 1658, the Lord Protector was “one that sought the good of New England; though he seemed to be much wanting in a thorough testimony against the blasphemers of our days.”¹⁹⁷ Not until 1660 would the Boston coinage face any real challenges from England, and when it did, the problem lay not in the economic rationale for the mint, but in the subversive, political elements inherent within the stamp of the coin itself.

By now, wampum beads were falling rapidly out of favor. Wampum had once required great time and labor to produce, but the use of metal drills had greatly increased the amount of beads in circulation. Wampum manufacture was simply too easy, and the fur trade was in a state of decline. Exchange rates fell from six white beads a penny in the early 1640s to sixteen white beads a penny by the 1660s, requiring nearly 200 white beads to make a single shilling.¹⁹⁸ The money reached a stage of total disrepute.

“Wampum, which is the currency here, has never been placed on a sure footing,”

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inhabitants of New Netherland petitioned the West India Company in 1649, “...it has always been misconceived and distasteful.”

The proliferation of what Roger Williams of Rhode Island called “counterfeit shell” compounded the problem. Indians and colonists occasionally dyed the white beads in order to pass them off as rarer purple beads, doubling their value. The New Netherland government reported of beads “without holes and half finished, also some of Stone, Bone, Glass, Muscle shells, yea even of Wood and Broken Beads.” New Englanders regularly complained of “uncomely and disorderly” beads with “breaches” and “deforming spots,” compelling the Rhode Island treasurer in 1647 to confiscate all “false peag.” Following complaints from deacons and ministers that church members used “refuse wampome” when tithing, the New Haven General Court in 1651 ruled that “all planters of this Towne put into the Church Treasury no wampom, but silver, or bills.”

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199 Remonstrance of the People of New Netherland, 28 July 1649, in DRNY, 1:303. One letter that same year stated that the situation in New Netherland “grows from bad to worse... Poor people have scarcely enough to eat, for no supplies of bread, butter, beef and pork can now be had, except for beaver or silver coin,” which the bulk of the people have not,” see Janneken Melyn to Cornelis Melyn, 17 Dec. 1649, in DRNY, 1:386.
200 Roger Williams, A Key into the Language of America [1643], in Collections of the Massachusetts Historical Society, vol. 3 (Boston: Munroe & Francis, 1810), 231-2.
202 Quotation in Lester, Monetary Experiments, 14. In 1648 the United Colonies of New England also reported wampum “made of Stone or other Mater,” see Records of New Plymouth, 9:137. For more on the decline of wampum in New Netherland, see DRNY, pp. 2:219, 14:450-1, 504; McCusker, Money and Exchange, 157. McCusker found that between 1641 and 1658, wampum depreciated by about 60 percent, falling even further in the following decade. As late as 1659, New Netherland officials still paid soldiers in wampum, see Directors of the West India Company to Peter Stuyvesant, 22 Dec. 1659, in DRNY, 14:450.
“The wampome that is put into the Church Treasury is generally so bad,” the assembly recorded, “that the Elders to whom they pay it cannot paye it away.”

The Massachusetts General Court was first to prohibit wampum for the settling of tax payments, doing so in 1649, though beads remained in circulation “from man to man.” Wampum remained legal tender for settling debts, but in 1661 the General Court finally rescinded the order. The Plymouth General Court, in 1653, ruled that wages of public officers henceforth be paid in “currant countrey pay and not in wampampeag,” for wampum is “not currant with the marchants.” In 1662 the Rhode Island assembly also prohibited wampum for tax payments, and lifted its legal tender status, declaring it “unreasonable that it should be forced upon any man.” Wampum still played an important role in indigenous ceremonies and treaty protocol, well into the eighteenth century, but most English settlers no longer demanded the shell currency.

206 Ibid., 4:2:4. As late as 1666 a report of the royal commissioners to Massachusetts mentioned the use of “bead-money,” see George Carr to Secretary Lord Arlington, 14 Dec. 1665, TNA: CO 1/19, no. 143, p. 338.
207 Records of New Plymouth, 11:62-3. In 1660 the Plymouth General Court ruled that fines were no longer payable in wampum, see p. 11:128.
208 Records of Rhode Island, 1:473. The same statute also directed the treasurer not to accept wampum for public payments, over a decade after Massachusetts had done the same. For 1650s statutes permitting wampum for public payments, see Records of Rhode Island, 1:348, 394-5, 417, 426. Nevertheless, New Jersey documents reveal that “Wampum currency” remained in use in 1664 and 1673, see Documents Relating to the Colonial History of the State of New Jersey, eds. William A. Whitehead, Frederick W. Ricord, William Nelson, and A. Van Doren Honeyman, 33 vols. (Newark, 1880-1928), pp. 1:17, 138.
209 For examples of eighteenth-century use of wampum use in treaty protocol or ceremonies, see New England Courant, 21 August 1721; Boston News-Letter, 22 January 1722; Boston Gazette, 1 February 1731 and 31 July 1753; New England Weekly Journal, 2 December 1734 and 5 June 1739; Pennsylvania Gazette, 24 November 1737 and 26 September 1751; American Weekly Mercury (Philadelphia), 29 October 1741 and 26 April 1744; New York Gazette, 4 September 1749 and 4 November 1751.
once used wampum to trade for manufactured goods suddenly found themselves without any other desirable commodity than land.\textsuperscript{210}

Massachusetts commerce continued its rapid expansion into the late 1650s, with more than thirty wharves now lining the waterfront of Boston.\textsuperscript{211} After the passage of the Navigation Act of 1651, English demand for shipbuilding materials spiked, causing the export trade of pine-tree masts to flourish.\textsuperscript{212} Vast roads extended from the town center into the interior. Merchants established general stores across the colony for the sale of imported goods, preferring coin in payment, but also accepting country pay and extending book credit.\textsuperscript{213} Boston, and to a lesser extent Salem, attracted goods from all over New England: lumber from New Hampshire, cattle from Rhode Island, and agricultural produce from Connecticut and the rural countryside of Massachusetts.\textsuperscript{214} “By 1660,” Bernard Bailyn writes, “the outline of New England’s permanent economy, formed in the forties and hardened in the fifties, was unmistakably clear.”\textsuperscript{215} The New England inscription on the reverse side of the Bay shilling impeccably symbolized this rapid ascendancy to regional power, with Boston, the home of the mint-house, operating as the center.

\textsuperscript{210} Cronon, \textit{Changes in the Land}, 102; Richter, \textit{Facing East}, 100-1.
\textsuperscript{213} Nettels, \textit{Money Supply}, pp. 125-6, 224; Matson, \textit{Merchants and Empire}, 113. Though Boston and Salem merchants expanded their social and economic influence in the 1650s, rural and non-commercial legislators still dominated the General Court (of the colony-wide population of 20,000 in 1660, only 3,000 resided in Boston), see Bailyn, \textit{New England Merchants}, pp. 96, 103-4.
\textsuperscript{215} Bailyn, \textit{New England Merchants}, 86.
The majority of rural New England settlers still remained entirely dependent on country pay, barter, and book credit, handling coin only occasionally, if ever. Most of the coin and bills of exchange centered in and around Boston and Salem, where merchants and tradesmen circulated Bay shillings amongst each other, exporting Spanish money to English and Dutch traders.\textsuperscript{216} Country pay remained legal tender for tax payments, though after 1658 the General Court offered a discount of 25 percent for anyone paying in coin, though clarifying that “leane cattle” would no longer be accepted.\textsuperscript{217}

Boston’s status as the North American center for silver coin excited the jealousy of the Rhode Island General Court, which in 1658 accused Boston merchants of economically exploiting the colony. “Wee have not English coyne,” they recorded, “but only that which passeth amonget these barbarians [wampum], and such comodities as are raised by the labour of our hands [country pay], as corne, cattell, tobbacco, and the like, to make payment in, which they will have at their own rate, or else not deale with us.” “In effect they make the prices, both of our comodities, and their own also.” Merchants marked up prices when rural consumers used country pay, owing to the inconvenience of having to transport and then sell the produce again in town for coin or bills of exchange. From the perspective of the Rhode Island legislators, the degree of markup was entirely

\textsuperscript{216} Ibid., pp. 91, 98-100; Nettels, \textit{Money Supply}, pp. 69, 99-112, 140.
\textsuperscript{217} \textit{Records of Massachusetts}, 4.1:348. For other 1650s statutes authorizing country pay in payment of taxes (with their respective shilling rates), see \textit{Records of Massachusetts}, 3:245, 284, 359, 394, and 4.1:279. Stephen Innes estimates that the average male wealth in southern New England in 1650 was £260 sterling, though farmers possessed this wealth mostly in the form of land (on average between 50 and 100 acres), livestock, and other commodities, not silver coin, see Innes, \textit{Creating the Commonwealth}, 24.
unreasonable. And yet there was no other competition: “they will have at their own rate, or else not deale with us.”

Further south, in the Chesapeake, planters still relied almost exclusively on tobacco money in the latter 1650s, now at the debased price of two pence a pound. Lionel Gatford, an Englishman with regular correspondence in Virginia, thus urged Cromwell in 1657 to exempt the colony from the Navigation Act, arguing that the law was partly to blame for the colony’s economic troubles. “The thing complained of by the Planters is the prohibiting of Foreigners to trade thither,” he wrote, “by which prohibition (say they) the English Traders thither will have the Tobaco at their own rates, and sell their own goods and commodities transported thither at their own prices.” “Without free trade allowed to that Plantation,” he warned, “all their trade there will scarce keep them from starving.” Cromwell declined the proposal: despite the frequency of Dutch-Virginia trade – smuggling was rampant – English merchants still re-exported several million pounds of the crop to the European continent, and the colony’s mercantilist value was now far too dear to even consider free trade.

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218 Records of Rhode Island, 1:398. Seven years later, a royal commissioner stated that Massachusetts “hath engrossed the whole Trade of New England, and is therefore the richest,” George Carr to Secretary Lord Arlington, 14 Dec. 1665, TNA: CO 1/19, no. 143, p. 340. In 1676 Edward Randolph remarked that other colonies in New England have “very few merchants, they being supplied with all foreign commodities from Boston,” see Randolph Letters, 2:258.


221 Price, “Economic Growth,” 496. Annual tobacco imports for English home consumption rose from 0.02 lbs. per capita in 1630 to nearly one pound per capita by the Restoration; productivity also increased, from a mean crop size of 924 lbs. per worker in the 1640s to 1,203 lbs. in the 1650s, see Menard, “Plantation Empire,” 320-2.
More surprisingly, Gatford also suggested that Virginia be allowed a “certain coyn.” A metallic currency, he argued, was far superior to the “bulkness of Tobacco, the onely thing yet used instead of coyn in that Colonie.” Perhaps he was aware of New England’s experiment in coining money, and considered the project a worthy endeavor for Virginia. By having their own coinage, he argued, “the business of Trade and commerce amongst them may be transacted with much less trouble and difficultie.” Gatford’s money proposal, too, fell on deaf ears.²²²

Two years before, in 1655, the Burgesses had desperately ordered that coins “of what mettle soever” – perhaps including copper – pass at 5s a piece, “for the greater incouragement of manufacture and other trade.”²²³ Skilled laborers and wage-earners seemed to have loudly protested the move. The following year the Burgesses repealed the legislation, citing complaints from “artificers” of being forced to accept base metal “instead of sterling money for the sweat of their browes.”²²⁴ Two years later, in 1658, the Burgesses banned the export of more than £2 from the colony at any one time, but the Burgesses also finally managed to grant the governor a salary in coin, a move they defended by citing the “inconsiderable value of levy tobacco.”²²⁵

Out of all of England’s Atlantic possessions, the Commonwealth government afforded the greatest attention to the Caribbean. This was particularly true during Cromwell’s tenure as Lord Protector, from December 1653 to his death in September

²²³ *Statutes of Virginia*, 1:410.
²²⁴ Ibid., 1:397.
²²⁵ Ibid., 1:493; *JHB*, 1:108. The Burgesses reenacted the export-ban in 1662, see *Statutes of Virginia*, 2:125. For the governor’s £600 salary, the Burgesses collected the silver from a two-shilling tax on every hogshead of tobacco exported.
The Cromwellian government stood in dire need of money, as the yearly expenditures of the Commonwealth army and navy far surpassed military expenditures under Charles I. Under the Commonwealth government, the English navy grew by over 200 vessels. Taxes were now at unprecedented levels and the deficit was nearly £2 million by the late 1650s. Cromwell was keenly aware of the money-making capabilities of the Caribbean, and hoped to use the islands to rescue the growing fiscal calamities of his government. Mercantilist law, then, would have to be more adequately enforced, especially for the sugar trade. In the years after the Anglo-Dutch War, most of the sixty Dutch vessels seized in the Atlantic by the Commonwealth navy for smuggling were in the Caribbean. A single English fleet in 1655, for instance, seized eighteen Dutch ships anchored off the coast of Barbados.

Anxious to expand English settlement from the periphery of the Caribbean to the center, Cromwell in 1655 launched the Western Design, a military campaign against Spanish possessions in the Greater Antilles. After a disastrously failed attempt to seize Hispaniola, English forces proceeded successfully against the comparatively defenseless

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226 Cromwell cared little of the internal affairs of New England. In 1655, for instance, the Rhode Island General Court requested his advice on “some particulars concerninge Government,” but Cromwell dismissively replied that “by reason of the other great and weightie affaires of this Commonwealth... you are to proceede in your government according to the tenor of your Charter formerly granted,” Records of Rhode Island, 1:316. Rhode Island had never even received a charter – and would not until 1663 – a mishap demonstrating Cromwell’s total disinterest.

227 Brewer, Sinews of Power, pp. 11-2, 14-5, 64-5; Andrews, Colonial Period, pp. 3:3-4, 10-1; Cunningham, Growth of English Industry, 178-9; Games, Web of Empire, 291; Coates, English Civil War, pp. 97, 177.

228 Harper, English Navigation Laws, 51; Israel, Dutch Primacy, 239. Two years later, Samuel Lambe mentioned this event in Seasonable Observations, 3. Also see Commissioners for Prize Goods to the Admiralty Commissioners, 7 June 1655, TNA: CO 1/32, no. 19, p. 63; Minutes of a Council held by Col. Edward D’Oyley, February 1658, TNA: CO 1/33, no. 35, p. 95.
island of Jamaica.229 The Jamaican conquest marked the first time that the English state
had forcibly seized an overseas colony from a European power, and the first instance in
which the English government assumed direct control of the colony from the beginning
of settlement, without first going through a proprietor or joint-stock company.230

Jamaica’s strategic geographic position proved a blessing to English mercantilist
ambitions. Unlike Barbados and the Leeward Islands, Jamaica lay at the heart of the
Caribbean, almost directly in the path of Spanish silver fleets. Jamaica was the third
largest Caribbean island, far larger any other English island possession (4,411 square
miles on Jamaica to a mere 166 on Barbados). Mountains as high as seven thousand feet
divided the land between north and south, rendering portions of the island off-limits for
agricultural production, but permitting cool breezes to frequent the coastline. The large,

229 The expedition against Hispaniola (an island about seven times the size of Jamaica) failed miserably: of
the roughly three thousand English marines, at least one thousand died, mostly from hunger and disease.
For more on the Western Design and conquest of Jamaica, see Andrews, Colonial Period, 3:6-31;
Amussen, Caribbean Exchanges, pp. 33-5, 39; Pestana, English Atlantic, 177-81; Jon Latimer, Buccaneers
of the Caribbean: How Piracy Forged an Empire (Cambridge: Harvard University Press, 2009), 100-19;
Cyril Hamshere, The British in the Caribbean (Cambridge: Harvard University Press, 1972), 68-70;
Sheridan, Sugar and Slavery, 92-4; Dunn, Sugar and Slaves, 151-3; Woolrych, Britain in Revolution, pp.
633, 676; Alison Games, The Web of Empire: English Cosmopolitans in an Age of Expansion (Oxford:
Oxford University Press, 2008), 290-2; Elliott, Empires of the Atlantic World, 113; Nuala Zahedieh, “The
Merchants of Port Royal, Jamaica, and the Spanish Contraband Trade, 1655-1692,” The William and Mary
Quarterly, 3rd ser., 43, no. 4 (Oct. 1986): 572. As early as 1641 Henry Robinson wrote, “Increasing and
improving our new Plantations in the Westerne Ilands and encouraging to o
thers; this is a matter of
exceeding great moment,” Robinson, Englands Safety, 13. The Spanish Crown had taken neither full nor
partial advantage of Jamaica before the English invasion; fewer than two thousand Spanish settlers resided
on the island, living on subsistence level with virtually no support from the home government, see
230 “We can date the origins of the British Empire,” Russell Menard argues, “to the 1650s with the passage
of the first Navigation Act of 1651, the start of the first Anglo-Dutch War in 1652, and the execution of
Cromwell’s Western Design,” Menard, “Plantation Empire,” 312. Cyril Hamshere argues that the Western
Design “opened a new era for England and the world by marking the beginning of the true expansion of the
British empire,” Hamshire, British in the Caribbean, 118. Also see Beer, British Colonial System, 380;
Pestana, English Atlantic, 180-1.

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sheltered harbor at Port Royal would soon allure merchants, buccaneers, and Spanish silver alike.\textsuperscript{231}

Port Royal gave English merchants easy access to the Spanish American contraband trade, an enormously vital source of silver coin. Spanish law prohibited its colonial possessions from direct commercial ties with foreign powers, but English and Dutch merchants predictably found ways around the ban. The Dutch had formerly dominated this so-called contraband trade since the acquisition of Curaçao in 1634: an island only 35 miles off the coast of present-day Venezuela. The Jamaican conquest, however, placed England in a better position for this silver-begetting traffic.\textsuperscript{232} In the coming years, merchants in Jamaica exchanged African slaves, manufactured goods, and other miscellaneous provisions to Spanish America for a steady influx of coin.\textsuperscript{233} As for sugar cane, Jamaican planters soon latched onto the staple, but sugar plantations required several years of clearing and preparing the fields, and so not until the 1670s would the crop become a leading source of economic activity on the island.\textsuperscript{234}


Barbados, for the time being, remained the most highly prized possession in the English empire, with sugar currency symbolizing the total dominance of the staple by the 1650s. English imports of Barbadian sugar more than doubled between 1651 and 1655 – from 3,750 tons to 7,787 tons – and though the price of sugar had fallen from 6d a pound in the mid-1640s to 3d a pound in the late 1650s, the crop remained enormously profitable. The island’s reliance on slave labor stimulated the English trade to Africa, where English merchants, on English ships, exchanged English manufactures for African slaves. The English carriers then profitably exchanged the slaves to Barbadian planters for sugar, which they then profitably re-exported to Europe for silver coin, repeating the cycle continually and earning great wealth for the city of London. If only those same merchants could decisively eliminate Dutch commercial competition in the English Atlantic. “Barbadoes... to what a hight it is grown in a very few years,” John Bland, London merchant, marveled in 1659. “Heretofore we had [sugar] from other Countries, and now we can and do furnish those same people with our sugars.” The island was an ideal fit for the mercantilist system, a virtual silver mine for England.

The economic revolutions that swept the English colonies in the 1640s and 1650s directly resulted from colonial efforts to quell the great monetary crisis that struck the Atlantic world after civil war erupted in England. New England colonists pursued export expansion and import substitution, including shipbuilding, cloth manufacture,

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ironmongery, timber and fish. “The Fishery was then the N.E. Silver Mine,” one author later recalled, “...the principal Means to draw in Silver.” Barbadian planters shifted wholesale from tobacco to sugar, and a mild recovery in tobacco prices in the late 1640s permitted the Chesapeake tobacco addiction to continue, encouraged by Dutch merchants who eagerly purchased their crop. Dutch commercial ties represented a viable solution to the economic maladies at midcentury, a way to save or attain money in the buying and selling of goods. Massachusetts Bay had just enough silver now to open a mint-house in Boston, an unthinkable act just a decade prior.

In 1651 the Commonwealth government authorized the first Navigation Act, with the main intent of centering money in England. Holland presently dominated the global carrying trade, especially after the 1647 treaty with Spain. Though the new 1651 law chiefly targeted English trade with Continental Europe, the restrictions also extended to colonial trade. Weak enforcement mechanisms, however, allowed most colonists to still welcome Dutch vessels into their ports, not clandestinely, but rather openly. The Navigation Act of 1651 nevertheless constituted a major precedent for later mercantilist regulation, and betrayed a high degree of economic and monetary tension between England and its colonies, rooted in the incompatible pecuniary goals of each. All the while, a third answer to the money question was now available and gaining momentum: the provocative, yet captivating currency proposal of William Potter. But Potter’s plan would have to wait. Mercantilism, for the time being, was king.

237 Some Considerations Upon the Several Sorts of Banks Propos’d as a Medium of Trade (Boston, 1716), 3.
CHAPTER FOUR: MERCANTILISM, MINTS, PAPER CURRENCIES AND PIRATES

Charles II inherited a radically different empire than the one his father had governed just two decades earlier. The midcentury rebellion had done much to undermine the ancient grandeur and mystique of the English Crown, which, though now restored, encountered a Parliament demanding greater accountability and input in decision-making than ever. England, geopolitically, left the Interregnum period a far stronger, more aggressive nation, having seized Jamaica from Spain and having also won the first of three Anglo-Dutch wars. The English navy and general public expenditures, since midcentury, had ballooned in size since midcentury. The Atlantic colonies, moreover, had undergone colossal economic and demographic change, with the colonial population having quadrupled in size since 1640. And finally, the Commonwealth Parliament codified mercantilism into law with the Navigation Act of 1651.

Despite all rhetoric to the contrary, Charles II largely accepted the radical changes that had the empire at midcentury.¹ Problems, of course, persisted for the Crown to remedy, among which colonial smuggling was the most disconcerting. One prominent

English writer, in 1657, insisted that though the Navigation Act “breathed some refreshing to the decaying Trade of the English Nation, yet it hath not altogether cured her of her disease.”\(^2\) The forthcoming Navigation Acts of 1660 and 1663 attended to some of these shortcomings by reinstating the former law with additional restrictions.

Colonial obedience to the Navigation Acts still required a great degree of voluntary compliance. Compulsory enforcement, even after 1660, remained weak. Though King and Parliament, for the good of empire, demanded economic and monetary sacrifice from the colonists, colonials, by and large, were unconvinced. Merchants and planters generally persisted in their former lines of trade, placing the Atlantic settlements on a collision course with Restoration England.

Illegal trade alone, however, was not quite sufficient in answering the monetary needs or wants of the American colonists. Coin still circulated almost exclusively in the commercial ports, and even here, complications in the currency continued. A wide series of monetary proposals and remedies followed, including currency devaluation, privateering, colonials mints, and for the first time, a possible land-bank currency.

English mercantilists wasted little time in pressing for an all-out renewal of trade restrictions after the restoration of the monarchy, enacting a new Navigation Act in September 1660. “There was a Set of People in Trade,” one writer recalled, “...[who]

thought themselves never safe until they got the Act of Navigation confirm’d.”³ “Our Neighbours the Hollanders will soone over-ballance us, if not timely prevented,” another Englishman warned.⁴ Most London officials by this point in time fully appreciated the intimate connection between trade restrictions and metropolitan wealth in gold and silver, and so the new government confirmed and adopted the Navigation Act with remarkable eagerness and rapidity.

The Navigation Act of 1660 embodied most of the principles of its 1651 predecessor, only this time with stronger enforcement mechanisms and tighter constraints on colonial trade. Certain enumerated European goods, including timber, naval stores, and wines, could only arrive in England or its colonies in English-owned ships or vessels belonging to the country of original production, again, ruling out the Dutch carrying trade. Colonial planters of sugar, tobacco, indigo and other enumerated commodities were no longer permitted to export their goods directly to foreign nations, but only to England, Ireland or Wales.⁵ Parliament, for the first time, also instituted an elaborate

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⁴ Lambe, Seasonable Observations, 2.

system of bonds and certificates to strengthen enforcement, and three years later, the Navigation Act of 1663 further required that nearly all European goods bound for the colonies pass first through an English port (fruit, wines and salt excepted).  

Parliament oversaw the passing of the Navigation Acts of 1660 and 1663; Charles II bolstered the administrative machinery. Though Cromwell had vastly increased the power of the central government, the bureaucracy was still very small, the number of government employees still very low. The now-restored, but unwieldy Privy Council, containing twenty-eight men largely unfamiliar with trade, was entirely incapable of dealing with the whole of the duties now requisite in English governance. Hereafter, specialized committees, appointed directly by the Crown, enjoyed a large bulk of the advisory power.

A few months into his reign, the king founded the Council of Trade – consisting of 62 members, mostly merchants – and the Council for Foreign Plantations, the latter

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6 Any English vessel destined to purchase enumerated commodities in the colonies had to give bond – ranging from £1000 to £2000 – before leaving England, so that they may return to England with the same goods to collect the bond. Only after landing in England first (and paying duties) could the goods then be carried to foreign ports. For the Navigation Act of 1663, see *PDBP*, 1:310-11; Harper *English Navigation Laws*, 60; Andrews, *Colonial Period*, 4:108-16. Shortly after passage, the Privy Council gave “strict comand unto the Governors” to follow the new restrictions, “with great penalties” in case of neglect, further arranging for all colonial governors to take an oath of compliance and that “a perfect Account be kept by you in that Plantation of all ships that shall loade there, and returne the names both of the Masters and the Ships,” see *Acts of the Privy Council of England, Colonial Series [APCC]*, eds. W.L. Grant and James Munro, 6 vols. (Hereford, UK: 1908-12), 1:365.

boasting 48 members. The Council of Trade concerned itself with foreign commerce; the Council for Foreign Plantations attended to the American colonies, with the purpose of “rendering those Dominions usefull to England.” Though the Council of Trade soon became little more than a debating society (permanently dissolving after 1667), the Council for Foreign Plantations maintained a regular correspondence with colonial governors and issued several key recommendations to the Privy Council until supplanted by the Lords of Trade in 1675. The goal of the new administrative apparatus was the creation of a modern, orderly, bureaucratic imperial system, acutely attentive to the greater mercantilist agenda, and in active competition with similar state-building programs in Europe.8

The Navigation Acts of 1660 and 1663 assumed a near-sacred character as founding documents of English commercial law and policy. Commentators called the twin acts the “Sea Magna Carta”; Edmund Burke later described the Navigation Acts as “the corner-stone of the policy of this country, with regard to its colonies.”9 London merchant John Bland called the restrictions paramount for “bringing in among us store of Bullion,” echoing similar remarks from a decade prior that the main objective of the

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Navigation Act of 1651 had been “to invite the importation of Bullion.” Regulation of such magnitude, however, invited not only gold and silver. Its initial implementation invited great Atlantic resistance.


Caribbean sugar planters especially loathed the new restrictions, understanding them to mean less money, and less prosperity, for the islands. Sugar had already fallen to one-half of its 1640s value. The Barbadian government almost instantly petitioned for the right to transport sugar directly to Continental Europe, arguing that fewer prospective buyers off the island’s coast meant lower prices for their crop. Prior to 1660, up to three-quarters of all vessels trading to Barbados had been Dutch. “If the Comodities of this Island be by the new Act forced into one market,” the 1661 petition read, “the result will be a glut, and a still further fall in the value of sugar.”12 “Free trade render the best Commodity and meanes of Liveing to any Collony,” the Assembly petitioned again seven years later, “...an open Market renders the most plenty and best penny worth to any Citty or Countrey.”13 The Crown’s reply to the petition was extremely frank. The planters’ “unreasonable” request, the royal council stated, stood “directly against the Nations Interest at home.”14

13 Petition of the Representatives for Barbados to Charles II, 5 Sept. 1667, TNA: CO 1/21, no. 102, p. 207. Jamaican Governor Thomas Modyford, in 1664, also requested free trade, see Governor Thomas Modyford to Secretary Henry Bennet, 10 May 1664, in TNA: CO 1/18, no. 65, p. 137.
14 Observations on the Barbados Petition, 7 Jan. 1668, TNA: CO 1/22, no. 23, p. 44. The following year, the Barbadian Assembly again petitioned for “free trade... with all Nations in Amity with England,” see TNA: CO 1/23, no. 33, p. 67. Also see Petition of the Council and Assembly of Barbados, 6 Apr. 1676, TNA: CO 324/3. For more on the specific burdens of the 1660 restriction on English sugar planters, see Richard S. Dunn, Sugar and Slaves: The Rise of the Planter Class in the English West Indies, 1624-1713
Edward Littleton was the most outspoken ardent Caribbean critic of the Navigation Acts, which he held responsible for the apparent scarcity of money on Barbados. Littleton was a sugar planter, Speaker of the Assembly, and later colonial agent to London, and in 1689 penned a scathing critique of English mercantilist policy entitled *The Groans of the Plantations*. “Upon the King’s Restauration we were in effect made Forrainers and Aliens,” he wrote. Under the Act of 1663, English consumers enjoyed privileges denied to colonial consumers – the right to import goods directly from Europe – and under the Act of 1660, he protested, English exporters enjoyed privileges denied to colonial exporters. The trade constraint, he argued, was responsible for sugar prices falling from 3d a pound in 1660, to 2d a pound in the late 1660s, to only 1d a pound by the mid-1680s. The low price, in turn, aggravated the shortage of coin on the island.\(^{15}\)

Sugar indeed remained the “general Medium of Commerce” on Barbados until the end of the seventeenth century, “all their accounts being computed by pounds of sugar, and the Law of the Countrey allowing all debts to be paid in that Specie.”\(^{16}\)

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\(^{15}\) Edward Littleton, *The Groans of the Plantations* (London, 1689), 1. Sugar price statistic from Zahedieh, *Capital and the Colonies*, 217; Dunn, *Sugar and Slaves*, pp. 196, 205; Nuala Zahedieh, “Trade, Plunder, and Economic Development in Early English Jamaica, 1655-89,” *The Economic History Review*, New Ser., 39, no. 2 (May 1986): 147; Menard, “Plantation Empire,” 316; Koot, *Empire at the Periphery*, 96. Littleton was more forgiving of the Act of 1663 which required that European goods land first in England, remarking, “though it be to our particular Loss, (for the Dutch were very beneficial to us); yet we took it in good part, in regard our great and dear Mother of England hath by it such vast Advantages,” see Littleton, *Groans of the Plantations*, 4-5.

Navigation Acts certainly did not help. Even William Petty, the preeminent economist in Restoration England, considered it “a damage to our Barbadoes” that sugar “must first come into England.”\textsuperscript{17} In 1675 another petition from the island protested that the export restriction “so beats down the price of sugars and advances freight, that in a short time it must bring ruin on his Majesty’s plantations.”\textsuperscript{18}

Few, if any, Barbadian planters attributed the coin deficiency to their own increased consumption of imported luxury items. The volume of imported luxuries had soared since the 1640s and 1650s, keeping the trade balance severely against Barbados despite a massive increase in the volume of sugar exports. A report to the Council of Trade in 1667 graphically illustrated this dramatic shift in Barbadian spending behavior. “The buildings in the yeare 1643 were generally meane with only things for necessity,” it read, “but for the yeare 1666 I found by a rationall Estimate the plate, Jewells and extraordinary houshold stuffs to be worth about £500,000, and theire buildings very faire and beautiful... like Castles.”\textsuperscript{19} The irony of owning plate while simultaneously bemoaning the lack of silver money is striking, but the ownership of silver pots, dishes, that sugar remained money until “about 35 years ago,” TNA: CO 28/9, no. 69i; CSPC, 1706-8, no. 580. For more on the use of sugar money in Restoration Barbados, see Governor Francis Willoughby to Secretary Henry Bennet, 18 Feb. 1664, TNA: CO 1/18, no. 29, p. 63; Governor Francis Willoughby to Charles II, 16 Sept. 1667, TNA: CO 1/21, no. 108, p. 218; Governor Jonathan Atkins to the Lords of Trade, 3 Feb. 1676, TNA: CO 1/36, no. 20, p. 36; Petition of the Representatives of Barbados to Charles II, 5 Sept. 1667, TNA: CO 1/21, no. 102, p. 207; Curtis Nettels, The Money Supply of the American Colonies Before 1720, repr. ed. (Madison: University of Wisconsin Press, 1934; Clifton, NJ: Augustus M. Kelley Publishers, 1973), pp. 203, 211n; Pitman, British West Indies, 139-40.
\textsuperscript{17} William Petty, Political Arithmetick (1676; repr., London, 1690), 90.
\textsuperscript{19} “Some Observations on the Island of Barbadoes,” 1667, TNA: CO 1/21, no. 170, p. 332.
and utensils were key indicators of high status in the seventeenth century, a temptation the rising planter elite could hardly resist.  

The enormous number of imported African slaves, from less than 7,000 in 1643 to over 50,000 by 1666, further worsened the trade deficit and rendered the accumulation of coin that much more difficult. In a world of commodity exchanges, the African slave was as much of a commodity as tobacco, sugar, wine, or clothing, and had as much of an impact on the colony’s balance of trade and supply of money. Barbadian planters faced a serious dilemma: they wanted silver money, but also wished to live an extravagant lifestyle accompanied by slave labor and European luxury goods, requiring the spending of money. “Life was usually short in the unhealthy Caribbean,” Nuala Zahedieh writes, “and, in an effort to ensure that it was at least enjoyable, there was frantic consumption of goods.” Books, clocks, gloves, swords, elaborate furniture, glass, locks, keys, olives, tapestries, “Cloth of all kinds,” and “Wine of all sorts,” were among the many imports. A silver currency was not yet possible in such a consumption-oriented environment.

The Barbadian silver supply received another blow from the Royal African Company, a venture chartered in 1663 with a legal monopoly over the West African slave trade. Before the RAC monopoly, “the American plantations were much more plentifully supplied with negroes, and at much cheaper rates,” a parliamentary

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20 For more on the consumption patterns and expectations of the rising social elite in the Caribbean, see Amussen, *Caribbean Exchanges*, pp. 16-7, 145-54.
21 Zahedieh, *Capital and the Colonies*, 259-60.
22 Quotation from Richard Ligon, *A True and Exact History of the Island of Barbados* (London, 1657), 40
commission later reported. Barbadian planters, in 1667, claimed that slave prices had risen in just four years from £12 to “now of late 25 pounds a head,” doubling the cost of labor on a sugar plantation. The RAC left the island “either ill supplied, and at excessive prices, or not at all supplied,” mostly because Spanish American buyers offered the company double or sometimes triple the sum of coin for imported slaves.

Imperial restraints on Caribbean commerce, of course, made perfect sense from the English mercantilist perspective. English merchants, for the time being, enjoyed a near-monopoly over the European sugar market, especially after Jamaica and the Leeward Islands adopted sugar production. English merchants re-exported over one-half of the imported sugar in the second half of the century, drawing coin into London from all across Europe. “When those [Navigation] laws were passed, we had a monopoly of the sugar trade,” a Member of Parliament boasted decades later, “no nation in Europe could then have any large quantity of sugars, but what they had from us.”

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24 PDBP, 2:34.
25 Ibid., 1:342-5. Also see Littleton, Groans of the Plantations, 5-7; Petition of the Representatives of Barbados to Charles II, 5 Sept. 1667, TNA: CO 1/21, no. 102, p. 207; Petition of the Council and Assembly of Barbados, 6 Apr. 1676, TNA: CO 324/3; Symon Lambart, Speaker of the Assembly, to Governor Francis Willoughby, 17 Nov. 1670, TNA: CO 31/2, pp. 6-14; Governor Lord Vaughan to Secretary Joseph Williamson, 20 Sept. 1675, TNA: CO 1/35, no. 20, p. 164. For slave price data, see Dunn, Sugar and Slaves, 237; David W. Galenson, “The Atlantic Slave Trade and the Barbados Market, 1673-1723,” The Journal of Economic History 42, no. 3 (Sept. 1982): 497-503.
26 In 1669 Barbados exported 9,525 tons of sugar, the Leewards 1,679, and Jamaica only 500, see Dunn, Sugar and Slaves, 203; Sheridan, Sugar and Slavery, 95. For Jamaican opposition to the Act of 1660, see Governor Thomas Modyford to Secretary Henry Bennet, 20 Feb. 1665, TNA: CO 1/19, no. 27, p. 39; John Style to Secretary Lord Arlington, 24 July 1665, TNA: CO 1/19, no. 81, pp. 89-90; Andrews, Colonial Period, 4:139-40.
28 PDBP, 4:818. Barnard made this comment on the floor of Parliament 14 Apr. 1739, with regard to growing competition from French and Dutch sugar planters.
Total shipping tonnage between England and the Caribbean more than doubled between 1663 and 1686, a huge boost for the shipbuilding industry. The islanders, moreover, purchased great quantities of English textiles and furniture, and the Royal African Company exchanged roughly £3 in English manufactures, usually metalwares, for each adult male slave in West Africa. With the RAC shipping an estimated 120,000 slaves to the Americas in the latter half of the century, the West African trade, then, was obviously an enormous boost for both English shipbuilding and English manufacturing, not to mention all of the silver and sugar the company received for each slave. More importantly, from the King’s perspective, sugar annually paid roughly £300,000 in customs revenue by the mid-1670s. “This little Spot of Ground,” John Oldmixon wrote of Barbados, “...has been as good as a Mine of Silver or Gold to the Crown of England.”

Virginia and Maryland, for their part, remained every bit as dependent on tobacco money as Barbados was on sugar money. Governor William Berkeley himself received part of his salary in tobacco: 50,000 pounds annually, plus £700 sterling money. Colonial officers within the militia received salaries of between 10-15,000 pounds of tobacco; the workers hired to build the state-house at Jamestown each received 2,000 pounds. Courts collected fines in tobacco: one William Burgh owed 2,000 pounds for

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29 Amussen Caribbean Exchanges, 41; Koot, Empire at the Periphery, 185; Dunn, Sugar and Slaves, 237; Zahedieh, Capital and the Colonies, pp. 248, 270; Cunningham, Growth of English Industry, 476.
30 Galenson, “Atlantic Slave Trade,” 492; Pitman, British West Indies, 131.
31 Menard, “Plantation Empire,” 314-5.
32 Oldmixon, British Empire in America, 2:162.
34 Ibid., 2:7-8.
“scandall and contempt offered to the governour,” and in 1662 a Virginia colonel paid 10,000 pounds for suffering the escape of an Indian accused of murder. Tobacco financed public works projects: in 1666 the Burgesses allotted nearly 100,000 pounds for the construction of a fort at Point Comfort, using the currency to purchase supplies and labor.

Tobacco money highlighted and underlined the unequal power relationship between parent state and plantation colony. While Londoners handled silver and gold, Virginians handled casks of tobacco. Though free trade alone would not have been enough to earn a substantial sum of coin for the Virginia plantation, the Navigation Acts of 1660 and 1663 certainly rendered such a currency less likely. Indeed, historian Peter McClelland estimates that the tobacco price in Virginia was nearly one-third less than it would have been absent the export restriction.

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35 Ibid., pp. 2:14, 19. For additional examples see pp. 2:6, 11, 33, 37, 133, 136. Any member of the House of Burgesses appearing drunk during session received a fine of 100 pounds of tobacco for the first offence, 300 pounds for the second, and 1,000 for the third. A 500 pound fine, meanwhile, awaited any member of the House for uttering “irreverence or indigne form of speech,” see pp. 2:25-6.


37 McClelland, “British Imperial Policy,” 379. For more on low tobacco prices in the early 1660s, see Russell R. Menard, “A Note on Chesapeake Tobacco Prices, 1618-1660,” The Virginia Magazine of History and Biography 84, no. 4 (Oct. 1976), 402; Menard, “Tobacco Industry,” 134; Lorena S. Walsh, Motives of Honor, Pleasure, and Profit: Plantation Management in the Colonial Chesapeake, 1607-1763 (Chapel Hill: University of North Carolina Press, 2010), 181; Warren M. Billings, “The Causes of Bacon’s Rebellion: Some Suggestions,” The Virginia Magazine of History and Biography 78, no. 4 (Oct. 1970): 419-21; Wertanbaker, Virginia Under the Stuarts, 115-23; Bruce, Economic History of Virginia, pp. 1:345, 359-61. Much of this drop in price also had to do with an increase in productivity; Russell Menard notes that the mean crop size per worker in Virginia rose from 1203 lbs. of tobacco in the 1650s to 1514 lbs. in the 1660s, see Menard, “Plantation Empire,” 320.
Understanding this to be the case, Governor Berkeley launched a vigorous protest against the “Mighty and destructive” Acts of Trade.\textsuperscript{38} Hoping to secure a repeal of the export restriction on tobacco, Berkeley ventured to London in 1662 and penned \textit{A Discourse and View of Virginia}, stating, “we cannot but resent, that [Virginians] should be impoverish’d to enrich little more then forty Merchants, who being the only buyers of our Tobacco give us what they please for it, and after it is here, sell it how they please.”\textsuperscript{39}

Berkeley was a committed, outspoken royalist, and so his opposition to the Acts of Trade did not originate from a desire for political autonomy. Rather, Berkeley framed his arguments within the language of mercantilism, arguing that the Navigation Acts harmed imperial interests, not simply colonial interest. The Navigation Acts, he argued, sacrificed one of England’s most valuable colonies, yet not for the kingdom as whole – which he indeed hoped to see enriched – but rather for the private benefit of a few tobacco merchants in London. Governors like Berkeley often stood as mediators between London and its colonies over the shaping of mercantilist policy. More often than not, these governors affirmed that a strong, wealthy colonial sphere benefited the interests and wealth of England more effectively than legislation funneling colonial trade through narrow channels only.\textsuperscript{40}


\textsuperscript{39} William Berkeley, \textit{A Discourse and View of Virginia} (London, 1663), 6.

John Bland, a London merchant with familial connections in Virginia, agreed with Berkeley that a wealthy colonial America most benefited England. In 1661 he too employed the language of mercantilism to attack Chesapeake export restrictions. A select group of “Whole-sale Tobacconists,” he argued, had secured the constraint for “their own private interests.” The “high freight” charged by English shipmasters, relative to the “Hollander cheap sailing,” unnecessarily burdened tobacco growers and effectively drained all money from the colony. Bar foreign traders from Virginia, he predicted, and the Dutch would soon “plant Tobacco in their own Territories, whereby they will not need ours,” thereby ruining what may have been a profitable Virginia settlement. “Forein trade makes rich and populous any Country,” he argued, “…is it not then a madness to hinder the Hollander or any else from trading thither?” Unshackle the trade, he wrote, and “riches will abound.”

At the very time that export restrictions reduced the income of Virginia planters, import restrictions threatened a spike in the cost of everyday living, requiring Chesapeake planters to purchase European imports at a marked-up price through a merchant-middleman in England. Colonists especially demanded coarse linens manufactured in

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41 John Bland, The Humble Remonstrance of John Blande of London, Merchant, on the Behalf of the Inhabitants and Planters in Virginia and Mariland (London, 1661), 1-4. In 1657 Lionel Gatford likewise warned that Holland would begin growing tobacco in their colonial settlements as a result of export restrictions, see Lionel Gatford, Publick Good without Private Interest, or, A Compendious Remonstrance of the Present Sad State and Condition of the Colonie in Virginiea (London, 1657), 14.
Holland and Germany; England did not yet have a satisfactory linen industry. One writer alleged that English merchants charged fifty pounds of tobacco for a pair of shoes while the Dutch charged only twelve. Opponents of the Act of 1663 anticipated this problem: “the Inhabitants should pay to [English merchants] what prices and rates they pleased to require,” Bland predicted, “else they should have nothing at all of them to supply their necessities.”

But tobacco, like sugar, proved a money-maker for the kingdom and its merchants. In 1669 alone English merchants profitably re-exported over 8 million of the 15 million pounds of imported tobacco, mostly to Amsterdam and Hamburg. Per capita tobacco consumption in England had soared from a mere 0.02 pounds in 1630 to over an entire pound by 1670; total imports in the same period advanced near fiftyfold. The Crown, moreover, enjoyed customs duties of up to £100,000 a year on tobacco, rendering

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42 Davis, “English Foreign Trade, 1700-1774,” 287.
45 Jacob M. Price, “The Economic Growth of the Chesapeake and the European Market, 1697-1775,” *Journal of Economic History* 24 (1964): 497-500. Amsterdam merchants in turn carried much of the Chesapeake tobacco purchased from English merchants again to German and Baltic markets. Amsterdam tobacco spinners and cutters generally mixed imported English colonial tobacco with far cheaper domestic leaves, see Enthoven and Klooster, “Virginia-Dutch Connection,” 92. In the 1660s and 1670s, the usual fraction of tobacco re-exported from Britain was one-third, see Zahedieh, *Capital and the Colonies*, 208; Clay, *Economic Expansion*, 2:168; Enthoven and Klooster, “Virginia-Dutch Connection,” 90-1.
Virginia far more precious to English economic interests after 1660 than under the earlier Stuart king.47

Berkeley himself betrayed the answer as to why the Crown refused to repeal the Act of 1660: “Let it be considered,” he reminded his audience in Discourse, “what summes of Money was in the last Age exhausted from [England] for Sugar, Cotton, Drugges, Dyings, and Tobacco, and how easily now we supply our selves with these, and also bring home enough to balance many other forraign necessities.”48 In Berkeley’s view, this meant that Virginia and Barbados deserved special protection in the form of commercial leniency, but for English officials, the very fact that tobacco and sugar drew so much money into the kingdom was precisely why the law ought to stand.

The New England settlements, in stark contrast, initially benefited from the restraint on colonial exports, and indeed the Navigation Act of 1660 was partially responsible for a modest increase in silver coin in the greater Boston area in the latter half of the century. Colonial vessels and seamen all counted as English under the Navigation Acts, incentivizing colonial shipbuilding and allowing New England merchants the freedom to purchase tobacco and sugar directly from the staple plantations, shielding them from (legal) French and Dutch competition in buying the same. Pine-tree masts were the only New England commodity enumerated for export exclusively to England.

The export of barrel-staves and fish directly to Spain, Portugal, and the Wine Islands

47 Menard, “Plantation Empire,” 314; Lovejoy, “Virginia's Charter,” 33; McCusker and Menard, Economy of British America, 122; Zahedieh, Capital and the Colonies, 199.
48 Berkeley, Discourse and View of Virginia, pp. 2, 10. “Had the Dutch Virginia,” Berkeley continued on page four, “they would make it the Fortresse, Mart and Magazin of all the West Indies.”
remained legal. The Act of 1663 still required New England consumers to purchase European goods through an English middleman, yet even here, exemptions written into the law made the restriction less damaging: New England merchants were free to import salt directly from southern Europe for use in the colonial fishery.

Despite the trade advantages built into the Navigation Acts, New England merchants habitually evaded the disadvantageous provisions. In open defiance of the Act of 1660, many New England merchants carried tobacco and sugar directly to foreign traders in Newfoundland, New Netherland, and the Dutch and French Caribbean. From there, the same New England merchants defied the Act of 1663 by purchasing European goods directly from foreign traders, including “linnen, Shooes, Stockins, [and] Cloathes,” often re-exporting the same again to the Chesapeake and English Caribbean. “Their

49 Bailyn, New England Merchants, 127; Nettels, “British Mercantilism,” 110-1. “Imperial economic regulation during this period largely helped rather than hindered the activities of New Englanders,” Margaret Ellen Newell writes, “They could trade most of the goods they produced – fish, timber, farm products – directly with customers in the West Indies and Europe free from onerous duties or prohibition... Since New England ships qualified as English under the acts, the elimination of the Dutch and other competitors in the carrying trade allowed New England carriers to penetrate new markets and to take advantage of an increased volume of trade,” Margaret Ellen Newell, From Dependency to Independence: Economic Revolution in Colonial New England (Ithaca: Cornell University Press, 1998), 3. William Cunningham remarks: “The only colony which directly profited from the Navigation Acts was the province of New England... The advantage which accrued to the shipping industries in the northern colonies, doubtless did much to allay the resentment that might otherwise have been felt at the provisions of the Navigation Act,” Cunningham, Growth of English Industry, 479-80.

50 PDBP, 1:310.

Trade is no way managed to the Advantage of His Majesties Crown,” the Privy Council reported of the Massachusetts Bay colony in 1661.\textsuperscript{52} English customs officials, in 1663, estimated that the New England sale of tobacco to New Amsterdam merchants alone cost the Crown up to £10,000 annually in lost customs revenue.\textsuperscript{53}

New England merchants initially countered that re-exporting tobacco and sugar from an English colonial port was equivalent to re-exporting the same from England itself, and so a new Navigation Act, the Plantation Duty Act of 1673, closed this loophole by clarifying its illegality. The Navigation Act of 1673 arranged for the appointment of customs officials in the Chesapeake and Caribbean to collect duties on the intercolonial sale of enumerated goods. The duty could only be avoided if the shipmaster posted bond to carry the same goods directly to England.\textsuperscript{54} Contrary to the true intent of the law, however, many New England merchants interpreted the Act of 1673 to mean that once the duty had been paid in the plantation colony, the New England vessel could then legally carry tobacco or sugar directly to foreign markets, and so the practice continued well into the 1670s.\textsuperscript{55} The lowly-paid and little-respected customs officials, meanwhile,

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\textsuperscript{52} Report of the Council of Foreign Plantations, 30 Apr. 1661, TNA: CO 1/15, no. 42, p. 83.
\textsuperscript{53} Minutes of the Council for Foreign Plantations, 7 Dec. 1663, in DRNY, 3:47. Also see Minutes of the Council for Foreign Plantations, 25 Aug. 1662, in DRNY, 3:44.
\textsuperscript{54} Bailyn, New England Merchants, pp. 149-52, 182; Harper, English Navigation Laws, pp. 60, 163-4; Andrews, Colonial Period, 4:118-22; Zahedieh, Capital and the Colonies, 37-8; Barrow, Trade and Empire, 6-10; McCusker and Menard, Economy of British America, 47-9; Sheridan, Sugar and Slavery, 49-50.
\textsuperscript{55} Harper, English Navigation Laws, 164; Bailyn, New England Merchants, 151-3. In 1680 Edward Randolph wrote, “The Merchants of Boston persuade themselves that upon their paying 1d per pd. for Tobacco at Virginia, they have liberty to carry it whither they please,” see Edward Randolph to Sir Edmun Andros, 3 Jan. 1680, TNA: CO 1/44, no. 31, p. 76.
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were highly vulnerable, one writer observed, “to take Bri
teses, and comply with those Smugglers.”56

New England merchants were not the only ones to break the law. A remnant of
direct trade between Chesapeake planters and the Dutch continued after 1660, though on
a smaller scale than previously.57 Dutch shipmasters sometimes assumed English names
when they landed on shore, a deception tobacco sellers were likely aware of yet
welcomed anyway because of the higher prices offered for their crop. The absence of an
empire-wide ship registry made the practice particularly easy.58 Barbadian planters too
welcomed the illegal traders “which do come to Our islands from other Countries,"
seemingly unable to resist the higher prices for sugar and lower prices for slaves and
European goods.59

Large vessels generally parked outside of the port to load or unload illegal goods;
smaller ships generally ventured into less-frequented harbors, bays, rivers, or creeks.
Legal fish and flour, or any other good not enumerated by the Navigation Acts, often
concealed the smuggled good.60 Another major impediment in enforcement was that
colonial governors were initially responsible for implementing the regulations. Frequent

56 Joseph Trevers, An Essay to the Restoring of our Decayed Trade (London, 1677), 46-7. Also see Koot,
Empire at the Periphery, 123-4; Zahedieh, Capital and the Colonies, 38.
Bruce, Economic History of Virginia, 1:357-9.
58 For examples see Ambassador Van Gogh to Secretary Ruysch, 19 Sept. 1664, in DRNY, 2:253; Petition
of John Rayner, Deputy-Governor of Newfoundland, 12 Nov. 1662, TNA: CO 1/16, no. 113, p. 248. Also
see Enthoven and Klooster, “Virginia-Dutch Connection,” 111-2; Zahedieh, Capital and the Colonies, 39-
40.
59 APCC, 1:355-61. Also see Charles Wheeler to the Council of Trade, 3 Feb. 1672, TNA: CO 1/28, no. 9,
p. 17; Dunn, Sugar and Slaves, 237; Sheridan, Sugar and Slavery, 49-50; Koot, Empire at the Periphery,
pp. 121, 145; Galenson, “Atlantic Slave Trade,” 492..
60 Zahedieh, Capital and the Colonies, pp. 40, 250; Dickerson, Navigation Acts, 69; Nettels, “British
Mercantilism,” 108-9; Koot, Empire at the Periphery, pp. 93, 97-100, 120.
complaints arose of a “secret trade driven by and with the Dutch, for Tobacco,” owing to the “neglect of those Governors… not taking a View of all forrain-built Ships which come into their Plantations.” Not surprisingly, Berkeley later clashed with the customs collector installed under the Navigation Act of 1673.61

Illegal goods and vessels, of course, were liable for seizure, and so, by implication, there must have been a strong pecuniary motivation for involving oneself with illegal trade. And though individual smugglers did so purely out of self-interest—not out of some grander vision for increasing the provincial stock of coin—smugglers in the aggregate made a significant difference in the colonial money supply. This explains the widespread indifference, tolerance, and even encouragement offered up by government officials and the colonial populace in general. The public fully understood and appreciated this direct link between illicit trade and colonial wealth. Indeed, historian Cathy Matson argues that smugglers “forged reputations as the popular heroes who delivered desirable goods at cheaper prices.”62

Smuggling constituted the most serious threat to the English mercantilist system in the latter half of the seventeenth century. “If a Breach of the Navigation-Act be conniv’d at, even our own Plantations may become more profitable to our Neighbours than to us,” Charles Davenant later remarked.63 “Shipps have been permitted to Trade to and from the Plantations not qualifyed according to Law,” the Privy Council reported in

62 Matson, Merchants and Empire, 206. Also see Koot, Empire at the Periphery, pp. 5, 13.
1669. The monetary incentive to illegally trade was simply too powerful, especially with New Amsterdam lying directly between New England and the Chesapeake, allowing “greate quantities of tobacco to the Dutch.” If only the Acts of Trade could be more adequately enforced, George Downing of the Exchequer declared, then “good night Amsterdam.”

The Second Anglo-Dutch War promptly began in 1664, and in the spirit of the mercantilist age they now lived in, Charles announced to an eager and willing Parliament that the ultimate goal of the conflict was the “advancement of the trade of this kingdom.” While on the one hand praising the Dutch for “their very commendable industry,” the king insisted that war was still the only option, as “these States have found out to make themselves monarchs of the sole trade of the whole East and West Indies.” The House of Lords agreed, alleging that in the last four years, illicit Dutch trade had cost England as much as £800,000 sterling.

Dutch warships launched several assaults upon the Chesapeake and Caribbean colonies, both of which used alternative commodity monies to finance the war. Barbadian planters “Contributed one Million of Sugar” to finance “six considerable ships of Warre”

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64 APCC, 1:499-500. As early as July 1663, the House of Commons received a petition from English traders with “complaints being made of the violation of the act for navigation, to the great grievance of the merchants, and prejudice to trade,” see PDBP, 1:317.
65 Minutes of the Council for Foreign Plantations, Dec. 1663, in DRNY, 3:47.
66 George Downing to Lord Clarendon, 12 Feb. 1664, quotation in Koot, Empire at the Periphery, 91.
67 PDBP, 1:325. See 1:322 for the House of Commons resolution.
68 Ibid., 1:328-30.
69 Ibid., 1:327. Illegal trade in tobacco and sugar was not the only cause for concern: the United Provinces also threatened the East Indian trade and impeded English slave-trading off the coast of West Africa. For more on the Second Anglo-Dutch War, see Jonathan I. Israel, Dutch Primacy in World Trade, 1585-1740 (Oxford: Clarendon Press, 1989), 271-9; Ormod, Commercial Empires, 35-40; Koot, Empire at the Periphery, 92-3; Matson, Merchants and Empire, 44; Clay, Economic Expansion, 2:190.
for “relief to the Leward Islands,” and the House of Burgesses collected “two millions of tobaccos” for the “building of forts at the heads of the Rivers.” In future conflicts, colonial legislatures issued paper currency to finance a war, but such was still decades away.

The chief wartime objective of the English in North America was the conquest of New Netherland, the most important hub for illegal trade. In the summer of 1664, an English expedition of three hundred soldiers triumphantly seized New Amsterdam. But because the treaty of 1667 permitted Dutch residents to remain in New York, smuggling persisted for many years after. The new English governor, Francis Lovelace, openly tolerated the practice during his 1668-73 administration, even appointing the former secretary of the Dutch West India Company as head officer for collecting duties and administering trade laws.

Life in the colony did not change too drastically. Silver and gold still circulated almost exclusively among the merchant classes, mainly Dutch, in the main port city, and Dutch farmers in the hinterlands still produced crops primarily for local markets, relying almost solely upon country pay and direct barter. The very first currency legislation,

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70 Petition of the Representatives of Barbados to Charles II, 5 Sept. 1667, TNA: CO 1/21, no. 102, p. 207; Henry Norwood to Secretary Williamson, 17 July 1667, TNA: CO 1/21, no. 84i, p. 158. Also see Secretary Thomas Ludwell to John Lord Berkeley, 24 June 1667, TNA: CO 1/21, no. 64, p. 116. For more on the Dutch attacks on the English Caribbean, see Koot, Empire at the Periphery, pp. 93, 98-99; Dunn, Sugar and Slaves, 124.
authorized in February 1665, ruled that “payments for goods imported shall be paid as formerly in Bever Pay... at 13s4d a Bever.” The Second Anglo-Dutch War did actually very little in stamping out Dutch-colonial trade. A greater, more concentrated effort from London was still glaringly necessary.

Smuggling was certainly one way to increase the supply of money in a colony, but there were also many others. Indeed, propositions for direct, government intervention in the monetary sphere increased dramatically in volume in the early part of this Restoration period. This included currency devaluation, but also the founding of colonial mints upon the Massachusetts model. More importantly, for the first time, a select few on both sides of the Atlantic began to lobby for the adoption of a colonial paper currency.

Paper notes were not altogether unknown to the inhabitants, or at least to the merchants, of New England in the 1660s. Besides foreign bills of exchange, Boston merchants by midcentury also made use of transferable promissory notes: paper certificates signifying that one person stood in debt to another, used by merchants to transfer credits between localities. According to the Massachusetts General Court, it

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73 The Memorial History of the City of New-York, From its First Settlement to the Year 1892, ed. James Grant Wilson, vol. 4 (New York: New-York History Company, 1893), 298. A decade before the conquest, Adriaen van der Donck wrote, “gold and silver begin to increase and are current, but still the amount differs much from that of the Netherlands,” Adriaen van der Donck, A Description of the New Netherlands (1653; Syracuse: Syracuse University Press, 1968), 93. Also see Peter Stuyvesant to the West India Company, 19 Oct. 1660, in DRNY, 14:484-5.

was not uncommon by the early 1650s to find “Paper-Bills passed for payment of Debts,”
though, according to the assembly, the bills “were very subject to be lost or counterfeited & other inconve
iniences.”75 While none of these early paper notes performed the same
function as later colonial paper monies, the early use of promissory notes and bills of
exchange ensured that merchants, and possibly some in the country, were already familiar
with the idea that paper could hold extrinsic value and circulate from one hand to the
other.

John Winthrop, Jr., governor of Connecticut and son of the founding governor of
Massachusetts, was the first American colonist to promote a paper currency, pursuing the
topic with considerable vigor. In the summer of 1661, Winthrop traveled to London to
attend the newly-established Royal Society, a forum of leading English intellectuals
patronized by the Crown to formally discuss the arts, sciences, philosophy, and
economics.76 Samuel Hartlib was a leading member of the Society, and had actively
corresponded with William Potter in the 1650s over the subject of land banks and paper
currencies.77 In 1660 Hartlib sent Winthrop a copy of Potter’s Key of Wealth, which
Winthrop admired as coming “from the great intelligence of Europe” and “containing

75 Address of the Massachusetts General Court to Charles II, 1684, in Massachusetts Archives, vol. 106, no.
336, repr. in Sylvester S. Crosby, The Early Coins of America, and the Laws Governing their Issue
(Boston, 1875), 76.
76 For more on the Royal Society of London, see Robert C. Winthrop, ed., Correspondence of Hartlib,
Haak, Oldenburg, and others of the Founders of The Royal Society, with Governor Winthrop of
Connecticut, 1661-1672 (Boston, 1878), 4-6. For more on the life of John Winthrop, Jr., see Richard S.
77 [Samuel Hartlib], An Essay Upon Master W. Potter’s Designe, Concerning a Bank of Lands to be
Erected throughout this Commonwealth (London, 1653); Samuel Hartlib, A Discoverie for Division or
Setting out of Land (London, 1653). Hartlib, unlike Potter, believed that only land should serve as security
behind the loan office notes.
something of novelty.”78 The pamphlet must have had a profound effect on Winthrop: a few months later, just before leaving for England, he excitedly wrote Hartlib of “some proposalls concerning a way of trade and banke without money [silver]” that he had prepared for presentation to the Royal Society.79 “I shal acquaint you more largely with the Banke of Lands,” Hartlib replied, “...Mr. Potter hath very much elaborated the whole Designe, but is not so willing to act for the present.”80 It had been over a decade since Potter had published his paper scheme, but the plan had not yet come to fruition, frustrating some of its supporters. “The times of such a Publique and Universal Happines seems not yet to bee at hand,” Hartlib concluded regrettably.81

In January 1662 Winthrop submitted his land bank proposal to the Royal Society, which he had drawn up back home in Connecticut. Winthrop believed that his projection for a “banke without money” would “answer all those ends that are attained in other parts of the world by bankes of ready money,” such as those in Holland and Italy.82 No copies exist of Winthrop’s proposal – he was “not willinge to expose it to any perusall but the honourable Councill & Society” – but the scheme was, at the very least, loosely based upon Potter’s earlier proposition.83 After about a year in England, Winthrop returned to

78 John Winthrop, Jr., to Thomas Lake, 15 Apr. 1661, in Collections of the Massachusetts Historical Society, vol. 8, 5th ser. (Boston, 1882), 74. Also see Newell, Dependency to Independence, 121; Weeden, Economic and Social History, 1:320; Andrew McFarland Davis, Currency and Banking in the Province of the Massachusetts-Bay, 2 vols. (New York: The MacMillan Company, 1901), 2:63.
79 John Winthrop, Jr. wrote about this particular exchange with Hartlib in a later letter to William Brereton, 6 Nov. 1663, in Winthrop, ed., Correspondence of Hartlib, 17.
80 Samuel Hartlib to John Winthrop, Jr., 3 Sept. 1661, in Ibid., 12.
81 Ibid.
82 John Winthrop, Jr., to William Brereton, 6 Nov. 1663, in Ibid., 18.
83 Ibid., 17-8. For secondary literature on Winthrop’s currency discussions with the Royal Society, see Weeden, Economic and Social History, 1:317-24; Davis, Currency and Banking, 2:63-5; Trumbull, First Essays at Banking, 8-9; Nettels, Money Supply, 252; Dunn, Puritans and Yankees, 130; Ogg, “Paper Money,” 775; Bullock, Monetary History, 31; Herbert L. Osgood, The American Colonies in the Eighteenth
Connecticut where he no doubt shared his currency ideas with other leading figures in the province. As Winthrop himself noted in 1667, Connecticut farmers still relied upon a “corne” medium of exchange.  

Notwithstanding his enthusiasm for the project, however, the governor never promoted a land bank for his own colony, intending the proposal rather for his countrymen in England. “I have had sad & serious thoughts about the unhappinesse of the condition of a Wilderness life so remote from the fountains of learning & noble sciences,” Winthrop lamented shortly after returning to America, adding that he felt “nothing but sorrowes at the thoughts of their so great distance.” The small, peripheral settlement of Connecticut hardly constituted the ideal environment for which Winthrop envisioned his paper loan office, and so nothing came of it.

Unbeknownst to Winthrop, of course, was that the currency experiment would ultimately find favor in America, not England. The land bank was a controversial project never before tested, and for this reason, Hartlib and other paper promoters in England believed the colonies might be a good place to start, anticipating that success there might build momentum for a loan office at home. In November 1661, only a few months after Winthrop arrived in England, one Francis Cradock presented Charles II with a projection “for erecting Bancks without Money” in the American colonies, beginning with Barbados. Because the land bank, he wrote, was “as great a mystery as it is a novelty, and
therefore without a precedent... why may not his Majesty make an Experiment thereof in
the Island of Barbadoes, and by that meanes introduce it heare in manner following?86

Earlier in 1661, Cradock had published a land bank proposal in England entitled
*Wealth Discovered*, in which he praised the late William Potter as an “Ingenuous person”
who designed a plan “never thought of in former Ages.”87 Much of the pamphlet repeated
Potter’s primary arguments. “It is not the manner or figure, solidity or dust of mettals,
that necessarily make it current,” Cradock insisted, “but the certainty and security of
value.... [and] land may be as good, if not better security then Money.” Indeed, land, he
wrote, was “of the same intrinsick value as the best Gold and Silver in the World.”88
Banks that issued paper notes redeemable in silver and gold were “but a lame and short
remedy to the inconveniences,” and so the obvious answer was an irredeemable paper
currency backed by land and real estate.89 As an added bonus for the Crown, under
Cradock’s proposal, the interest charged by the loan office would promptly enter the
royal treasury and fund the present expenses of government. “All this Treasure lyes
within our own reach,” he concluded, but for now, England was not quite ready for the
paper experiment, and so Cradock suggested Barbados as a testing ground.90

Barbados was the ideal environment for Cradock to implement his currency
proposal. One year prior, in August 1660, Charles granted Cradock a lifetime

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86 Petition of Francis Cradock to the King, 19 Nov. 1661, TNA: CO 1/15, nos. 88-9, pp. 173-4.
87 Francis Cradock, *Wealth Discovered, Or, An Essay upon a Late Expedient for Taking Away All
Impositions, and Raising a Revenue Without Taxes* (London, 1661), preface. For more on Francis
Cradock’s currency proposal, see R.D. Richards, *The Early History of Banking in England* (1929; repr.,
commission as Provost-Marshal of the island, making him the custodian of the records of all grants and conveyances of land on Barbados. The Barbadian assembly had repeatedly petitioned against Cradock’s appointment, fearing royal interference with their land tenure and preferring their valuable land deeds be handled by someone answerable to themselves alone. Barbadian resistance to Cradock’s appointment was well known by the Crown, and the point of the land bank was to ease this hostility, enticing the islanders with an entirely new currency.

The Crown well knew of the island’s lack of any silver currency. “The Inhabitants are driven to make their payments in Sugar,” Cradock noted, “...for want of money,” and a paper currency “must surely be found more proper then sugar or any such commodity.” Perhaps a paper currency would also silence the growing number of planters complaining that the Navigation Act deprived them of coin. No doubt, he predicted, the land bank would be “well approved by the people” and would thus “prevent many greivances complained of,” including both the Navigation Act and his Provost-Marshal commission.

The prospective land bank would finally turn Potter’s decade-old dream into a reality, greatly exciting paper currency supporters who were sure that the time had also come for a monetary revolution in England. Samuel Hartlib, in a letter to Winthrop, enthusiastically predicted that if the Barbadian project were successful, “great numbers of honest People will replenish all English Plantations, and then Mr. Potters Contrivances

91 CSPC, 1574-1660, vol. 14, no. 33.
92 President, Council, and Assembly of Barbados to the King, 27 May 1661, in TNA: CO 1/15, no. 58; APCC, 1:624; Thornton, West-India Policy, 180.
93 Petition of Francis Cradock to the King, 19 Nov. 1661, TNA: CO 1/15, nos. 88-9, pp. 173-4.
will bee best set on foot amongst them.” Still, the Barbadian currency proposition aroused serious skepticism in England, though not enough to thwart the project. Lord Ashley, Chancellor of the Exchequer, cautioned Charles to approach the matter carefully, stressing that he had “noe confidence in the success of the first experiment of newe inventions, especially in matters of this nature.” Ashley nevertheless recommended the plan “to Erect a Banck in your Isle of Barbadoes,” owing to its sole and exclusive application to such a small island on the periphery of empire.

Cradock left for Barbados in December 1661, bearing instructions from the king “to erect and manage a bank or banks in the said Island, founded on the security of lands and goods.” A Barbadian paper currency, the royal directive explained, would help the island transition away from sugar money, so that “no man be compelled in future in said island to take payment in sugar more than he pleases.” When Cradock arrived on the island, however, the governor and assembly immediately removed him from his post, undeterred by the currency bait. Upon hearing this, the king angrily demanded that the “experiment be forthwith made,” that Cradock be restored to office “to erect one or more Banks there for the benefit of Trade,” and that the governor “give your assistance in Setting of the same.” “Wise and ingenious persons,” the king urged, “conceive [the land bank] practicable and to be of great use and accomodation.” Yet the plan never went into effect: the assembly simply refused, and the Crown capitulated.

94 Samuel Hartlib to John Winthrop, Jr., 3 Sept. 1661, in Winthrop, ed., Correspondence of Hartlib, 12.
95 Report of Lord Ashley to the King, Nov. 1661, TNA: CO 1/15, no. 88, p. 173.
96 Warrant to the Solicitor-General, 9 Dec. 1661, TNA: SP 44/5, pp. 80-3; CSPC, 1661-8, no. 194.
97 Charles II to the Governor of Barbados, March 1662, TNA: CO 1/16, no. 38, p. 98; Charles II to the Deputy-Governor of Barbados, March 1662, TNA: CO 1/16, no. 39, p. 102. For more on the Cradock
Whether or not the Barbadian government would have embraced a land bank in the absence of royal interference in their land tenure is unclear. The assemblymen, for one, were eager to have a silver currency, not a second-rate paper experiment with no proof of success. The Crown had recently repealed their legislation raising the piece-of-eight from 5s to 6s, returning the coin back down to 5s. Also earlier that year, in May, the assembly petitioned the Crown for the right to mint silver coins, “as in New-England and elsewhere is practised.” But unlike the Massachusetts government, Barbados, now a royal colony, required English permission, for which they were soon disappointed. The representatives, indeed, were likely insulted, not allured, by the paper-currency scheme that followed only seven months after their rejected petition. “This noble island wants a money trade,” a planter wrote the king in 1669.

In the years after Cradock’s dismissal, the Barbadian assembly petitioned the Crown over and over again for a silver mint. “Money is the life of trade,” the Speaker of the House argued in one such 1667 petition, “...an Unexpressable Benefit to all Common

dispute – which continued onward until his death in 1667 – see Thornton, West-India Policy, pp. 64, 180-2. In 1663 Governor Willoughby persuaded the Barbadian assembly to accept a new tax of 4.5 percent on all goods exported from the island in exchange for a royal confirmation of the planters’ titles and a removal of all obligations to pay rent to the former proprietors of the island, see Amussen, Caribbean Exchanges, 108. Acts of Assembly, Passed in the Island of Barbadoes, from 1648, to 1718 (London, 1732), 45. The assembly confirmed the 5s rating in 1668, see Acts of Barbadoes, 64. Also see McCusker, Money and Exchange, 239-40.

Petition of the President, Council, and Assembly of Barbadoes to the Commissioners for Foreign Plantations, 11 May 1661, TNA: CO 31/1, pp. 45-7; CSPC, 1661-8, no. 85.

Barbados was originally a proprietary colony, but the Commonwealth assumed direct control of the royalist island in the 1650s. After the Restoration, Charles II assumed power over the island, though he made Francis Willoughby – one of the original proprietors – governor, see Amussen, Caribbean Exchanges, 108; Thornton, West-India Policy, 25-38.

Nicholas Blake to Charles II, 28 Feb. 1669, in CSPC, 1699, no. 1113. Blake recommended that the Crown mint coins in London specifically for Barbados, to the amount of £100,000. The coins would come as 2.5s pieces (the value of the half-crown coin in England). Blake also advised that the coins have 15 percent less silver than the English denominational equivalent.
Wealths [and] in Forreigne Plantations especially, it is needfull.” The assembly, for a third time, petitioned the Crown in 1668, “to Sett up a mint within this Island for Coyning money,” and interestingly, for the first time, specified that the coin could be stamped with an “Impression as your Majestie shall appoint or approve to be proper.” This latter attempt to placate the royal prerogative proved wholly unsatisfactory. Two years later, in 1670, the assembly vainly solicited Governor Francis Willoughby to petition a fourth time, and three years later, in 1673, a Grand Jury on the island ineffectually demanded “licence to coyne sylver to supply the wants of this place, without which there can bee noe certaine assured florishing trade.”

All the while, the planters similarly protested the Navigation Acts. In both cases, trade and coinage, the Crown refused to concede. Money was at stake, and in the age of mercantilism, money was king. The metropolitan government did not exercise total power: the Barbadian assembly successfully refused the land bank and Provost-Marshal. But London authorities clearly enjoyed the greater leverage in this transatlantic relationship, refusing to repeal the trade restrictions and firmly opposing the construction of a mint on the island. The lack of any silver mint on Barbados demonstrated the great difference between private and royal colonies. Had Barbados still been a proprietary colony, as it was before midcentury, a silver mint would have almost certainly been

102 Petition of the Representatives of Barbadoes to Charles II, 5 Sept. 1667, TNA: CO 1/21, no. 102, p. 207.
104 Symon Lambart, Speaker of the Assembly, to Governor Francis Willoughby, 17 Nov. 1670, TNA: CO 31/2, pp. 6-14; Presentments of the Grand Jury in Barbadoes, 8 July 1673, TNA: CO 1/30, no. 50, p. 111.
implemented. Private colonies like Massachusetts Bay enjoyed far greater privileges. The money itself bore witness to it.

The Crown approved plans for a land bank but disapproved a mint because coinage, at this early point in colonial history, represented a far greater challenge to the royal prerogative than the less-than-understood land bank. English writers at this time did not yet consider paper notes to be money. Even paper promoters called loan offices “Bankes without money.” A colonial paper currency was tolerable, if only because it was still a novelty. Tinkering with the coinage, however, was an age-old practice that English officials had fought in the past and had little interest in endorsing for its colonial settlements.  

Neither was England alone in this sentiment. In the early 1670s Louis XIV, too, denied similar requests from Jean Talon, Intendant of New France, to establish a mint in Montreal, and the Dutch West India Company denied the same to New Amsterdam officials in 1661. Spain was the only imperial power to allow colonial mints, and the decision derived entirely from the convenience of coining money adjacent to the mines of Mexico and Peru.

Jamaican Governor Thomas Modyford too clamored for a mint, petitioning the Crown on two separate occasions for a Jamaican coinage. Port Royal enjoyed a greater

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105 English Treasury officials in 1662, for instance, reported that “the preserving one certain standard of weight and fineness of... gold and silver coins in all your Majesty’s kingdoms and dominions is very much for the security and advantage of your Majesty, and the altering and debasing of the... standard... cannot be practised or allowed,” see Report of the Earl of Southampton and Lord Ashley, 14 Nov. 1662, quotation in Nettels, “British Policy,” 228.

106 Jean Talon to Jean-Baptiste Colbert, 10 Nov. 1670, in DRNY, 9:70; Jean-Baptiste Colbert to Jean Talon, 4 June 1672, in DRNY, 9:89; Crosby, Early Coins, 289. In 1665 Talon anticipated that “mines of gold and silver... almost certain must be found in this country,” Jean Talon to the Minister, 4 Oct. 1665, in DRNY, 9:30-1. Nevertheless, as discussed briefly in the sixth chapter, Louis XIV, in 1670, determined to mint coins out of Paris for the Canadian settlement, with his particular mark on it, see Crosby, Early Coins, 133-4.
supply of silver than any other English colonial port, yet a scarcity of small change, namely pence, plagued the island. Much of the money imported into Jamaica was the Spanish piece-of-eight, equal in value to 54 pence. The smallest coin available was typically the Spanish real or “bitt” – worth roughly 7d – but these coins were not as common as the piece-of-eight, and were still too high for trades requiring pence. The monetary dilemma compelled some Jamaicans to barter or “Trucke for Comodities which is highly troublesome, uncertaine and prejudiciall.” Some resorted to halving or quartering Spanish coins, an illegal practice known as “cutting.” Though cutting made small change, it also created substantial irregularities in the currency, which a mint might remedy. In 1664, then, Governor Modyford petitioned for the right to mint coins of the “weight of that of New-England.” When the Privy Council rejected his request, the Jamaican government wondered aloud why “Coyning is not thought reasonable.” Again in 1670 Modyford petitioned for “a Coyne allowed us either by a Mint sett upp here” or in England, so that the islanders might enjoy money “with similar marke on it.” The Crown again refused.


108 Governor Thomas Modyford to Secretary Henry Bennet, 20 Feb. 1665, TNA: CO 1/29, no. 27, p. 40.


110 Governor Thomas Modyford to Secretary Henry Bennet, 10 May 1664 and 20 Feb. 1665, in TNA: CO 1/18, no. 65, p. 137; TNA: CO 1/19, no. 27, p. 40. For the rejection of this petition to coin money, see Report of the Committee of the Privy Council, 10 Aug. 1664, TNA: CO 1/18, no. 93, p. 206. For the Massachusetts legislation authorizing a two-pence piece, see Records of Massachusetts, 4.2:51-2.

111 Governor Thomas Modyford to Secretary Lord Arlington, 20 Sept. 1670, TNA: CO 1/25, no. 59iii, p. 152.
Country pay, in the meantime, circulated alongside coin in 1660s Jamaica, especially outside of Port Royal. The assembly accordingly established an official “money value” for sugar, cocoa, and tobacco, “on account of the scarcity of money, and in accordance with the practice of Barbadoes and other Plantations.” The wide assortment of alternative commodity monies in this early period in Jamaican history reflected the great diversity of Jamaican agriculture relative to that of Barbados: a pound of sugar passed for 3d, a pound of cocoa at 4d, and a pound of tobacco at 3d. Those who refused these commodities in place of money suffered a penalty of £5, £20, or a year’s imprisonment for the first, second, and third offenses.  

Efforts in Maryland to establish a colonial mint likewise failed, though the province came closer than the others. In May 1661 the Maryland assembly authorized “the Setting up of a Mint for the Coyneing of money.” The want of coin, they argued, was the “mayne hindrance to the Advancement of this Collony in Trades Manafactors Townes and all other things.” Much like Massachusetts, and unlike Jamaica and Barbados, Maryland, a private colony, did not require royal permission for a mint.

Cecil Calvert, Maryland proprietor and second Lord Baltimore, immediately intervened, ordering that a series of coins he had minted a couple years earlier in England be used instead. In the winter of 1658-59, Calvert had secretly, and at “Great paines and

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112 Proclamation of Governor Lord Windsor, 10 Oct. 1662, TNA: CO 140/1, pp. 53-60; TNA: CO 139/1, pp. 24-5; CSPC, 1661-8, no. 374. For the diversity of Jamaican exports, see Zahedieh, Capital and the Colonies, 189; Ralph Davis, A Commercial Revolution: English Overseas Trade in the Seventeenth and Eighteenth Centuries (London, The Historical Association, 1967), 11.

113 Archives of Maryland: Proceedings and Acts of the General Assembly of Maryland, eds. William Hand Browne, Clayton Colman Hall, and Bernard Christian Steiner, 72 vols. (Baltimore: Maryland Historical Society, 1883-1972), 1:414-5. The proposed Maryland shilling, like that of the Boston shilling, was to have a lower silver content than that of the English shilling, out of the conviction that English merchants would consequently refuse the coin, thereby leaving the Maryland shilling for domestic circulation.
Charge,” coined silver money at the Tower Mint in London, a portion of which he sent to Maryland later in 1659. This “Sample of the Maryland money,” he wrote in 1659, “would be a very great advantage to the Colony.”\(^{114}\) The coins bore Calvert’s face on one side and his family arms on the other, and included a shilling piece, sixpence piece, and groat (four-pence) (Figure 7). When a clerk at the Tower Mint informed on him, the Commonwealth’s Council of State in October 1659 issued a warrant for his arrest, citing the treasonous act of coining “great quantitie of Silver” for use in the Maryland province.\(^{115}\) To Calvert’s good fortune, Charles II came to the throne only a few months later and restored his proprietorship, allowing the royalist Calvert to transport the remainder of his coins to the Maryland colony. No additional coins were to be minted, and certainly no mint was to operate within Maryland itself. Calvert dutifully obeyed the King’s wishes and repealed the mint act of 1661, despite the colony’s private status.

The Maryland assembly arranged for the dispersal of Calvert’s coins by requiring that each taxable citizen exchange sixty pounds of tobacco to the treasurer for 10s of the new money (two pence for each pound of tobacco), thereby placing roughly £2,500 of silver money into circulation, an insufficient sum to make silver the common currency.\(^{116}\) Eight years later, English visitor John Ogilby affirmed that tobacco money remained the “general way of Traffick and Commerce” in Maryland, but attested that some in the

\(^{114}\) Cecil Calvert to the Maryland Council, 29 Sept. 1659, in *Archives of Maryland*, 3:383; Cecil Calvert to Philip Calvert, 12 Oct. 1659, in *Archives of Maryland*, 3:385. 
\(^{115}\) Order of the Council of State, 4-5 Oct. 1659, TNA: SP 25/79, pp. 646-7; TNA: SP 25/79, pp. 652-3; *Archives of Maryland*, 3:365; *CSPC, 1574-1660*, vol. 13, no. 71. Calvert and “others with him, and for him,” the warrant read, “have made and transported great sums of money, and does still goe on to make more.” Besides arresting Calvert, the warrant called “for the seizing of all such monys, stamps, tooles, and Instruments for coyning.”
\(^{116}\) *Archives of Maryland*, 1:444.
colony used “his Lordships own Coyn, as Groats, Sixpences, and Shillings, which his Lordship at his own Charge caus’d to be Coyn’d and dispers’d throughout that Province.” Trade deficits, however, soon resulted in the money’s total disappearance, and the short-lived coinage never returned.

Massachusetts Bay remained the sole English colony with its own mint, to the ever-increasing displeasure of the Crown. As expected, the quasi-independence of the Massachusetts state fell under instant scrutiny upon the King’s Restoration. Samuel Maverick, former resident of the colony, launched the opening salvo in a late 1660 pamphlet entitled *A Briefe Discription of New England*. No oaths of allegiance to the king had yet been taken in Boston, he wrote, officials “swearing their subjects to submite to lawes made only by themselves... Indeed to Alleage a Statute Law of England in one of their Courts would be a ridiculous thing.” “They likewise long since fell to coyning of monies,” Maverick continued, “melting downe all the English Coyne they can gett.” The reason for this melting of English coin, he argued, was because of the lighter

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117 John Ogilby, *America: Being an Accurate Description of the New World* (London, 1670), 188. In 1671 the Maryland assembly also assigned an official value for the “shilling of his Lordshipps the Lord Proprietary,” see *Archives of Maryland, 2:286.*

weight (less silver content) of the Bay coinage, “every [English] shilling makeing 15d in their monies.”\textsuperscript{119}

Massachusetts colonists indeed had not taken any oaths of allegiance or supremacy to the King. The common reaction to news of the King’s Restoration was less than enthusiastic. In November 1660, after hearing word of plans to reinstate the Church of England, Boston mint-master John Hull held a private “day of humiliation at our house, for the state of our native country... the church countenancing the old liturgy, and formalities again to be practised.”\textsuperscript{120} Boston officials nevertheless still dutifully accepted the return of the monarchy, however grudgingly, hoping to continue their peculiar form of government undisturbed.\textsuperscript{121} As to the charge of melting English coin, the 1652 law prohibited the practice, but continual allegations suggest that mint-masters Hull and Saunderson – who kept 1s for every 20s minted – rarely turned away those who brought English money in for conversion.\textsuperscript{122} The Privy Council too, in 1661, heard news that the mint-master had treasonously allowed “the King’s Coyne to be bought and melted downe in Boston to be new coynd there.”\textsuperscript{123}

Yet the greatest offense of the Boston mint was not the occasional melting down of English money – most of the melted coin was Spanish – but rather the symbolic power

\textsuperscript{121} Pestana, \textit{English Atlantic}, 217; Bushman, \textit{King and People}, 16.
\textsuperscript{122} Over a century later, according to the editor of the third edition of Thomas Hutchinson’s \textit{History of Massachusetts}, “the mint master, John Hull, raised a large fortune from it,” see Thomas Hutchinson, \textit{The History of Massachusetts, from the First Settlement thereof in 1628, until the Year 1750}, 2 vols., 3rd ed. (Boston, 1764 and 1767; Salem, MA, 1795), 1:165n.
\textsuperscript{123} John Giffard to Secretary Nicholas, 1661, TNA: CO 1/15, no. 45, p. 96.
of the mint itself. Robert Mason and Edward Godfrey – proprietor of New Hampshire and governor of Maine, respectively – argued this particular point in a petition to the king in 1662. Massachusetts had “for these many yeares together past endeavoured to model and contrive themselves into a free state,” they argued, listing the “coyning of money with their own stamp and signature” as evidence thereof.\textsuperscript{124} Mason and Godfrey had their own bias and agenda – both were notoriously jealous of the Bay Colony’s hegemonic power over all of New England – but a more neutral observer, Director-General Peter Stuyvesant of New Netherland, affirmed the same when he reported in October 1660 that though other colonists were “good Royalists,” Boston “remains faithful to its old principle a free state.”\textsuperscript{125} Disloyalty and the mint were practically one and the same thing.

Perhaps the worst offense was the mint’s violation of the regal prerogative, a sensitive issue throughout the restored Stuart regime. The degree to which Charles II took personal offense with the mint, however, is uncertain. Was he truly insulted with this seeming affront on his kingly prerogative, or was this a matter of exclusive concern to officials within the bureaucracy only? In an age of empire-building, in which the king personified the rising nation-state, coining money without royal permission challenged the power of the imperial nation-state as much as it did the rights of the monarch. Coining money was still every bit as unacceptable, if not more so, after the graceful decline of royal authority following the Glorious Revolution of 1688-9. At the root of the antagonism against the Boston mint, then, lay something far deeper than the rights of

\textsuperscript{124} Report of Robert Mason and Edward Godfrey to the King, 15 Feb. 1662, TNA: CO 1/16, no.18, p. 37. According to Mason and Godfrey, there were some in the colony who “have said that before their province should submit to any appeals to England they would sell their Collony to the King of Spaine.”

\textsuperscript{125} Peter Stuyvesant to the Directors of the West India Company, 19 Oct. 1660, in \textit{DRNY}, 14:484.
kings. More broadly than the Crown itself, the empire’s late-seventeenth century push for state centralization was what ultimately sparked the upcoming wrath against the mint.

A story of Charles’s encounter with the Bay shilling suggests that the mint, to some degree, offended the King, though the issue undoubtedly ranked extremely low on his list of personal priorities. In 1662 Sir Thomas Temple, proprietor of Nova Scotia, conversed with Charles and his Privy Council on the “state of affairs in the Massachusets.” “In the course of the conversation Sir Thomas took some of the money out of his pocket, and presented it to the King.” The money was none other than the Boston shilling. Upon seeing the coin, Charles exhibited “great warmth against that colony; among other things he said, they had invaded his prerogative by coining money.” Temple, who resided in Boston in the 1650s – “a real friend to the colony” – immediately came to the mint’s defense, claiming that economic reasons alone lay behind the coinage. “The colonists had but little acquaintance with law,” insisted he, “they had no ill design, and thought it no crime to make money for their own use.”

Charles took a second look at the money, and then “inquired what tree that was?” Temple replied that it was the “royal oak,” the same material reportedly used to build the ship that carried younger Charles across the Channel into exile following the Battle of Worcester in 1650. “The Massachuset’s people,” Temple told the King, “not daring to put his Majesty’s name on their coin during the late troubles, had impressed upon it the emblem of the oak which preserved his Majesty’s life.” Temple now conceded a political rationale behind the coin, but entirely flipped its meaning, ingeniously suggesting that the Bay shilling was in fact a masked cry for royalism. The explanation, of course, was
patently false, even slightly ridiculous – Massachusetts had supported Parliament – yet the story “put the king into good humour, and disposed him to hear what Sir Thomas had to say in their favour.” As Temple defended the province, Charles grazed the Bay shilling between his fingers, chuckling as he “called them a parcel of honest dogs.” Clearly this was not an issue of first importance for the King.126

As a threat to metropolitan power more generally, however, the coinage became a central target. In 1665 Charles instructed that a group of royal commissioners survey New England, with a particular eye for colonial compliance with the Navigation Acts. Accompanied by nearly 400 troops, the commissioners first trekked through Connecticut, Rhode Island, and the Plymouth colony, where the governments “made great promises of their Loyalty and obedience.” Upon arriving in Boston, however, the General Court declared the commission illegal, refusing all cooperation, and, according to the commissioners, “proclaymed by sound of Trumpet that the Generall Court was the Supreamest Judicatory in that Province.”127

Unbridled “Seditious Speech” supposedly greeted the delegation throughout their time in Boston. Out of all the colonies, they reported, Massachusetts Bay was the

126 The account of this story came much later – in a 1768 letter to one Thomas Hollis – but further confirmation of this encounter came from the Massachusetts General Court on 30 October 1684, when they claimed in a letter to London that “in 1662, when our first Agents were in England, some of our Money was showed by Sir Thomas Temple at the Council-Table, and no dislike thereof manifested by any of those right honourable Persons: much less a forbidding of it,” Massachusetts Archives, vol. 106, no. 336, repr. in Crosby, Early Coins, 76. For the 1768 account – from which we have quoted – see Memoirs of Thomas Hollis, Esq., vol. 1 (London, 1780), 397. Also see S.F. Haven, “The Coinage of Massachusetts,” in Archaeologia Americana, 3:292-3; Ruding, Annals of the Coinage, 1:416.

“hardlyest perswaded to use His Majesties name” in public forums. Assemblymen and magistrates deemed royal interference a “breach of their priviledges... they could not permit it,” and “derided those of Rhode Island for having yielded so much to the Commissioners.” “They pray constantly for their Persecuted Brethren in England,” and include “many things in their Lawes derogatory to his Majesties honour.” A moderate group of “loyall Subjects” also existed within the colony, but “it is now with them, as it was with the Kings Party in Cromwells time.” Indeed, the commissioners stated, “their way of Government is Common-wealth like.”

One of the many demands made by the commission, besides enforcing the Acts of Trade, was that the “mint house... be repealed, for coyning is a royall prerogative.” An affidavit from Massachusetts Captain James Oliver and his wife Mary even testified that one of the commissioners, the aforesaid Samuel Maverick, told the couple “we were both rebels and traitors for minting money and printing, which was treason for the country to do.” The General Court – dominated largely by independent, radical Puritans – utterly rejected the commission’s demand to abolish the mint, proclaiming that to do so was contrary to “the liberties of Englishmen, so wee can see no reason to submit thereto.”

Herein the Bay Colony radicals still displayed a strong commitment to Englishness. English culture and traditional English notions of economic and political rights were still very much appealing to the Bay colonists. The problem was empire.

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128 George Carr to Secretary Lord Arlington, 14 Dec. 1665, TNA: CO 1/19, no. 143, pp. 338-41.
129 Records of Massachusetts, 4.2:211.
130 Affidavit of Captain James and Mary Oliver, 1666, in Massachusetts Archives, vol. 106, nos., 125, 139.
The Massachusetts charter derived its authority from the Crown, but the General Court interpreted the charter as having granted quasi-autonomous powers upon the provincial government to manage the colony as they saw fit. The only imperial requirement acknowledged by the General Court was that they pay the customary “Royal Fifth” to the king if they ever happened to stumble across gold or silver mines, an extremely unlikely event. Otherwise, they remained sovereign in all but name. “They of this Colony say that King Charles the first gave them power to make Lawes,” the commissioners reported, “...and that so long as they pay the fifth of all Gold and Silver Oar which they shall get, they are free to use their priviledges... [and] are not obliged to the King but by civility.”

Understandably jolted by these reports, Charles instructed the General Court to send agents to London at once for an explanation. The assembly briefly contemplated an overtly defiant letter in response, but a growing moderate faction within the province begged the assembly to refrain from such a rash course. Indeed, the younger generation of New England merchants, many of whom were not Puritans, had increasingly come to despise the political dominance of the commercially-skeptical, theocratic faction on the General Court (only church members could vote), and began yearning for royal intervention. The assembly bowed to moderate pressure and instead sent the Royal Navy a gift of “two very large masts,” hoping to still appease the Crown despite their

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refusal to send agents. Charles and his Privy Council elected not to pursue the matter any further, and from 1666 to 1674 all official communication ceased between Old and New England.

The Boston mint remained for the time being: abolishing the mint overnight threatened an unwanted political battle with the colony, and the English state had far greater concerns at the moment than picking a fight with a province that, relative to the tobacco and sugar plantations, contributed little to the mercantilist system. Following the heels of the commission was the Great Plague of London (1665-66), the Great Fire of London (1666), two additional years of warfare with Holland, and a third Anglo-Dutch War in 1672-74. The Boston mint, of course, paled in comparison. In this early half of the Restoration period, imperial dictates from London still required a considerable degree of voluntary compliance from the empire’s periphery. If colonial governments refused cooperation, there was little else for the Crown to do. The king could either expend valuable time, money, and resources to enforce his will, or grudgingly tolerate a headstrong, politically-jealous New England government. The Crown chose the latter position after 1665, ushering in a decade-long malaise in English-Massachusetts relations.

All the while, Bay shillings remained a troublesome and aggravating reminder that the provincial government, or at least the leading faction within, conceived itself as

134 Records of Massachusetts, 4.2:317-8.
135 For more on the failed 1665 royal commission, see Bailyn, New England Merchants, 119-26; Michael Garibaldi Hall, Edward Randolph and the American Colonies, 1676-1703 (Chapel Hill: University of North Carolina Press, 1960), 11-5; Dunn, Puritans and Yankees, 151-63; Barrow, Trade and Empire, 29; Barnes, Dominion of New England, 7-8; Andrews, Colonial Period, 3:63-8; Hutchinson, History of Massachusetts, 1:210-36.
being far closer to that of a sovereign state than a colony in dependent allegiance to the
King. When commercial men in London, the Caribbean, and elsewhere in the Atlantic
encountered the pine-tree shilling in trade, the coin no doubt impressed upon many of
them that Massachusetts Bay had achieved, and maintained, a degree of economic and
political autonomy unmatched anywhere else in the emerging English empire. As
colonial administrator Mathias Nicolls noted in 1666, the task remained, “to find out a
way to bring downe the pride of the Massachusetts.” A repeal of the Boston mint, the
visible manifestation of that pride, was paramount to this agenda.

The colony had much reason to be proud. The population nearly doubled in size
in the 1660s, and the provisioning trade of lumber, food and fish to the Wine Islands,
Iberian Peninsula and Caribbean returned greater sums of coin and bills of exchange to
the colony than at midcentury. Thanks in part to the shipping requirements of the

Yet there were still major problems with the silver currency. The trade deficit
with England was extremely severe; the pine-tree mast was the colony’s only significant

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136 Colonel Mathias Nicolls to Secretary Lord Arlington, 9 Apr. 1666, TNA: CO 1/20, no. 42, p. 82.
export to the home country. Efforts at import substitution had generally proved insufficient. The silver money that Boston merchants took in from the aforementioned trades, even after going to the mint for conversion, rarely circulated for more than a few months before the money left the colony to pay for imported goods. The General Court had already banned the export of Bay shillings in 1654, authorizing the searching of all boxes, trunks, and chests aboard outgoing vessels, but in 1669 the assembly increased the number of searchers and instructed them to also check the “pocket, cloake, [and] bag” of any person leaving the province overland on “horse back.” “Coyninge hath not fully answered the Court’s expectations,” the assembly regretted a few weeks later, “...there still remaynes great want for a further supply.” The amount of coin had certainly increased in recent years, thanks to an ever-expanding foreign and intercolonial trade, yet few rural inhabitants enjoyed regular or even semi-regular access to silver money. Coin still generally centered in the towns. Country pay in the meantime remained legal tender for tax payments, with the treasury abating tax rates by one-fourth if paid in silver money.

As the Bay Colony searched for ways to amass still greater supplies of coin, Reverend John Woodbridge arrived from England to promote a third way: the ever-popular land bank alternative. Woodbridge had first arrived in Boston in 1634 at the age of twenty-one, serving on the General Court in 1637-38 and marrying the daughter of

140 Records of Massachusetts, 4.2:421.
141 Massachusetts Archives, vol. 100, p. 136, repr. in Crosby, Early Coins, 105.
143 Records of Massachusetts, 4.2:567-8.
then-governor Thomas Dudley. In 1645 Woodbridge became an ordained minister before sailing for England in 1647, where he resided for sixteen years. In 1649 he met William Potter, who shared with Woodbridge his idea for a land bank just one year before the publication of The Key of Wealth. Woodbridge, in his own words, at first “resented the Notion of his Friend,” but as time progressed, “it became oft times when they met, the common subject of their discourse, in a rotation of Proposals, Objections, and Solutions: Leaving no stone unturn’d.” When Potter published his tract in 1650, Woodbridge received it with “good acceptance.” After hearing from a Boston merchant of “the Labyrinth New-England was in, for want of a Convenience to mete their Trade with,” Woodbridge shipped Potter’s pamphlet to a merchant friend in Massachusetts. Woodbridge returned to Boston in 1663, and, in his own words, “soon saw that with his eye... the Straits many were in... and the Disadvantages they were under.” Woodbridge began sharing the land bank proposition with several merchants in town, some of whom cast “reproaches” and others who received the idea “with approbation.”

In 1667, four years after returning to Massachusetts, Woodbridge – now serving in the ministry at Newbury, a few dozen miles north of Boston – elected to pursue the matter further, discussing land banks in depth with “divers Country Gentlemen, Yeomen & others; persons not likely to lend an ear to a thing of this nature.” According to Woodbridge, the momentum for a bank soon escalated, “to the occasioning of several

145 [John Woodbridge], Severals Relating to the Fund (Boston, 1682), 2.
146 Ibid.
147 Ibid., 1-3.
Debates among those who were Considerable.” Apparently there was some discussion on whether the bank should be “Founded on Money” – paper notes backed by coin – or whether it should be “Fixed on Land.” Woodbridge and his merchant friends argued that the former was undesirable because of the “possibility to break” – a run on the bank – something that the paper loan office “was not capable of.” Support for the project intensified further in the coming months: one Boston merchant – “well Read in the nature of Banks” – reportedly argued that Woodbridge’s proposal “left not room for a rational Objection to be made against it.”

The possibility for a Massachusetts land bank was now the subject of popular debate in Boston. Later that year, in 1667, the Massachusetts Council formally considered the matter, sending for Woodbridge to testify on account thereof. A few of his friends advised him to “write somewhat about it” in the nature of an official proposal, which Woodbridge submitted to the Council and later published in a pamphlet titled *Severals Relating to the Fund*, a “Proposal for erecting a Fund of Land; by Authority [government], or private Persons... to pass Credit.” Paper currency, Woodbridge insisted, “multiplies Trading; increaseth Manufacture... inciteth the purchasing of Land, and heighteneth its value.” This latter point certainly caught the attention of some of the wealthier landowners in the province, though a broad spectrum of the populace also appeared interested. “Where Coin is scarce,” Woodbridge continued, “all things are dear... young beginners are checked... Trade is stinted at home, and forestalled abroad; Stocks lye dead... Merchants and Shop-keepers undersell one another.” These “Bank-

Bills,” he insisted, were superior to both silver and gold, which “doth neither Feed nor Cloath” and is “covetously hoarded up,” while land is “real, dureable, & of secure value.”

The Massachusetts Council was clearly intrigued by the currency scheme, but not enough to sanction the project. Woodbridge himself, however, had explicitly stated that the bank could operate either “by Authority or private Persons,” and so in March 1671, on his own initiative, began preparations for the land bank, “carrying it on in private, for many moneths,” and reportedly earning the support of a few merchants. For reasons unspecified by Woodbridge, however, the bank suspended operations shortly thereafter, “when bills were just to be issued forth,” and the project soon evaporated.

Massachusetts colonists in the meantime pursued the same strategies they had since the 1640s to boost the provincial money supply. These included improving the balance of trade through legal means (production) and illegal means (smuggling), as well as tinkering with the coinage. In October 1672, the General Court, for the first time since 1652, allowed for the internal circulation of Spanish dollars by raising their value from 4s6d to 6s, thus placing them on par (roughly) with Bay shillings. The move came only

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149 Ibid., 3-6. For more on Woodbridge’s 1667 proposal to the Council, see Newell, Dependency to Independence, 121; Osgood, American Colonies, 2:150; Trumbull, First Essays at Banking, 9-11; Andrew McFarland Davis, ed., Colonial Currency Reprints, 1682-1751, 4 vols. (Boston, 1910), 1:4; Davis, Currency and Banking, 2:67-8.

150 Woodbridge, Severals Relating to the Fund, 7. For secondary literature on the 1671 experiment, see Newell, Dependency to Independence, 121; Bailyn, New England Merchants, 184; Davis, Currency and Banking, 2:69; Trumbull, First Essays at Banking, 10-2; Weeden, Economic and Social History of New England, 2:329; Ogg, “Paper Money,” 775; Osgood, American Colonies, 2:150; Bullock, Monetary History, 31; Davis, Colonial Currency Reprints, 1:4.

151 Records of Massachusetts, 4.2:533; Bailyn, New England Merchants, 186; Davis, Currency and Banking, 1:30; Crosby, Early Coins, 80-1; Nettels, Money Supply, 236. The law also ordered the pieces-of-eight be stamped at the mint with the letters “NE” to indicate that their weight had been properly inspected by John Hull, master of the Boston mint. Clipped pieces were to be stamped with their actual weight.
months after the termination of Woodbridge’s paper project, and just one day after the New York assembly had also raised the dollar from five to six shillings.\textsuperscript{152}

The 1672 legalization of foreign coin within Massachusetts had the inescapable effect of causing some confusion in the silver currency. The domestic stock of money was now less uniform than before, as had been the case prior to 1652. The Spanish piece-of-eight remained the most common foreign money, but other coins of varying weight and origin entered circulation, including French, Dutch, Barbary, and Turkish monies.\textsuperscript{153} Even the Spanish dollar was irregular, with the Peruvian piece-of-eight notoriously lighter than the heavier Mexican piece-of-eight. Peruvian mint officials had simply chosen to put less silver in their coins than the mint-masters in Mexico or Seville, creating no little confusion over value.\textsuperscript{154}

Interestingly, three years prior, in 1669, the House of Deputies, had passed this identical bill, but it failed in the House of Magistrates, see Massachusetts Archives, vol. 100, p. 136, repr. in Crosby, Early Coins, 105-6.

The new 1672 valuation did not place Spanish coin precisely on par with Bay shillings. Six Massachusetts shillings contained 400 grains of silver (66.6 grains per shilling). One Spanish dollar contained 387 grains of silver. Thus, the new valuation actually slightly overvalued Spanish coin and slightly undervalued Massachusetts coin. The difference in silver content was only 3 percent, and so it would not have been noticeable for the average colonist. But the difference in intrinsic value could be enough for a merchant to prefer to spend the slightly lighter Spanish coin than the slightly heavier Massachusetts coin in the marketplace, given that both held the same extrinsic value. Gresham’s Law, therefore – the principle that ‘bad’ (or light) money chases out ‘good’ (or heavy) money – worked in the opposite direction after 1672 as it had in the previous 20 years, though not as pronounced as earlier, when Spanish dollars were severely and purposefully undervalued relative to Boston shillings. The General Court corrected this mistake ten years later, in 1682, by ruling that Spanish coin, like Massachusetts coin, pass at 6s8d an ounce. A full-weight Spanish dollar was 0.875 ounces, and so the 1682 valuation made the piece-of-eight 5s10d, and six Massachusetts shilling coins still passed for 6s, see Records of Massachusetts, pp. 5:351, 373.

\textsuperscript{152} The Colonial Laws of New York, from the Year 1664 to the Revolution, 5 vols. (Albany, 1894), 1:96-7; McCusker, Money and Exchange, 157; Matson, Merchants and Empire, 71-2.

\textsuperscript{153} Nettels, Money Supply, 170; Crosby, Early Coins, 30; Raphael E. Solomon, “Foreign Specie Coins in the American Colonies,” in Newman and Doty, Studies on Money, 36.

\textsuperscript{154} Alan Knight, Mexico: The Colonial Era (Cambridge: Cambridge University Press, 2002), 196. In 1683 the Connecticut General Court, for instance, made allowance for this difference in weight, ruling that Mexican pieces-of-eight pass at 6s and Peruvian pieces-of-eight at 5s, see Records of Connecticut, 3:119.
Adding to the monetary irregularities was a practice called ‘clipping,’ by which offenders clipped small amounts of silver from the money before passing the coin at face value, retaining for themselves the remaining metal. Clipping had been around since the Middle Ages and those caught committing the crime often received the death penalty, the English Parliament having long designated the defacing of the ‘King’s coin’ a treasonous act; indeed, “High Treason in the Highest degree.” Spanish dollars and most other coins did not yet have a milled edge, a belated midcentury invention that placed grooves upon the edge of the coin, which the old hammered money did not possess. Clipping silver off the old hammered pieces was remarkably easy, and very difficult for law enforcement to catch (Figure 8).

Boston officials arrested one Peter Loephilin for the crime in 1679, discovering silver clippings, filings and a melting ladle in his chest at home upon arrest. “Coinage by the Hammer exposes you much more to the danger of false Coin,” Locke later remarked, “…the pieces not being so round, even, and fairly Stamp’d, nor marked on the Edges.”

Most merchants responded to the clipping problem by weighing irregular coins on scales and adjusting their prices accordingly. English writer Thomas Mun, for instance,

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155 Quotation from Roger Coke, A Treatise Concerning the Regulation of the Coyn of England, and how the East-India Trade may be Preserved and Encreased (London, 1696), 19. Also see Nussbaum, History of the Dollar, 25; Scott, Counterfeiting in Colonial America, 3. The 1661 Maryland legislation authorizing a mint (albeit unsuccessfully), included a provision that clippers “shall suffer Payne of death and forfeite his or her lands Goods and Chattelles,” see Archives of Maryland, 1:415.


included among the “excellent qualities which are required in a perfect Merchant” that “he ought to know the Measures, Weights, and Monies of all forraign Countries... their intrinsique values in weight & fineness.” Yet those who were not professional merchants often accepted clipped coin at face value, knowingly or unknowingly. This acceptance at face value encouraged the practice, granting the clippers “excessive Profit.” “He that clippeth or diminisheth the Coin in weight, deceives the People in Value,” an Englishman stated in 1671.

Clipped silver money especially plagued Restoration England. A new royal coinage almost immediately followed Charles’s ascension in 1660, and the new machinery produced a milled edge (Figure 9). English men and women had until November 1661 to return Commonwealth money to the mint for recoinage, but money struck under the early Stuarts and Tudors remained legal for use (Figures 10, 13, 14). William Petty estimated that on the eve of the Restoration, Commonwealth coin amounted to roughly £800,000, a small fraction of the total English money supply in

Even the tattered, century-old money of Edward VI and Elizabeth surpassed the Commonwealth coinage, with perhaps over £2 million in circulation. The newly-minted coins were invulnerable to clipping, but there immediately emerged a striking disparity between the older hammered coins and the impregnable, machine-struck coins. Merchants either ‘hoarded’ full-weight coin for themselves or exported full-weight coin to foreign merchants (who also weighed money), spending the clipped, hammered coins internally. Milled money nearly disappeared from common circulation. This phenomenon of passing lighter coin and hoarding or exporting heavy coin became known as Gresham’s Law, the general economic principle that ‘bad money’ chases out ‘good money.’ “This Nation, for many Years past, hath groaned, and still groans under the abuse of clipt Money,” Dudley North, an English merchant, remarked in

163 Petty, *Political Arithmetick*, 110. Charles Davenant later estimated that the Commonwealth government had coined as much as £1,000,000, see Davenant, *Discourses on the Publick Revenues*, 2:33. Petty estimated that, by 1660, the Commonwealth coinage was only one-seventh of the English money supply; Davenant estimated that it was only one-fourteenth of the total. 164 Of the non-Commonwealth coinage, N.J. Mayhew estimates that £2.7 million of the £7.5 million in circulation in 1643 had been coined under Elizabeth, see N.J. Mayhew, “Population, Money Supply, and the Velocity of Circulation in England, 1300-1700.” *The Economic History Review, New Series* 48, no. 2 (May 1995): 246-7. This was not the case later in the century: by 1695, according to William Lowndes of the Treasury, the Tudor-era coinage was “quite vanished,” those of James I “are become very rare,” and those of Charles I “are in a great measure Reduced,” see Lowndes, *Report Containing an Essay*, 69.

1691, “...those who intend to keep Money, will be sure to lay up [hoard] that which is good.”

Goldsmiths played a major role in the emerging currency crisis in England. Among the goldsmiths, one writer noted in 1663, “the heavie ones are picked out, and onely the light ones, and those of under value, pass for currant,” leaving “light and false money in abundance.” The resulting irregularity was astounding. “Pieces of the same value are made so various,” that the only solution, the writer believed, was a general recoinage “by the way of milling, whereby not onely the coin will be more beautifull, but also more equal in weight, and much more difficult to be clipped.” Indeed, one of the arguments that Francis Cradock had made in 1661 for an English land bank was the “hazard of receiving clipt and bad Money.”

Only a fraction of the silver, too, in the American colonies was of full weight. This was especially true if the money had passed first through the Caribbean, where

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169 Fortrey, Englands Interest, 35. In 1643 Thomas Violet likewise complained of “the great abuses of many Gold-Smiths and others, in culling and sorting the heaviest current Coins of this Kingdome, to the end to transport or melt down the same,” see Thomas Violet, An Humble Declaration to the Right Honourable the Lords and Commons in Parliament Assembled, Touching the Transportation of Gold and Silver, and other Abuses Practised Upon the Coynes and Bullion of this Realm (London, 1643), 1. Violet repeated the charge again in 1660, see Thomas Violet, An Appeal to Caesar: Wherein Gold and Silver is Proved to be the Kings Majesties Royal Commodity (London, 1660), 11-2. For more on goldsmith complicity in clipping, see J.R., The Mystery of the New Fashioned Goldsmiths or Bankers (London, 1676), pp. 4, 6; Coke, Regulation of the Coyn, pp. 17, 24, 34; Dodd, History of Money, pp. 70-1, 75; Lipson, Economic History of England, 3:229; Meredith, Economic History of England, 214; Cunningham, Growth of English Industry, 434.
170 Fortrey, Englands Interest, 35-6.
171 Cradock, Wealth Discovered, 7. Four years earlier Samuel Lambe likewise argued that banks “prevent fraudulent payments in counterfeit and clipt Coyn,” Lambe, Seasonable Observations, 12.
clippers habitually reduced the amount of silver by as much as one-third.\textsuperscript{172} The governor of the Leeward Islands estimated that “not one in a hundred” pieces-of-eight were of full weight.\textsuperscript{173} On the island of Barbados, the assembly protested in 1678, “bad and light money” was practically the only money left in circulation.\textsuperscript{174} One of the initial reasons for erecting the Boston mint was to convert clipped Caribbean money into full-weight Massachusetts shillings, as “few or no peeces of eight” went unclipped.\textsuperscript{175}

A great deal of the Caribbean coin, clipped and unclipped, originated from piratical sources. Jamaican Governor Thomas Modyford cheerfully invited buccaneers to his island during his 1664-71 administration, liberally granting privateering commissions to plunder Spanish-American ports and silver-laden vessels.\textsuperscript{176} After a successful mission, the buccaneers returned to Port Royal to spend their pirated silver, whether in the taverns, brothels, or shops. The freebooters were “very welcome guests in Jamaica,” one eighteenth-century text recalled; they “spent their plunder with the most stupid extravagance.” “They often brought two, three, and four hundred thousand pieces of eight

\textsuperscript{172} Osgood, \textit{American Colonies}, 2:153; Andrews, \textit{Colonial Period}, 1:518; Bullock, \textit{Monetary History}, 16. In 1677 the Barbadian Assembly passed a law to more strictly enforce laws against clipping, see TNA: CO 31/2, pp. 282-8; \textit{CSPC}, 1677-80, no. 517.
\textsuperscript{173} Governor Christopher Codrington to the Lords of Trade, 13 July 1691, in \textit{CSPC}, 1689-92, no. 1643.
\textsuperscript{174} Minutes of the Council of Barbados, 26 Nov. 1678, TNA: CO 31/1, pp. 299-300; \textit{CSPC}, 1677-80, no. 834. For the problem of clipped coin in Jamaica, see Order by the King, 27 Jan. 1668, TNA: CO 1/22, no. 46i, p. 85.
\textsuperscript{175} Quotation from \textit{Records of Massachusetts}, 4.2:533. Boston mint-master John Hull noted in his diary that “upon occasion of much counterfeit coin brought in the country, and much loss accruing in that respect (and that did occasion a stoppage of trade), the General Court ordered a mint to be set up,” Hull, \textit{Diaries}, 3:145. In 1682, the Massachusetts agents in London defended the mint by claiming that the initial purpose had been to convert the many “false peeces of eight,” see Instructions to Joseph Dudley and John Richards, 15 Feb. 1682, TNA: CO 1/48, no. 32, p. 147. “It was thought necessary,” Thomas Hutchinson wrote over a century later, “for preventing fraud in money, to erect a mint,” Hutchinson, \textit{History of Massachusetts}, 1:164. Also see Nettels, \textit{Money Supply}, 170.
at a time,” the account continued, “which were immediately squandered in all the ways of excessive gaming, wine and women. Vast fortunes were made, and the returns of treasure to England were prodigiously great.”

Port Royal had already earned a reputation for attracting buccaneers prior to Governor Modyford. One particular band of marauders, in 1659, had visited Jamaica with over £50,000 of plundered Spanish coin; yet another group the same year brought “twenty-two chests of the King of Spain’s silver,” amounting to over “12000 pieces of Eight.” Nevertheless, under Modyford – who praised “the Greate Occasions his Majestie might have for them” – the number of buccaneers compounded to a far greater degree. By 1670 at least twenty privateering vessels of over two thousand men operated out of Port Royal with official commissions from the governor, confiscating any Spanish goods of value they could, but favoring silver and gold.

The confiscated money passed first into Port Royal, but from there it sometimes made way to North America to pay for goods that supplied the budding sugar plantations. In 1671, for instance, a vessel sailed from Jamaica to New York with a cargo consisting almost entirely of pieces-of-eight, nearly £4,000 worth, a large portion of which, no

179 Governor Thomas Modyford to Secretary Bennet, 20 Feb. 1665, TNA: CO 1/19, no. 27, p. 38; Latimer, Buccaneers of the Caribbean, 143-63; Thornton, West-India Policy, 85-123; Agnes M. Whitson, The Constitutional Development of Jamaica, 1660-1729 (Manchester: Manchester University Press, 1929), 30-2.
doubt, had been plundered by privateers. When Boston merchants “trade with Jamaica, as they do sometimes, with Provisions, they bring home pieces of 8,” another writer remarked in 1675. Jamaican privateering helped finance the Boston mint. “Their Money is of pretty good Silver, in the middle of it is a Pine-tree,” the same writer continued, “…with this Silver they are wholly supplyed from Jamaica.”

Privateering was the officially-licensed capturing and looting of foreign ships during times of war or intense rivalry, and was the dominant course of English activity in the Caribbean from the Elizabethan era until the settling of Barbados and the Leeward Islands in the 1620s. The Second Anglo-Dutch War of 1664-67 inaugurated a new era of English privateering, with buccaneers targeting not only Spanish ships, but also enemy Dutch and French vessels. Yet privateering, as official state policy, was also highly problematic, as few wished to cease their radically profitable activities once hostilities ended. At this point in time privateering became piracy, but the exact boundaries between privateering and piracy were often exceedingly vague, especially when governors still granted commissions in times of peace.

182 “An Account taken from Mr. Harris of New England,” 29 Apr. 1675, TNA CO 1/34, no. 66, p. 140. Also see “An Account of the Present State and Condition of Jamaica,” 28 Jan. 1676, TNA: CO 138/2, pp. 44-96; CSPC, 1675-6, no. 800.
Jamaica was the scene for the most privateering activity, as the island was nearly perfectly positioned, geographically, for Spanish silver fleets traversing the Greater Antilles. Barbados and the Leeward Islands were too far out on the periphery, and only a few of the mainland North American settlements as of yet reported any sightings of privateers or pirates. “Barbadoes could never boast of equal Advantages with Jamaica,” one writer remarked, “...and had never such Resort of Pyrates, who are the Men that make Silver plenty.”

Governor Modyford greatly appreciated this link between the Jamaican money supply and buccaneering. The Council, too, in 1666, resolved to encourage the practice because it “replinishes the Island with Coyne.” Even after the peace treaty between England and Spain in May 1670, Modyford still granted privateering commissions, dispatching Henry Morgan and a fleet of thirty-six vessels to loot Spanish-American ports. The most famous raid was the sacking of Panama City in January 1671, after which Morgan and his crew of 1,400 men returned to Port Royal with the sum of £70,000 in

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184 In 1676 Barbadian Governor Jonathan Atkins reported, “For Pirates I never saw nor heard of any since I came here,” notwithstanding a few privateers “that come here... for wood and water or some fresh Provisions,” see TNA: CO 1/37, no. 22, p. 50. The Massachusetts General Court in 1670 noted a ship off the coast of Maine “at the Isle of Shoales suspected to be a pirat,” which vessel the assembly alleged had been “piratically seized” from French traders stationed at Newfoundland, see Records of Massachusetts, 4.2:449. Three years later the General Court responded to the problem of sailors “rising up against their comanders... seizing their vessells and goods at sea” by instituting the death penalty for such offenses, see Records of Massachusetts, 4.2:563.

185 Oldmixon, British Empire, 2:161.

186 Minutes of the Council of Jamaica, 22 Feb. 1666, TNA: CO 140/1, pp. 143-7; CSPC, 1661-8, no. 1138.
silver and gold.\textsuperscript{187} “We doe the Spainards more mischeife in one hour then they can do us in seven yeares,” a former diplomat boasted, “it is incredible what loss the Spainards received by us in the last expedition at Panama... Spanish Gold and Silver is the only cause of the Quarrel.”\textsuperscript{188}

Slave-trading was still another monetary spigot for Jamaica. Spain had no presence on the West African coast, relying instead upon slaves purchased from foreign merchants to work the mines of Mexico and Peru. Rather than permit an unrestricted foreign slave trade, however, the Spanish Crown awarded a highly-coveted contract called the \textit{asiento} to a designated group to exclusively supply slaves. The Genoese merchants of Italy won the \textit{asiento} in 1662, but then subcontracted to the Royal African Company of London. Port Royal was the base from which the RAC sold slaves to Spanish America.\textsuperscript{189} This trade from West Africa to Port Royal and then Spanish America, the Privy Council excitedly anticipated in 1663, would henceforth “be an occasion of importing Bullion to Our Mint.”\textsuperscript{190} In 1665 alone the Royal African Company shipped roughly 1,600 slaves to Jamaica for the \textit{asiento}, promising both the island’s merchants and the English company “Silver and Gold in great quantities.”\textsuperscript{191} And


\textsuperscript{188} Richard Browne to Secretary Joseph Williamson, 21 Aug. 1671, TNA: CO 1/27, no. 24, p. 69.


\textsuperscript{190} APCC, 1:359.

\textsuperscript{191} Petition of the Royal African Company to the King, 1665, TNA: SP 29/142, no. 1; CSPC, 1661-8, no. 1111.
though Spain prohibited its colonists from trading for goods other than slaves, Spanish American traders often clandestinely exchanged silver and gold to Jamaican merchants for English cloth and ironwares: an illicit form of commerce known as the Spanish contraband trade.\textsuperscript{192}

Port Royal merchants and buccaneers offered Jamaica the same desirable end – Spanish silver – but Jamaican merchants increasingly opposed the \textit{means} of the buccaneering interest.\textsuperscript{193} The constant raids obviously outraged Spanish officials, encouraging Spanish American traders to shun Jamaica for the Dutch Caribbean island of Curaçao. Jamaica was more accessible to Spanish territories than Curaçao – freight costs were roughly 20 percent lower to and from Jamaica – but the buccaneering threat practically nullified the lower transportation expense.\textsuperscript{194} The English Crown too recognized the great importance in maintaining this enormously profitable trade. Shortly after signing the 1670 peace treaty with Spain, Charles sternly instructed Modyford to abstain from granting any further privateering commissions, removing him from his post a few months later.\textsuperscript{195}


\textsuperscript{195} Memorandum from the King to Governor Thomas Modyford, June 1670, TNA: CO 1/25, no. 35, p. 77. Also see Zahedieh, “Merchants of Port Royal,” 575; Ritchie, \textit{Captain Kidd}, pp. 16, 142-3. For Modyford’s defense, June 1671, see TNA: CO 138/1, pp. 136-7.
The change in governorship in 1671 signaled a new era in Crown policy toward
Jamaica, one that favored commerce (and slavery) over outright robbery in the quest for
Spanish money. There was a growing sense in England that the Western powers ought to
“Ballance the Interest, Power and Dominion” in the Caribbean between the English,
French, Dutch and Spaniard, “mutuall one among another.”

Spanish power in the
Western Hemisphere was desirable not only because the Spanish paid silver and gold for
slaves and manufactures, but also because the Spanish might potentially check French
expansionism in the Caribbean. Charles instructed the new governor, Thomas Lynch,
to ensure the coming in of “all belonging to any of the Privateer Shippes,” diverting the
island’s attention to “Plantations of Sugars,” cocoa, indigo, and vanilla, on top of trade
with trade with Spanish America.

Governor Lynch moved decisively against the buccaneering faction, but a third,
and final, Anglo-Dutch War (1672-74) gave the freebooters fresh opportunity for
plunder. One Jamaican buccaneer at the beginning of the conflict looted 14,000 pieces-
of-eight from a neutral Spanish vessel. Back home in England, Henry Morgan
charismatically pleaded ignorance of the 1670 treaty with Spain during his Panama

196 Benjamin Worsley to Governor Thomas Lynch, 30 Nov. 1672, in TNA: CO 1/29, no. 51, p. 140.
197 For more on the French Caribbean in this period, see Philip P. Boucher, France and the American
Tropics to 1700: Tropics of Discontent? (Baltimore: The Johns Hopkins University Press, 2008), pp. 62-
111, 168-201; Dunn, Sugar and Slaves, 20-2; Nellis M. Crouse, The French Struggle for the West Indies,
198 Instructions for Sir Thomas Lynch, 31 Dec. 1670, in TNA: CO 1/25, no. 107, pp. 267, 269. Lynch, on
August 1671, proclaimed a general pardon for all who submitted, offering 35 acres of land per head if they
wished to plant, or freedom of trade as if their ships were English-built if they chose to trade. Also see
Latimer, Buccaneers of the Caribbean, 223-4; Whitson, Constitutional Development, 51.
199 Latimer, Buccaneers of the Caribbean, 227-41; Thornton, West-India Policy, 214-20. Before the war,
Lynch was confident that the buccaneers had been crushed, announcing that “the Privateers are all Divided,
Many Lost... some to Planting,” Governor Thomas Lynch to Secretary Lord Arlington, 20 Aug. 1671,
TNA: CO 1/27, no. 22, p. 39.
200 Robert Hewytt to Governor Thomas Lynch, 16 June 1672, TNA: CO 1/29, no. 36i, p. 90.
expedition, was knighted by the Crown in 1674, and, after promising to refrain from further piratical adventures, returned to Jamaica the following year as Lieutenant Governor, second in command to the newly-appointed anti-buccaneer Governor Lord Vaughan.201

Two factions, the buccaneering and merchant-planter interests, thereafter engaged in an intense power struggle on the island. The planting interest had previously not been at odds with the buccaneers. Privateering money provided much of the initial capital to finance the sugar and indigo plantations, and Governor Modyford himself was among the largest planters on the island.202 The number of Jamaican sugar works had risen from only seven in the late 1650s to nearly sixty by 1670, many of them financed by plundered silver. Total sugar exports from Jamaica, by this latter date, still only amounted to one-twentieth of Barbadian production in 1670.203 But as the decade progressed, Jamaican agriculture exploded further in volume, creating a gulf between the privateers and planters. Sugar exports alone rose tenfold, from only 500 tons in 1669 to roughly 5,000 tons by 1683 (Barbadian sugar exports remained constant at around 10,000 tons).204

Buccaneering imperiled commercial stability, discouraged slave traders from visiting the

201 Dunn, Sugar and Slaves, 157-8; Hamshere, British in the Caribbean, 88-9; Zahedieh, “Merchants of Port Royal,” 575; Whitson, Constitutional Development, 56. For Morgan’s defense, see TNA: CO 1/26, no. 51, pp. 138-42. For more on buccaneering under Governor Vaughan, see Thornton, West-India Policy, 221-3.


203 Nevertheless, as of 1670, total sugar exports from Jamaica amounted to only one-twentieth of the total from Barbados, see Sheridan, “Wealth of Jamaica,” 295; Zahedieh, “Trade, Plunder, and Economic Development,” 207; Dunn, Sugar and Slaves, 237.

204 Dunn, Sugar and Slaves, 203.
island, and attracted runaway servants and slaves from the plantations. Jamaican
wealth was no longer contingent upon buccaneering: indeed it was threatened by it.

Notwithstanding the increase in coin among the colonial commercial centers – Port
Royal, Boston and New York – most of the English Atlantic world was still almost
entirely dependent upon non-metallic commodity currencies. This was especially true
among rural folk, especially in the Chesapeake, Carolinas, and New England countryside.
In New Plymouth, for instance, “good currant Countrey pay” had financed a 1673
military expedition during the Third Anglo-Dutch War. It was not uncommon for New
England settlers to pay as much as £150 of “marchantable countrey pay” when buying
real estate. Budding sugar planters on the Leeward Islands likewise used alternative
currencies in place of coin, replacing tobacco with sugar money in the 1670s. Sugar
exports doubled the same decade. Free white laborers on Montserrat – where whites
still outnumbered blacks – received wages in sugar, and on Nevis annual levies were at

205 Governor Lord Vaughan to Secretary Henry Coventry, 28 May 1677, in TNA: CO 1/40, no. 93, p. 193;
Dunn, “Imperial Pressures,” 61; Amussen, Caribbean Exchanges, 39.
206 Records of the Colony of New Plymouth in New England, eds. Nathaniel B. Shurtleff and David Pulsifer,
12 vols. (Boston, 1855-61), pp. 4:184, 5:137. For other examples of country pay being used in 1660-70s
207 Dunn, Sugar and Slaves, pp. 20, 203; Nettels, Money Supply, pp. 203, 215; Riva Berleant-Schiller, “Free
Labor and the Economy in Seventeenth-Century Montserrat,” The William and Mary Quarterly, 3rd ser.,
46, no. 3 (July 1989): 540-61.
ten pounds of sugar per taxable.208 “They have little Money, but Buy and Pay with Sugars,” one visitor remarked of Nevis in 1688.209

On the island of Antigua, the transition from tobacco to sugar monoculture ended a brief experiment of a paper currency backed by tobacco. In April 1669 the Antigua assembly had authorized the issuance of paper receipts that represented tobacco deposited in official warehouses. At any time the holder of the so-called “storehouse notes” could present the paper receipt at the warehouse for the specified sum of tobacco. The storehouse notes could be transferred at any time to any person, to be redeemed at any time by any person. The notes lasted six years, but the assembly abolished them in 1675 when sugar replaced tobacco as the staple crop and currency.210

Leeward planters enjoyed far less capital or credit than their Barbadian and Jamaican counterparts. Frequent Anglo-Dutch wars continually ravaged the islands and the Royal African Company notoriously bypassed the smaller Leeward market for Barbados, Jamaica, and Spanish America.211 Leeward settlers have “noe Money,” Barbadian Governor Francis Willoughby wrote the Council of Trade after visiting the islands in 1664.212 In 1670, for instance, the Montserrat assembly, after having “seriously considered the great Necessity of Money,” raised the value of Spanish coin from 5s to 6s. A clause in the bill stipulated that any person refusing the new valuation would suffer a

211 Dunn, Sugar and Slaves, pp. 117-8, 124, 235; Koot, Empire at the Periphery, pp. 93, 98-99
212 Governor Francis Willoughby to Secretary Lord Arlington, 27 June 1664, TNA: CO 1/18, no. 81, p. 174.
fine of 1,000 pounds of “good Muscovado Sugar,” betraying sugar money’s dominance over silver. Not until 1691 did the Leeward Islands even declare Spanish dollars “current money.” And unlike the case in Barbados, the absence (so far) of any robust gentry class implied that the islands’ monetary problems stemmed not from extravagant consumption, but from the difficulties in competing with neighboring English, French and Dutch plantations.

Carolina too was almost wholly dependent on alternative currencies. Between 1650 and 1680, an estimated 30,000 small farmers left Barbados because of overcrowding and land consolidation, resulting in a flood of Barbadians to Jamaica and Carolina, the latter founded as a proprietary colony in 1663. The migrants settled along the Ashley River in what later became South Carolina, spreading thinly across the humid landscape and bearing little to no coin. The new settlers adopted deerskins, the most popular export, as their chief medium of exchange. English men and women valued deerskins for gloves and leggings, and in Carolina “there is such infinite Herds, that the

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213 Acts of Assembly, Passed in the Island of Montserrat, from 1668 to 1740 (London, 1740), 19-20. By 1672, Antigua and Nevis had also joined Montserrat in rating the piece-of-eight at 6s; in 1669 the Bermudan government raised the coin from 5s to 5s4d, see McCusker, Money and Exchange, pp. 256-7, 276.
214 Nettels, Money Supply, 203.
215 Pitman, British West Indies, 131; Dunn, Sugar and Slaves, 117-8.
whole Country seems but one continued Park.” Besides deerskins, other Carolinians exported livestock and lumber to the Caribbean. The provisioning trade returned negligible sums of coin to the province, but most of which went straight to Boston to purchase much-needed imported goods from England and Europe.

Eager for profit, the Carolina proprietors understood that a proper currency for the colony was first requisite. But a common silver currency required dependable export trade, beyond simply deerskins. Thomas Woodward, surveyor of the province, saw great potential for “Ports and Markets,” but only “provided there be a course taken for procuring a coine, without which no Towne nor Markett can well subsist: And this can no way be effected but by the ballance of Trade.” Yet tobacco prices were far too low, and the climate too unfit for sugar cane. And so Woodward suggested the “designe of making Wine,” citing the great demand for wine in Virginia, for which Chesapeake settlers paid bills of exchange or the little silver coin they had in their possession. Indeed, Woodward argued, if Virginians had simply abstained from wine “only within Twenty yeares past,” and instead “Imported in Silver… Virginia would have had more money... [than] the most opulent countrys have in Europe.”

219 Records of North Carolina, 1:100. The Carolina proprietors especially feared that the new settlers might organize the same fruitless search parties for gold and silver mines that their northern Virginia neighbor had done decades earlier. One proprietor, Lord Ashley, instructed Woodward to not share any information of mines with the common people, for fear that they might forsake planting in favor of fruitless searches for gold and silver. Ashley nevertheless remained interested in knowing whether Woodward believed any such
Recently-freed indentured servants from Virginia were now migrating in considerable numbers to the northeastern corner of the Carolina province, known as the Albemarle precinct. The Virginia-Albemarle migration, by 1680, had amounted to over 5,000 settlers, most of whom also imported knowledge of tobacco currency. Not surprisingly, the crop instantly became the predominant medium of exchange of North Carolina.\(^{220}\) A gallon of rum, in 1673, reportedly sold in the Albemarle for 25 pounds of tobacco.\(^{221}\) Only small watercraft could maneuver through the shifting shoals and sand bars of the North Carolina coast. Notwithstanding the occasional visit from a New England coasting vessel, the Albemarle was almost entirely cut off from the Atlantic world. The currency had to be native to the region.\(^{222}\)

In Virginia, the colony’s total reliance on tobacco money was certainly problematic at 2d a pound, the price in the late 1650s. But by 1665, tobacco had fallen to only 1d a pound, exasperating further the inconvenience of this cumbersome currency. Though tobacco taxes in 1677 amounted to nearly 1.2 million pounds, the sterling value of the outstanding tax levy was only £4,754. The same sum of tobacco during the boom mines to exist, but instructed him to frame his letters in such a way as to call gold, “antimony,” and silver, “iron,” in case his letters should fall into other hands, see Lord Ashley to Thomas Woodward, 10 Apr. 1671, TNA: PRO 30/24/48, no. 55, pp. 77-9; CSPC, 1669-74, no. 493. For other statements of the possibility for gold and silver in the Appalachian mountains of Carolina, see Ashe, Carolina, 155-6; Sloane, Voyage to the Islands, 1:lxxxix.


\(^{222}\) Robert Holden to the Commissioners of the Customs, 10 June 1679, TNA: CO 1/43, no. 71, pp. 124-6; Bailyn, New England Merchants, pp. 129, 147-8; Barrow, Trade and Empire, 24-7; Barth, “Sinke of America,” 12.
years of the late 1610s and early 1620s would have generated over £170,000 sterling.\textsuperscript{223}

To fight overproduction – the inflation, that is, of tobacco currency – the Burgesses tried repeated to convince the Maryland government to agree upon planting restrictions, all to no avail.\textsuperscript{224}

In Maryland too, the great “Scarcity of money in this Province” deeply aggravated the planters.\textsuperscript{225} In 1671 the assembly raised the value of Spanish dollars by 33 percent, from 4s6d to 6s, well surpassing the 5s rate in Virginia. Tobacco is “att so Low a Rate,” the law stated, that “payment cannot Soe well be made in Tobacco.” By advancing the coin to 6s, the law anticipated “Encouragement to those that shall bring monys into this Province.” The same, then, would also encourage “Manufactures handicrafts or Tradesmen,” who “Cannot Subsist without the help Conveniences and assistance of Ready mony.” The same act, moreover, banned the export of any silver money at all from the province.\textsuperscript{226}

\textsuperscript{223} Detailed account of the Public Levy, 20 Feb. 1677, TNA CO 1/39, nos. 40-1, pp. 101-6; CSPC, 1677-80, no. 71. For more Restoration accounts of Virginia tobacco money, see JHB, 2:63; Heads of the Demise Granted Lord Arlington and Lord Culpeper,” Feb. 1672, where they state “there is not coyne in that countrey,” TNA: CO 1/28, no. 20, p. 41. For more on the Restoration Virginia economy, see Menard, “Tobacco Industry,” pp. 110-4, 135-7; Menard, “Plantation Empire,” 316; Walsh, Motives of Honor, pp. 149, 181, 186.


\textsuperscript{225} In 1669 the Maryland assembly made tobacco legal tender for debts contracted explicitly in coin, citing the “Scarcity of money in this Province.” Creditors demanding silver money – the assembly argued – worked “to the great damage & Sometimes to the utter Ruine of the debtor.” Though tobacco prices had fallen to 1d, silver debts – by order of the assembly – could now be settled by tobacco “att the Rate of Three halfe pence,” further agitating the creditor class, see \textit{Archives of Maryland}, 2:220-1.

\textsuperscript{226} \textit{Ibid.}, 2:286-7. Later in the century, a group of royal officials traveling to the Chesapeake likewise reported that tobacco money causes “want of Towns and Markets... there is but little Encouragement for Tradesmen and Artificers,” see Henry Hartwell, James Blair, and Edward Chilton, \textit{Present State of Virginia, and the College} (1697; repr., London, 1727), 8.
Not surprisingly, the Maryland proprietor repealed the bold statute, yet not until five years later, in 1676. After 1676, the piece-of-eight returned back down to 4s6d: 10 percent lower than the standard in Virginia and 25 percent lower than the standard in Massachusetts and New York.\textsuperscript{227} The coins minted earlier by Calvert had mostly disappeared. “Wee have not as yett money coine amongst the People here inhabiting to carry on trade,” Cecil Baltimore in 1679.\textsuperscript{228} Maryland was certainly not alone in this in the 1670s. Though silver was undoubtedly on the increase elsewhere in the colonial sphere, alternative commodity currencies were definitely still the rule rather than the exception.

At the mid-1670s, the only English Atlantic towns where silver was the common medium of exchange was in Boston, Port Royal and, to a lesser extent, New York. Everywhere else, country pay either circulated side-by-side with silver money, or constituted the only medium of exchange altogether. Coin generally centered in the towns and, consequently, those colonies without large commercial centers of their own – Virginia, Maryland, Carolina, the Leewards, Connecticut, Rhode Island and New Hampshire – had virtually no silver or gold at all for internal circulation.

A number of solutions were available to remedy this scarcity of coin. Smuggling was certainly a favorite option. The marketing of colonial produce to Dutch buyers earned the seller a greater sum of money than playing by the rules of the Navigation Acts, and purchasing European goods directly from European traders also saved the colonial

\textsuperscript{227} McCusker, \textit{Money and Exchange}, 189.
\textsuperscript{228} Cecil Baltimore to Justices of Somerset County, in \textit{Archives of Maryland}, 15:216.
buyer money. New England merchants and shipmasters gladly assumed an intermediary role in much of this colonial-Dutch trade, carrying colonial sugar and tobacco directly to foreign markets, and carrying European goods to colonial outposts.

There were still other monetary remedies available after 1660, not the least of which was currency devaluation and buccaneering. Massachusetts and New York each raised the piece-of-eight to 6s, as did Maryland before the proprietor intervened and returned the coin down to 4s6d. In 1660s Jamaica, buccaneering was an extraordinarily popular monetary expedient, but growing opposition to the practice in the 1670s ultimately spelled the end for Jamaican privateering. The contraband trade with Spanish America, and the planting of sugar, cocoa, and indigo, constituted a far more viable and consistent supply of silver for the burgeoning island.

Two monetary proposals—colonial mints and a paper currency—failed to take hold in the early part of the Restoration period. The Crown permitted a mint in neither Jamaica nor Barbados, and the Maryland proprietor obstructed a like effort by the assembly there in 1661. The Massachusetts mint was still in operation, but the institution was now encountering great hostility from Crown officials jealous of the regal prerogative. The Crown’s desire in 1661 to launch a paper currency experiment on Barbados failed to come to fruition, and though Reverend John Woodbridge’s attempt to establish a land bank in Massachusetts attracted much curiosity and interest among the merchants and farmers in the colony, there too the plan came to nothing. Colonial America, on the whole, was not yet ready to abandon commodity money in favor of a
paper currency. As intriguing as the idea may have been to many Restoration thinkers, the notion of circulating bills emitted from a printing press was still an untested novelty.

The most important, long-term monetary strategy remained the export of valued commodities. From New England to New York, the Chesapeake, Carolinas, and Caribbean, every settlement sought earnestly to improve its balance of trade. The key point of tension was that imperial officials wished to do the same for England, prioritizing the trade balance of the home country before the balance of any of its colonies.

An economic clash of interests was emerging. King and Parliament issued mercantilist decrees from London, but the colonial plantations enjoyed considerable power in choosing whether or not they would obey. Mercantilism required a high degree of voluntary compliance, and so far the cooperation was minimal. Colonists were not yet willing to concede monetary subordination, at least fully, and in some cases, even partially. Imperial toleration and patience for colonial economic resistance, however, soon evaporated with a deep monetary crisis in 1670s England.
CHAPTER FIVE: MONETARY UNCERTAINTY IN RESTORATION ENGLAND

The economic and monetary condition of England in the 1670s was dismal, unsettling, even menacing. Loud cries of a calamitous scarcity of money swarmed the country, and the coin available for circulation was in a ruinous state. The English Crown, in 1672, defaulted on its debts, and a new rival, Louis XIV’s France, was winning the contest for New World metals. But still, all the while, there was real evidence of long-term economic growth. The shipbuilding industry had never been so prosperous, and the re-export trade of tobacco, sugar, and East Indian goods attained unprecedented volume, no matter the ubiquity of colonial smuggling. Gloom more than cheer, however, undoubtedly characterized the mood of the period.

The response of English polemists, merchants, and government officials varied greatly. Though united behind the balance-of-trade doctrine, English policymakers in the 1670s clashed deeply over the means to a common monetary end. Disagreement centered around four main pillars of mercantilist thought: commercial policy, monetary policy, foreign relations, and colonial policy. Each pillar was critically vital in determining the quantity and quality of money in England, inviting great dispute and deliberation, aided in part by the extraordinary expansion of print in Restoration England. Out of the 1670s
currency crisis emerged two competing strands of mercantilist thought in England, divided along the factional lines of Whig and Tory.¹

Behind this backdrop of monetary uncertainty, the Stuart Crown after 1675 adopted a newly ambitious imperial agenda, with the goal of harnessing the money-making power of England’s American colonies. Smuggling was still endemic in the Americas, imperiling the customs revenue as well as the kingdom’s command of the money-begetting re-export trades of sugar and tobacco to European markets, and European goods to colonial markets.

The currency crisis in England most effectively explains and makes sense of the Crown’s deliberate decision in the 1670s to consolidate its colonies under a tighter imperial framework. Colonial historians have missed this causal connection, in part because the field often segregates the study of English history from American history. But England, too, was a part of the Atlantic world, and was also, of course, centrally involved in imperial decision-making. A truly-Atlantic, imperial approach, then, must also include a close examination of what was taking placing in England. The argument requires it, and so the forthcoming pages will temporarily place the colonies on hold while we investigate more closely the state of the currency in Restoration England.

The state of the English trade and currency in the 1670s discomfited men and women in both city and country. Woollen exports to Continental Europe had fallen to one-third of their former value.² Scientific advancements in agricultural production resulted in a tumbling of food prices, panicking landlords and driving the peasantry from the countryside to urban centers, where underemployment, idleness, and stark poverty smothered the city.³

A foreboding sense of economic doom pervaded the public discourse in England. “All people are experimentally sensible of the loss and decay of Trade,” wrote Joseph Trevers in his 1677 Essay to the Restoring of our Decayed Trade, “…the general complaint now, being what shall we do, there is no Money stirring; and Lands are reduced to a lower value than formerly they were.”⁴ One London shopkeeper, John Houghton, remarked in 1677 that, according to common opinion, “there is not a penny stirring,” and that “if these times hold we shall be all undone.”⁵ William Petty too found common the notion that “the whole Kingdom grows every day poorer and poorer… that there is a great scarcity both of Gold and Silver; that there is no Trade nor Employment for the People… that Trade in general doth lamentably decay.”⁶

To make matters worse, the English Crown defaulted on its debts in 1672, the so-called Stop of the Exchequer. That January, Charles II suspended all payments to the government’s creditors for a period of twelve months: an effective declaration of state

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² Ormrod, Commercial Empires, 142.
³ Appleby, Economic Thought, 260.
⁴ Joseph Trevers, An Essay to the Restoring of our Decayed Trade (London, 1677), pp. 18, 45.
⁵ [John Houghton], England’s Great Happiness, or, A Dialogue between Content and Complaint (London, 1677), 2.
bankruptcy. Individual goldsmiths had lent the Exchequer nearly £2.25 million – mostly during the First and Second Anglo-Dutch Wars, at an approximate interest rate of 8 percent – of which Charles owed over £1.3 million in early 1672. Two goldsmiths alone, Alderman Edward Backwell and Sir Thomas Vyner, had lent the Crown over £645,000.

As many as 10,000 English men and women had deposited their money with the goldsmiths, and when the Stop of the Exchequer bankrupted five of these quasi-bankers in 1672, several hundred depositors went down along with them. “The Famous stop upon the Exchequer almost blasted their very root,” someone stated of the goldsmiths just four years later. The royal default, according to another, “not onely lost the hearts of the subjects, and ruined many widdowes and orphans, whose stocks were lent him, but the

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8 Brewer, *Sinews of Power*, 207. In 1707, Benjamin Bragg specifically pointed to the tremendous influence that Backwell and Vyner exercised over the Crown as evidence that the Bank of England may exercise similar, and even greater, influence over the politics of eighteenth-century Britain, see [Benjamin Bragg], *A Short View of the Apparent Dangers and Mischiefs, from the Bank of England, More Particularly Address’d to the Country Gentlemen* (London, 1707), 17.


reputation of his Exchequer,” a shocking development which “did exceedingly discontent
the people.” The crisis shook confidence not simply in the Crown, but in the entire
credit system itself. Three years later, in 1675, the Privy Council noted that “by the late
disorder among the Bankers there was now so general a distrust that it was in vain to
expect any money on credit.”

Though these events were certainly alarming, the economic picture, according to
some, was not all so gloomy. “The Buildings of London grow great and glorious;”
William Petty cheerfully wrote in 1676, “the American Plantations employ four Hundred
Sail of Ships; Actions in the East-India Company are near double... the King has a greater
Navy... and the Price of Food so reasonable.” “That some are poorer than others, ever
was and ever will be,” Petty conceded. Besides, a great deal of the silver lay in the
cupboard. “Much of our Plate, had it remain’d Money, would have better served Trade,”
he argued, demonstrating the apparent absurdity of affluent English, like the Barbadians,
demanding greater sums of coin while simultaneously accumulating silverware and other
like status symbols within their homes.

John Houghton, the aforesaid shopkeeper, testified also to this proliferation of
household plate, observing that among the wealthier English, “it be an affront to cause
one to drink in any worse metal than Silver,” evidence, in his view, that things were not

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11 Diary of John Evelyn, 12 Mar. 1672, quotation in Edward Randolph: Including his Letters and Official
Papers from the New England, Middle, and Southern Colonies in America [Randolph Letters], eds. Robert
Noxon Toppan and Alfred T.S. Goodrick, 7 vols. (Boston, 1898-1909), 1:43n.
12 Minutes of the Committee of Trade and Plantations, 23 Dec. 1675, The National Archives-Public
Records Office (Kew, England) [TNA]: CO 391/1, p. 56-7; Calendar of State Papers: Colonial Series,
America and the West Indies, 1574-1738, ed. W. Noel Sainsbury, J.W. Fortescue, and Cecil Hedlam, 44
13 Petty, Political Arithmetick, preface.
so bad as they seemed. Charles Davenant later estimated that more household silver had been wrought between 1666 and 1688 than in the two preceding centuries. “The Interest and Affairs of England are in no deplorable Condition,” Petty concluded, “...The Power and Wealth of England hath increased this last forty years.” “A great part of our Complaints are causeless,” Houghton also insisted, “we have more Wealth now, than ever we had at any time before the Restauration.” A young Josiah Child agreed, noting the remarkable growth of the English mercantile community since the Elizabethan and early Stuart years. The supposed decay of trade was little more than a temporary setback on an otherwise upward economic trajectory.

The English mercantile community had indeed prospered greatly since earlier in the century. The re-export of sugar, tobacco, and East Indian commodities to a growing Continental European market was much improved from the early Stuart days. The dynamism and diversity of the Restoration economy far surpassed the previous age when woollens monopolized nearly all exports. The coal, iron, lead, glass, ceramic, and tin industries advanced markedly of late, and England had nearly caught up to Holland in urbanization.

16 Petty, Political Arithmetick, pp. preface, 96.
17 Houghton, England’s Great Happiness, title page. Half a century later, Erasmus Philips remarked: “From the Year 1659 to the Year 1688, we increas’d in Wealth of all Kinds... our Trade extended itself every where.” Erasmus Philips, The State of the Nation, in Respect to her Commerce, Debts, and Money (London, 1725), 17.
19 Appleby, Economic Thought, pp. 261, 264
and English shipbuilding had tripled in tonnage since the 1630s.\textsuperscript{21} Brick buildings, glass windows, paved streets, and the growing consumption of tobacco, fruit, cocoa, and sugar signaled the rise of an emergent middle class in England, as well as a general rise in the standard of living, despite the alarming increase in urban poverty.\textsuperscript{22} Problems were certainly evident, this no writer could deny, yet considering the progress already made, “the Impediments of Englands greatness,” Petty argued, “are but contingent and removable.”\textsuperscript{23}

Mercantilism was the answer. No matter how one felt about the true economic state of England, whether in decay or bloom, the overwhelming consensus was that the balance of trade demanded improvement. “When in any Nation Commodities are Imported to a greater value than what are Exported, Impoverishment seems unavoidable, for then our ready Money must go out to even the Ballance,” Richard Haines wrote in his 1674 tract \textit{The Prevention of Poverty}.\textsuperscript{24} “Trade is the true and intrinsick interest of England,” Slingsby Bethel wrote in 1679, adding that the kingdom is “more or less enriched by the ballance of its foreign Trade.”\textsuperscript{25} Private interest must immediately

succumb to the public interest. “Merchants are like fire and water,” Thomas Violet noted, “Good Servants, but bad Masters.” According to consensus, one of the many roles of government was to ensure that merchants made “Good Servants” by serving the currency interests of England. It was on the question of state policy that the mercantilist consensus broke apart.

Extravagant spending on luxurious imported goods suffered intense criticism from many English mercantilists. French commodities had become exceedingly fashionable among the rising, urban middle class in England, eager for the attainment of so-called refinement and gentility. Consumption of French velvet, linen, silk, lace, looking-glasses, furniture, jewelry, perfume, wine, and brandy had all increased accordingly, fueling a general panic that “all the money of this Nation will be drawn into France.” Contemporary estimates placed the annual trade deficit with France at the astonishing figure of £1.6 million. The author of The Uses and Abuses of Money, in

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26 Thomas Violet, An Appeal to Caesar: Wherein Gold and Silver is Proved to be the Kings Majesties Royal Commodity (London, 1660), pp. 8, 29.


28 Bethel, French Usurpation, 6. Houghton nevertheless supported the trade: “‘Tis a great sum,” he conceded, but “Paper, Wine, Linnen, Castle-Sope, Brandy, Olives, Capers, Pruns, Kindskins, Taffaties, and such like we cannot be without,” though adding, “I must confess I had rather they’d use our goods than money,” Houghton, England’s Happiness, 5.

29 Bethel, French Usurpation, 6; Roger Coke, A Discourse of Trade (London, 1670), pp. 2-3, 38. In 1695 William Lowndes, Secretary of the Treasury, remarked that in years past, “the French King receiv’d in Specie of English Money, at least a Million per Annum,” [William Lowndes], A Further Essay for the Amendment of the Gold and Silver Coins (London, 1695), 4. “Had it not been for our Excess in them [French luxuries],” William Carter wrote in 1700, “the Reign of King Charles the Second had loaded this Kingdom with Coin and Bullion,” see William Carter, An Alarum to England: To Prevent its Destruction by the Loss of Trade and Navigation; which at this Day is in Great Danger (London, 1700), 25-6.
1671, deplored “that we should pay ready Coin for French Nut-crackers, and give excessive Rates for the Wine which doth in truth intoxicate us, and makes us the more ready to give them Money for it.”

Persuasion alone would not eradicate this English fixation on French luxury items. Cries erupted for “extraordinary customs” against French commodities, else “no doubt our treasure will be soon exhausted.” Parliament had already raised the duty on French wine and brandy in 1666, but in 1678 Parliament banned the import of these goods altogether, including also French linen and silk, convinced that the trade “exhausted the treasure of the realm.” Not all English writers agreed that luxury was problematic – Houghton argued that conspicuous consumption encouraged hard work and “makes every one strive to excel his fellow” – but the overwhelming view was that imports had to be curtailed to stop the hemorrhaging of money to France. One author in

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1679 even titled his book *An Account of the French Usurpation upon the Trade of England.*

The East Indian trade also received a large share of the blame for the perceived scarcity of coin in England, but this particular issue deeply divided the mercantilists. The East India Company yearly exported as much as £500,000 of silver from England, a far greater sum than what the Dutch East India Company exported. The Dutch enjoyed exclusive trading rights with the Shogunate in Japan, exchanging Dutch manufacturers to the Japanese for silver, a native resource to the island, and with Japanese silver, Dutch merchants purchased East Indian goods. “It were well if we could manage the East-Indie Trade as the Dutch do,” wrote a prominent Whig author in the 1680s, “who carry no Silver from Holland, but drive the Trade with the Silver they get from Japan in exchange for other Commodities.”

Besides the mass export of silver from England, the products imported by the East India Company drew heavy criticism from many mercantilists. Indian textiles constituted just over two-thirds of the imported goods, a great change from earlier in the century, when pepper dominated. Imported Indian textiles soared from only 28,000 pieces annually in the mid-1660s to over half a million pieces in 1670, at which date textiles


surpassed pepper.\textsuperscript{36} Thereafter, in the early 1670s, the EIC transported English artisans to train Indians in the production of printed textiles specifically for a European market, including tapestries, bedspreads, draperies, shirts, and dresses. From the mid-1670s onward, the inexpensive, light-weight Indian fabrics – calicoes and muslins – became enormously fashionable across all of England and Western Europe.\textsuperscript{37}

English woollen manufacturers replied with a full-scale attack upon Indian textiles. Calicoes were not only “fully Manufactured abroad,” but also “chiefly carried on with Gold and Silver sent from England.” For the remaining part of the century, English manufacturers used the language of mercantilism to frame their grievances against the EIC, lambasting the “extravagant Expence of our Nation in East-India Apparel,” which so endangered “Englands Golden Fleece.”\textsuperscript{38}

Still another mercantilist faction staunchly defended the East Indian trade, pointing to the profitability of re-exporting calicoes to Continental Europe. The money earned from the re-export trade over-balanced the money lost in the original purchase. English merchants re-exported roughly nine-tenths of the annual average of 4.6 million pounds of imported pepper, and the company re-exported a growing number of calicoes.\textsuperscript{39} “Though the Company send great quantities of Treasure to the East-Indies,”

\textsuperscript{36} Ormrod, \textit{Commercial Empires}, 190; Clay, \textit{Economic Expansion}, 2:165-7; Davis, \textit{Commercial Revolution}, 11-2. Pepper, nevertheless, still made up 17.5 percent of East Indian imports at the mid-1670s.
\textsuperscript{38} John Blanch, \textit{The Naked Truth, in an Essay Upon Trade} (London, 1696), 4-5; [Thomas Johnson], \textit{A Discourse Consisting of Motives for the Enlargement and Freedome of Trade, Especially that of Cloth, and other Woollen Manufactures} (London, 1645), 3. For more on this point, see Appleby, \textit{Economic Thought}, 167; Cunningham, \textit{Growth of English Industry}, 463-4.
\textsuperscript{39} Clay, \textit{Economic Expansion}, 2:165-7; Davis, \textit{Commercial Revolution}, 12. The number of calicoes re-exported in 1670 was 100,000 pieces; by the mid-1680s the figure was at roughly 500,000.
Roger Coke argued in 1675, “yet the returns of them, in the Trade to Spain, and other places, produce greater quantities of Treasure.”

One mercantilist defender compared the East Indian trade to a farmer sowing seed to reap a greater harvest, so that “the East-India Company have not wasted, but rather increased the English coins.” “We are Gainers by the whole, and in the General Ballance,” Charles Davenant explained later in the century, “...so that if the East-India Trade carry out the Gold and Silver from this side of the World, ‘tis truly, and properly, at the Cost, and Expence, of France, Germany, Spain, and the Northern Kingdoms.” Indeed, England’s trade balance with France in the 1670s would have been even worse had it not been for the re-export of East Indian goods to French consumers. Sadly for England, Davenant noted, the French government did “very wisely prohibit the wearing Callicoes” in the year 1684. Nevertheless, he concluded, mercantilist critics of the East Indian trade “object against the Motion of one Wheel, without knowing and seeing how the whole Engine works.”

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43 Davenant, *Discourses on the Publick Revenues*, 1:31. “We may seem to lose by the Ballance in one Place,” he wrote, “but perhaps that Trade may be the Cause of another, twice as profitable.” On pp. 2:320-434, Davenant delivers a lengthy mercantilist defense of the East India Company.
Opponents of the company replied that East Indian commerce – indeed, the “whole Engine” – came at too high of a cost: the destruction of English textile manufacturing, the only way to “inrich this land with store of Coyn and Bullion.”

English textiles, they argued, required prohibitions or protective tariffs on French, Dutch, and Indian clothiers. “Foreign Manufactures must be prohibited,” demanded one writer in 1679; if properly encouraged, another fantastically wrote two years earlier, “Woollen-cloaths” would “bring in more profit to the Kingdom of England... than all the Spaniards Gold and Silver Mines in America.” Without protection, “much of the Treasure of the Kingdom is exhausted and drawn to other lands.”

One clothier in 1672 even called woollens “the richest Treasure in his Majesties Dominions.”

Though woollens were still far and away the most dominant English-made export, the industry had suffered through a definite slump in the seventeenth century, and now represented only a fraction of the value from earlier in the century. The growth of French woollens imperiled England’s command over southern European markets; the growth of German woollens endangered central European markets. Even the domestic market was imperiled by imports of fine French linen, coarse linens from Holland and Germany, and of course East Indian calicoes.

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As Carew Reynell, a leading Whig, argued later in 1685, protective legislation for English manufacturing will not only “set at work millions of people... it saves likewise mony in our purses by lessening importation, and brings mony in by exportation.” “They tempt us,” he wrote, “with all sorts of French Toyes, Indy and Japan trifles, stain’d Callicoes, Silks and such pleasant things, and fetch away our Money and solid wealth. But I say let us make store of all new Manufactures to tempt them with, and to barter for them, and not send Money.”

Mercantilists who supported the East India Company generally condemned protective legislation for English manufacturing. The Dutch model of “free liberty for all,” they argued, allotted great wealth and money to the Netherlands, and would do the same for England. “Too many Matters have been regulated by Laws,” Petty replied, “which Nature, long Custom, and general Consent, ought only to have governed.”

English consumption of Indian calicoes lessened English demand for European linens, Houghton argued, improving the trade balance with Continental rivals. “Liberty of Trade is absolutely necessary to make it Great,” another remarked.

Roger Coke went a step further and launched a controversial, yet mercantilist-rooted attack upon the Navigation Acts, demonstrating once again that the overriding

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49 Carew Reynell, A Necessary Companion, or, The English Interest Discovered and Promoted (London, 1685), preface. Also see p. 8.
50 Coke, Discourse of Trade, pp. 36, 41, 50; Child, Brief Observations, 5.
51 Petty, Political Arithmetick, preface.
53 Pollexfen, Discourse of Trade, pp. 60, 150. In 1645 Thomas Johnson argued, “There is nothing so advantagious and commendable in a Trade, as Community and Freedome.” Johnson particularly targeted joint-stock companies which had received a monopoly charter from the Crown, writing, “To barre any freeborn subject from the exercise of his Invention and Industry... is to deprive him of part of his birth-right... a kinde of slavery upon him in his own Countrey,” see Johnson, Discourse Consisting of Motives, 3-4.
consensus on the ends of mercantilism rarely implied any consensus on the means. “The Navigation of England is hindered by the Act of Navigation,” Coke boldly proclaimed in 1670. Because Baltic timber and naval stores, by law, had to be imported in English ships – attendant with higher freight charges – Baltic naval goods were now more expensive to buy than previously, he reasoned, increasing the cost of shipbuilding in England.\(^5^4\)

In a time, also, when English writers bemoaned the loss of foreign trade, the Navigation Acts curiously restricted the volume of foreign trade. The many requirements, Coke wrote, “exclude multitudes of [foreign] men and Traders” from English ports, restricting trade instead “to a few English merchants.” This was the height of folly: “We complain for want of trade, when as by this Law it seems impossible to be otherwise,” he argued, “...This Law makes a few Merchants Masters of all the Trade of England… [and] endangers a Forrein Trade of our Woollen and other Manufactures.” Abolish the Navigation Acts, he urged, and English trade would promptly increase, and with it the stock of silver and gold coin. The Dutch, after all, had no parallel to the Navigation Acts, yet enjoyed money in plenty.\(^5^5\) Most mercantilists, of course, strongly disagreed with

\(^{54}\) Coke, Discourse of Trade, 24-8. In 1674 Carew Reynell similarly denounced the requirement that trade be carried in English vessels, owing to the cheaper freight available with foreign-built ships, which he argued would help increase English exports, see Carew Reynell, The True English Benefit, or, An Account of the Chief National Improvement (London, 1674), 14-5. Even Samuel Fortrey, who celebrated the Acts as “rather an advantage then a prejudice to the publick,” conceded the same point, see Fortrey, Englands Interest, 36-7. In 1692, Sir Josiah Child, one of the most ardent defenders of the Navigation Acts, conceded that the trade to the Baltic “is much declined since the passing the Act of Navigation,” see Josiah Child, A New Discourse of Trade (London, 1692), 96-7.

\(^{55}\) Coke, Discourse of Trade, 29; Coke, Englands Improvements, 34-7. For a more detailed discussion on mercantilist opposition to the Navigation Acts, including Roger Coke – “its acutest critie” – see Lipson, Economic History of England, 3:130-2; Andrews, Colonial Period, 3:131-4. William Petty was also at odds with much of the Navigation Acts, see Ted McCormick, William Petty and the Ambitions of Political Arithmetic (Oxford: Oxford University Press, 2009), 144. In 1692 Josiah Child responded in great detail to the various objections levied by English mercantilist objections toward the Navigation Acts, see Child, New Discourse, 90-6. As late as 1695 Francis Brewster remarked that to speak of the Navigation Acts “is to
Coke on this issue, but the fact that controversy accompanied even this central piece of legislation highlights the point that the means to the common mercantilist end was the subject of great dispute, and anything but consensus.

Beyond simply the issue of commercial policy, the English currency itself came into question in the Restoration period. Several important monetary changes had taken place since the ascendancy of Charles II to the throne. In 1661 the Crown ordered a general re-minting of all the Commonwealth money into an unclippable, milled coinage (Figure 9). The new money contrasted sharply with the still-extant hammered money of the Elizabethan and early Stuart era, most of which had silver clipped off of the edges. Just as important for the currency, however, Parliament in 1663, with the King’s approval, legalized the unlicensed export of all foreign coin and bullion from England.  

Most Restoration polemists now defended, from a mercantilist perspective, the legal, unlicensed export of foreign coin and bullion. The removal of this barrier, they argued, increased trade, causing more money to enter the kingdom than otherwise.

Parliament, indeed, entitled the 1663 law, “An act for the encouragement of trade.” As far enter upon Controversy in Trade,” proceeding thereafter to answer some of the aforementioned objections, see Francis Brewster, Essays on Trade and Navigation (London, 1695), pp. 92, 102, 107. “Some are of opinion that Laws for Regulating of Trade are unnecessary,” John Pollexfen wrote in 1697, “if not inconvenient, and that it had better be left to take its own Course; but this opinion hath been contradicted by Experience.” Nevertheless, he added that while it remained “a very good Act in the main,” it “may deserve an inspection, for some Clauses may appear convenient to be repealed, and others Strengthened,” see Pollexfen, Discourse of Trade, 147-8.

back as 1628, the influential English economist Thomas Mun had forcefully argued that the free export of money was in fact “a means to encrease our Treasure.” “Money begets trade, and trade encreaseth money,” he reasoned, though conceding, however, that the free export of coin was still “so contrary to the common opinion,” that it was yet unlikely to find common support.\(^{57}\)

The popular acceptance of this currency doctrine by the 1660s signaled a great shift in mercantilist theory from simpler, earlier notions of entirely prohibiting the export of money, “a profound Fallacy,” one author later derided. A more sophisticated theory of mercantilism now ruled the day, focusing less on the individual dealings of each merchant and more on the aggregate dealings of the nation as a whole.\(^{58}\) The examples of Spain, on the one hand, and Holland and Italy, on the other, had persuaded most mercantilists by midcentury of the futility in laws prohibiting the export of coin, now deemed “altogether useless.”\(^{59}\) “The Dutch, Venetians, and Florentines,” Coke noted, “...freely permit the Exportation of mony in Trade, and grow rich thereby, and the King of Spain, who hath all the Treasure of the West-Indies, upon the penalty of Death, forbids the Exportation of it, grows poorer, and can keep none.”\(^{60}\) In December 1660, then, the


\(^{58}\) North, *Discourses Upon Trade*, 13-4.

\(^{59}\) Fortrey, *Englands Interest*, 33.

merchant-dominated Council of Trade advised Charles that the free export of money would actually “increase the stock of Money.”

The forthcoming currency legislation in 1663 failed to go quite so far as the Dutch or Italian examples. The export of English-stamped coin remained illegal until the early-nineteenth century, as did the circulation of foreign coin within England itself. The move was nevertheless a radical departure from traditional monetary doctrine. Though consistent now with mainline mercantilist theory, the internal use of foreign coin and the free export of English coin remained illegal only because it would have constituted too gross of an affront against the royal prerogative.

Even so, the decision to legalize the export of foreign coin and bullion unleashed a torrent of criticism. Some interpreted the law as an insult to the king himself, notwithstanding Charles’s assent. Fewer foreign monies, they argued, would now enter the royal mint for recoinage. The House of Lords declared the act “dangerous to the peace of the kingdom.” “It trencheth highly upon the king’s prerogative,” the Lords protested, “...it shall be in the power of half a dozen or half a score rich, discontented, or factious persons, to leave us in want of money, and it shall not be in the king’s power to prevent it.” In a special address to the king entitled An Appeal to Caesar, Thomas Violet argued that the free export of foreign coin and bullion would not only “rob the King of one of his greatest Prerogatives,” but reeked of those “mad Phanatick daies that

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61 Council of Trade to Charles II, 11 Dec. 1660, in Selection Collection, pp. 145, 153. “The present state of traffic throughout the world,” they argued, “requires that, for the increase of the stock of Money in these your Majesty’s kingdoms, some way of liberty for the Exportation, at least of foreign Coin and Bullion, should be found out.”

we had no King.” Gold and silver, he wrote, is a “Kingly Merchandize… not at the
dispose of the Merchants to be transported at their pleasure.” Parliament “may as safely
put a Sword into a Madmans hand, or a Knife into a Childs, as trust the Merchants to
transport Gold or Silver without your Majesties licence.”

The East India Company, not surprisingly, played an integral part in persuading
Parliament to finally lift the ban, allowing the company to vastly expand its operations,
and the EIC now exported more silver than ever. Some accused the company of favoring
“private profit” over the common weal. “If Transportation of Coin be absolutely
requisite,” one writer protested, “let them be contented with a certain Quantity Yearly to
be allowed them for that end; and not to let our Coin have an unlimited Current out of the
Kingdom.” “Alas!” he continued, “this is like one having a Vein open, and continually
running.”

By the 1670s the dire warnings of those predicting monetary calamity in the
aftermath of the 1663 law seemed to be coming true. But a great part of this had more to
do with the ever-changing ratio in the value of silver and gold. “The history of money in
England,” Marx later wrote, “consists of one long series of perturbations caused by the

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63 Violet, *Appeal to Caesar*, pp. 1, 5-10, 12, 15, 25-6, 28, 30. “Let this be granted to the Merchants, to send
out Silver and Gold freely, for their private profit, and in a few years they will leave neither Gold nor Silver
in the Nation,” Violet predicted.

64 Quotation from Violet, *Appeal to Caesar*, 10. Also see Nettels, “British Policy,” 222; Cunningham,
praised Queen Elizabeth’s decision at the founding of the company to restrict the sum of silver they could
legally export to India.

65 *Uses and Abuses of Money*, pp. preface, 9.
clashing of the legally fixed ratio between the values of gold and silver... At one time
gold was too high, at another, silver."\(^{66}\)

As with all commodities, the market ratio between silver and gold fluctuated over
time. During the Middle Ages, the ratio generally stood at roughly 9:1 – that is, nine
ounces of silver bought one ounce of gold.\(^{67}\) In the fifteenth century, central European
silver mining had caused silver to fall slightly in value, bringing the market ratio to 11:1.
But it was the 1545 discovery of the silver mountain in Peru that caused the metal to
steadily decline in price. Silver fell so dramatically relative to gold that the ratio was 15:1
by the mid-seventeenth century.\(^{68}\)

The problem, however, was that European mints and governments established
fixed ratios for gold and silver – a policy known as bimetallism – and so the legal ratio
did not always reflect the actual price in the global marketplace. This disparity caused
one metal to be undervalued and the other metal to be overvalued in that particular
country. If the international market ratio, for instance, stood at 13:1, but the legal ratio
was 12:1, that particular country overvalued silver and undervalued gold. In other words,
an ounce of gold made only twelve ounces of silver, though elsewhere it made thirteen.\(^{69}\)

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\(^{66}\) Karl Marx, *Capital: Critique of Political Economy, Volume I*, trans. Ernest Untermann (1867; repr., New


\(^{68}\) Charles P. Kindleberger, *A Financial History of Western Europe* (London: George Allen & Unwin,
1984), 26. For contemporary explanations of this effect, see John Locke, *Further Considerations

\(^{69}\) For an eighteenth-century critique of bimetallism, see Harris, *Money and Coins, Part I*, pp. 58-9, 64. For
an explanation of the effect of a differentiation between the mint price and market price, see [Joseph
Harris], *An Essay upon Money and Coins: Part II, Wherein is Shewed, that the Established Standard of
Money should not be Violated or Altered* (London, 1758), 53-68.
The undervalued metal rarely came into the mint for coinage because the global marketplace offered a higher price for the same quantity of metal. The overvalued metal, however, flowed into the country for the opposite reason: it received a higher price there than anywhere else. “It is an infallible rule,” Thomas Violet later remarked, “that where Gold and silver is over-valued, thither will it be transported by merchants and others, for it continually resorts where it is most made of.”

The English and Dutch East India Companies, for instance, exported silver to India, not gold, because India assigned a legal value to silver exceeding the market price: a 12:1 silver-gold ratio in India versus a 13-15:1 ratio across most of Europe. Silver, that is, paid a higher price in India than in Europe, and so silver, not gold, went to India.

In Tudor England, the mint overvalued silver and undervalued gold, causing silver to be almost the only metal coined under Elizabeth (Figure 10). For Elizabethan merchants, the disparity allowed them an extraordinary profit-making opportunity. Throughout England, merchants bought up undervalued gold with overvalued silver, and

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70 Thomas Violet, *An Humble Declaration... Touching the Transportation of Gold and Silver, and other Abuses Practised Upon the Coynes and Bullion of this Realm* (London, 1643), 25. “The merchant will always make that metal his standard, which is highest valued at the mint,” another wrote, see Harris, *Money and Coins, Part II*, 61.


then smuggled the cheap gold abroad to European countries where gold received a higher price. There, the English merchant exchanged the gold for silver, and then imported the European silver into England for conversion into English coin. The merchant now possessed more silver coins than he had started with. Despite its illegality, the same merchant then repeated the process all over again, and again that. The problem grew worse further into Elizabeth’s reign. Silver production in Peru and Mexico continued to soar, the market price of silver continued to fall, and the legal ratio in England failed to keep up, resulting in severe overvaluation for silver in England and spectacular profits for savvy English merchants.73

Finally, in 1604, James I raised the legal rate of gold to more accurately reflect the market price, raising gold from 11:1 to 12:1. James changed the ratio again in 1611 to 13:1; again in 1619 to 13.5:1, before the ratio finally reached 15:1 under Charles I. But the early Stuart Crown had overcompensated: gold was now overvalued at the English mint and silver was undervalued, so that between 1608 and 1632, gold coins accounted for roughly 90 percent of mint output (Figure 11).74 During this same period, silver happened to be overvalued in the Baltic countries, and so most of the coin exported from

73 The problem became even more acute in 1601 when the English mint adjusted the ratio from 11.79:1 to 11:1, making silver more overvalued – and gold more undervalued – than before, see Supple, Commercial Crisis, 166; Dodd, History of Money, 53; Challis, “Great Silver Recoinage,” 308; Lipson, Economic History of England, 3:75; Cunningham, Growth of English Industry, 137-40.
England to balance the trade deficit for naval stores and timber was silver. By the late 1630s, the market price of silver had fallen enough so that silver was no longer undervalued in England, and so for a brief period, the disparity between the legal and market value ended. During the 1640s, however, the situation reversed and silver was once again overvalued, causing almost all of the later Commonwealth money to be silver, constantly draining gold from Cromwellian England.

In August 1661, Charles II altered the legal ratio again to match the market price, raising the legal value of gold by nearly seven percent. “Our gold is more stirring abroad than here at home,” the proclamation read, causing a “scarcity of gold throughout our whole dominions.” Two years later, in 1663, Charles authorized the minting of a new gold coin called the guinea, named after the Guinea Company which traded off the west coast of Africa and imported African gold into England. The money came in half-guinea, one-guinea, two-guinea, and five-guinea pieces (Figure 12). The Crown allowed English traders to buy or sell guineas at any price they chose – there was no obligatory rate – but the Exchequer assigned a legal value of £1 sterling (20s) to the one-guinea piece in all

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76 Supple, *Commercial Crisis*, 168.

77 Challis, “Great Silver Recoinage,” 324-31; Craig, *The Mint*, 157; Dodd, *History of Money*, 60; Ruding, *Annals of the Coinage*, 1:407-22. As early as 1643 Thomas Violet wrote, “It is to be feared that the industry of many ages cannot replenish the Kingdom with so much gold as hath been transported out,” see Violet, *Humble Declaration*, 25. France, at this time, overvalued gold, causing Violet to warn on pp. 31-2 that France had “drained all Christendome of gold... as good a strength as any amunition they can have; for it makes them capable of any great action.” Also see pp. 7-22.

public payments. The market rate in England for the guinea, then, tended to follow the Exchequer rate, and not the international rate for gold.79

By the late 1660s, further market changes in the silver-gold ratio once again made gold overvalued and silver undervalued in England, just as had been the case in the early Stuart years (and opposite from the Elizabethan and Cromwellian years). Beginning especially in the 1670s, and climaxing in the 1680s, English merchants exported enormous quantities of silver to buy up gold on the Continent, returning Continental gold to the mint for coinage into guineas, then using the guineas to buy up even more undervalued silver for export to Europe. Done correctly, the merchant, at the end of it, owned far more guineas than previously, and all for taking simple advantage of currency exchange rates.80

The silver exported from England was almost exclusively the unvitiated milled coinage, but only after having been illegally melted down into bullion, as bullion was legal to export after 1663. Though the “Crime of Melting” was illegal, the practice was

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79 Horsefield, British Monetary Experiments, 73; Dodd, History of Money, 80; Ruding, Annals of the Coinage, 2:10; Nettels, Money Supply, 163; J.R. McCulloch, “Notes on the Re-Coinage of 1696-99,” in Select Collection, 262. Before the guinea, the primary English gold coin was the angel, worth barely more than a half-guinea; before the angel, the noble was the primary English gold coin, worth slightly more than a guinea.

near-impossible to catch, with only a “small risk of discovery, and at a small expense.”

“The melting-pot devours all,” lamented one writer; bullion dealers, stated another, “are grown monstrous rich”; “the melting-pot is always at work.”

The entire process was made all the more easier because of the Free Coinage Act of 1666, which, for the first time in English history, abolished all fees at the mint, rendering costless the act of sending Continental gold to the mint for coinage into guineas. A single merchant, then, could make up to £25 on every £1,000 worth of silver exported to Europe for gold.

More gold arrived in England than ever before, and as one writer noted in 1671, “‘tis to little purpose to transport them.” Mint statistics reveal the great extent to which gold became overvalued. Total mint output in the 1660s was £687,000 gold and £1.19 million silver; in the 1670s, £1.76 million gold and £1.94 million silver; and finally by the 1680s, gold output nearly quadrupled silver, with £3.95 million of gold minted and only £1.16 million of silver. Charles Davenant later estimated that of all the silver minted between 1660 and 1688, close to half had been melted down and exported out of

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81 Quotations from William Lowndes, A Report Containing an Essay for the Amendment of the Silver Coins (London, 1695), 99-100; Harris, Money and Coins: Part II, 56.
82 North, Discourses Upon Trade, 18; Violet, Appeal to Caesar, 12; Harris, Money and Coins, Part II, 56.
83 “Free Coinage of Bullion at the Mint Proclaimed,” in English Economic History: Selected Documents, eds. A.E. Bland, P.A. Brown, and R.H. Tawney (London: G. Bell and Sons, Ltd., 1914), 674. For more on this legislation, see Craig, The Mint, 168-9; Appleby, Economic Thought, pp. 102, 228; Dodd, History of Money, 84; Appleby, “Natural Law of Money,” 54; Ruding, Annals of the Coinage, 2:12; Cunningham, Growth of English Industry, 432-3; Clarkson, Pre-Industrial Economy, 14. Dudley North later blamed the Free Coinage Act for the rabid export of melted-down English silver from the country, see North, Discourses Upon Trade, 18.
84 Dodd, History of Money, 87.
85 Uses and Abuses of Money, 12.
86 Challis, “Great Silver Recoinage,” 381. For additional mint statistics for the Restoration Stuart period, see Davenant, Discourses on the Publick Revenues, 2:33; A Review of the Universal Remedy for all Diseases Incident to Coin (London, 1696), 6; Pollexfen, Discourse of Trade, 83; Philips, State of the Nation, 18. Erasmus Philips had this to say half a century later: “The great Scarcity of this [silver] Commodity we labored under a few Years since, was owing to the too great Value we put on Gold in proportion to Silver… the great Coinage of Gold about that time makes it apparent that Foreigners gain’d by the Exchange of Gold for Silver,” Philips, State of the Nation, 49.
the country. Because France overvalued silver, the metal also accounted for most of the money exported by the English for French luxury items (as well as French gold).

Most of the silver that circulated in England was now of the clipped, hammered variety, dating back to the Tudors and early Stuarts (Figures 10, 13, 14). The merchant community, of course, dealt increasingly in gold guineas. Landed elites hoarded most of the silver minted since 1661 – that “weighty, fine and beautiful Money” – and the merchants melted their stashes for export. Either way, the milled silver was no longer used. Thomas Violet, indeed, had predicted back in 1660 that the free export of bullion would result in practically nothing “but light and clip’d money” for internal use.

Gold, of course, was less suitable for smaller transactions than silver. A skilled English artisan made, on average, £14 a year, and so a single guinea represented an entire month’s wages. The cry for small change grew so great, that between 1684 and 1694, the royal mint even resorted to coining tin farthings to meet the growing demand (Figure 15). Some began calling for a general recoinage of all the clipped money, though the task, for now, seemed so insurmountable that few as of yet wished to think about it.

87 Davenant, Discourses on the Publick Revenues, 2:35.
88 Dodd, History of Money, 87; Petty, Quantulumcunque, 157.
89 Lipson, Economic History of England, 3:73; Craig, The Mint, 167; Dodd, History of Money, 84-5; Cunningham, Growth of English Industry, 434-5; McCulloch, “Notes on the Re-Coinage,” 262. “Much of our weightiest Hammered Money is supposed to be Exported, for little appears of it,” John Pollexfen remarked later in the century, see Pollexfen, Discourse of Trade, 83.
90 Quotation from Petty, Quantulumcunque, 162.
91 Violet, Appeal to Caesar, 12.
92 Clarkson, Pre-Industrial Economy, 146.
94 Petty, Quantulumcunque, 157-8.
With the coinage falling so radically awry, a number of writers suggested paper currency, an ever-popular, though provocative alternative. Precisely how such a currency should be issued was a point of great dispute. Two competing schools of thought emerged. One promoted incorporated banks after the Dutch and Italian model (a redeemable paper currency backed by coin in a vault) and the other promoted loan offices after William Potter’s midcentury proposal (an irredeemable paper currency backed by land or real estate). Within both schools, of course, opinions varied widely on the details.

A paper currency, in fact, already circulated within England’s commercial centers, especially between the merchants of London. Unincorporated, individual goldsmiths issued paper receipts known as Goldsmiths’ Notes, the quantity of which increased rapidly since the Restoration. “The passing of Paper in Payments was not much practised till after 1660... Goldsmiths Notes passing for Money,” John Pollexfen, merchant and Member of Parliament, later reflected.95 Indeed by the early 1690s, as many as £2,000,000 of Goldsmiths’ Notes actively circulated in London.96

Upon receiving a deposit of silver or gold from a client, the goldsmith issued a paper receipt – or note – assignable to third parties, allowing the note to pass from hand to hand. At any time the bearer could present the note to the goldsmith, even if he or she had never made a deposit, and demand the specified sum of coin. Unlike later bank notes, Goldsmiths’ Notes were handwritten (not engraved) and issued in irregular (rather than fixed) amounts. A typical note went as follows: “I promise to pay unto ______ or bearer

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95 Pollexfen, *Discourse of Trade*, pp. 64, 68.

353
A single goldsmith could potentially service hundreds of clients and issue several thousand pounds of notes, and some goldsmiths exceeded even this amount.98

Most goldsmiths operated on a fractional-reserve basis, meaning that the sum of outstanding paper notes in circulation was greater than the total sum of coin the goldsmith physically held at any one time in the vault. The goldsmith simply assumed that not all of the note-holders would redeem their receipts at once. Instead of letting them all of the coin sit away in the vault, the goldsmith employed a sizable percentage of the deposits, lending money to the Crown, private individuals, or purchasing securities and stocks, earning interest or capital gains on deposited money. Thus the fractional-reserve system permitted goldsmiths to offer interest payments on their clients’ deposits, generally six percent, whereas a 100 percent reserve system would have compelled them to charge a storage fee (like any other warehouse).99 The goldsmith and depositor both seemed to benefit, and more paper notes entered circulation.

But there was also a major downside to the fractional-reserve system, as seen when the Crown defaulted on its debts in 1672. The clientele of the bankrupted

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98 Clay, Economic Expansion, 2:274.
goldsmiths lost their deposited money after the Stop of the Exchequer because their deposits had been used to purchase government bonds. The money was not in the vault, indeed, it was nowhere at all.

Land-bank proponents seized upon these incidents to emphasize the inherent risks in fractional-reserve banking, prone to runs and bankruptcies. Some critics went so far as to label the entire system fraudulent. Francis Cradock, the same one who had tried to set up a land bank on Barbados, called fractional-reserve banking “no other then a publique Cheat... having more credit [paper notes] current in Bank, then there is Money to answer it.”

Reverend John Woodbridge of Massachusetts described the system as too “subject to a rupture,” with the ever-looming “possibility to break.” Fellow Bostonian and land-bank supporter Capt. John Blackwell argued that the “Imaginary being or presence” of money in the vault, in spite of reality, exposed the system “to many casualties and hazards,” something the land-bank system and its irredeemable paper currency was entirely immune to.

Defenders of fractional-reserve banking insisted that the practice was not fraudulent in the least. The depositor, after all, was fully aware that not all of the deposit remained in the vault, and in fact appreciated that fractional-reserves allowed for interest payments on their deposit. It was simply unnecessary, they argued, to hold 100 percent reserves. The likelihood of every note-holder or depositor demanding payment in coin at

100 Francis Cradock, Wealth Discovered, Or, An Essay upon a Late Expedient for Taking Away All Impositions, and Raising a Revenue Without Taxes (London, 1661), 7-8.
101 [John Woodbridge], Severals Relating to the Fund (Boston, 1682), 2-3.
once, they argued, was slim, and so rather than let the coin waste away in a vault, it was better to profitably use the money.

In the event that the goldsmith or banker was in sudden need of extra reserves, he could simply sell his various assets (bonds, securities, etc.) for ready cash to satisfy the unusual number of note-holders or depositors demanding payment at the counter. Of course, if a majority of goldsmiths or bankers all at once found themselves desperately needing to sell their assets for ready cash, the situation could quickly spiral out of control, causing a sudden fall in the value of assets (more sellers than buyers), a sudden contraction of loans, and finally a series of bank runs and bankruptcies, plunging the country head-first into an all-out depression. Needless to say, this method of banking was quite the controversy, and for many years to come.103

Another banking dispute was the allegation that goldsmiths exercised undue influence over the English government itself. Such influence resulted from their massive holdings of government debt. As collateral for the King’s loans, the Crown had made the goldsmiths tax farmers, allowing them privileged access to government revenue.104 It was precisely at this point, an opponent wrote in 1676, that “the King and Kingdom became Slaves to the Bankers.” Strong words, but as evidence thereof, the anonymous author pointed to the goldsmiths’ control over the tax revenue. “All the King’s revenue passed

103 For various seventeenth- and eighteenth-century defenses of fractional-reserve banking, see Robinson, Englands Safety, 34; Vanderlint, Money Answers All Things, 5; [Benjamin Franklin], A Modest Enquiry into the Nature and Necessity of a Paper-Currency (Philadelphia, 1729), 21-2. Benjamin Franklin, in 1729, remarked: “The Bankers, always reserving Money in hand to answer more than the common Run of Demands (and some People constantly putting in while others are taking out), are able besides to lend large Sums... and the Money which otherwise would have lain dead in their Hands, is made to circulate again thereby among the People. And thus the Running Cash of the Nation is as it were doubled.”
104 Dodd, History of Money, 73-4; Cunningham, Growth of English Industry, pp. 152-3, 419.
their hands,” he wrote; they “anticipate all the Revenue” and “take every Grant of the Parliament.” The goldsmiths, indeed, had stumbled upon a “new Mischievous trade… greedy to ingross all the Cash they could.”

Thomas Violet, an ardent royalist and himself a goldsmith, went a step further and accused certain bankers of having involved themselves in a conspiracy to overthrow the Stuart monarchy and reinstate a Commonwealth government. Banking, he argued in November 1660, is a “Common-wealth trick” that “tends to the undoing of a King.” These moneylenders, he wrote, hoped to be “the peoples Princes, and virtually the Banckers have the power, riches, and strength of the Common-wealth.” In such a country, he argued, the prince or politician is merely a puppet. “Let who will have the Title, the Prince of Orange, or the Duke of Venice, but the Banker, and the hogan mogan Merchants have the power.” Bankers and goldsmiths controlled the nation’s purse and tax revenue, and because the state required money to finance wars and other government expenditures, “these Bankers can hang a Pad-lock on the Commonwealths Sword when they please,” obtaining policy concessions from any government they lend money to. Indeed, he argued, it was their interest to ensure perpetual debt – to them of course – through which they might engross the nation’s coin and “feed the people with a paper credit” instead.

105 J.R., New Fashioned Goldsmiths, 4-5. For more on the deep connection between merchants and finance in Restoration England, see Gauci, Emporium of the World, 141-64.
106 Violet, Appeal to Caesar, pp. 10-1, 19. On p. 28 Violet additionally claimed that “some Merchants are great magnifiers of Commonwealths, their Policies and Governments, those that are for an Amsterdam model both in Church and Kingdom… These merchants covet more profit and gain than they do the Kings Majesties greatness.” For more on this royalist argument against banking institutions, see Cunningham, Growth of English Industry, pp. 146-7, 410-2.
Other critics of the goldsmiths pointed less to their influence over government policy, and more to the superiority of incorporated banking institutions. Incorporated banks, they argued, with their larger operations and more conservative management, commanded greater confidence than individual goldsmiths, and the greater pool of capital available at a banking firm allowed the extension of credit on easier terms.\textsuperscript{107} Josiah Child, for instance, praised Holland’s “use of Banks, which are of so immense advantage,” attributing to them the “lowness of Interest of Money” in Holland.\textsuperscript{108} Such banks, another wrote, “secure merchants and others from losses by bad coins,” a sharp contrast to the clipped money paid out by the goldsmiths.\textsuperscript{109}

Incorporated banking firms already existed throughout much of Europe. Sweden was the most recent, joining the Netherlands, the Italian city-states, and a few of the Germanic principalities. Based out of Stockholm and organized in 1656, the \textit{Riksbanken}, or Bank of Sweden, issued fractional-reserve paper notes redeemable in copper, the predominant Swedish currency. Because copper was so bulky – the largest piece weighed forty-three pounds – Swedish copper notes circulated at a premium above the metallic currency itself (Figures 16, 17).\textsuperscript{110} England was not alone in its lack of an incorporated banking system. France and Spain, too, adopted the view that banks were a “Common-wealth trick,” usurping the royal prerogative over money. It was abundantly clear,

\begin{footnotesize}
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  \item[108] Child, \textit{Brief Observations}, 5-6. For more on Child’s opposition to goldsmiths, see Dodd, \textit{History of Money}, 75-6.
  \item[109] Harris, \textit{Money and Coins, Part I}, 102.
\end{itemize}
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however, that the trend favored banking, and Restoration England felt evermore isolated from the commercial nations of Europe on the issue.\textsuperscript{111}

A final group, the land bankers, rejected both the goldsmiths and incorporated money-banks alike. Cradock’s aforementioned 1661 essay, \textit{Wealth Discovered}, called for a land bank currency, and Richard Haines’s 1677 \textit{Prevention of Poverty} recommended land banks to remedy the “scarcity of Money.”\textsuperscript{112} Edward Ford was another proponent of the so-called loan office, arguing in 1666 that the sole requirement for a proper currency was “satisfying security,” and that “Land security is evidently, of all, the surest, and most satisfying.” The “portableness” of paper, he added, was far superior to metallic coin. “Who would not rather have a Straw, or a piece of Paper,” he asked, “then an hundred pounds [of silver], if he were sure it would at all times yield him as much as he took it for?”\textsuperscript{113} Paper, in other words, required trust, and a land bank or like institution might properly command that trust and make the paper as good as gold.

Even William Petty, the preeminent economist of the Restoration period, branded this form of currency “farr more safe and commodious than coynes... the security is better than money, because ´tis on land.”\textsuperscript{114} Petty desired a national registry of all the lands and real estate in the country, partly to authenticate disputed titles, but also to serve as “practicable and unavoidable Security” for a potential currency. Petty, however, also supported the incorporation of a conventional bank of silver and gold, so that the

\textsuperscript{113} Edward Ford, \textit{Experimented Proposals how the King may have Money to Pay and Maintain His Fleets with Ease to His People} (London, 1666), 1-2.
country’s nobility, elderly, and widows would no longer keep their coin “hoarded up in Chests,” but rather deposit their savings in the bank. Banks, he argued, increase the velocity of money – the “continually passing from one to another” – and “almost double the Effect of our coined Money.”

A final idea for a paper currency failed to catch on yet in England, but had enormous implications for the American colonies. When Edward Ford published his *Experimented Proposals* in 1666, the Great Fire had recently swept through London, inflicting massive property damage across the city. Ford’s solution to the tragedy was simple. The Exchequer, he argued, should print a currency – entirely divorced from any bank or commodity – and then use the notes to purchase supplies and labor in the rebuilding of London.

The government, Ford argued, would give the bills *extrinsic* value by declaring the currency legal tender in all payments to the government, including taxes, fines, and other fees. Taxes, then, backed the paper currency, and “no Money can be surer than Taxes by Act of Parliament,” he amusingly, though honestly stated. Within ten years or so, he assured, “by the peoples yearly and easy [tax] payments these Bills may be certainly paid and taken in,” and thereby “London may be rebuilt.”

The Crown did not adopt Ford’s proposal for bills of credit – as they were later known – but this currency method later became wildly popular in the American colonies, financing everything from

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wars with the French and Indians, to public works projects and other government expenditures.  

English writers in the Restoration period differed greatly on matters concerning commercial policy and the currency. The first issue addressed the quantity of money, of how to draw the most gold and silver into England. The second issue addressed the quality of the money: what it would look like, how it would circulate, and which of the two metals, silver or gold, the government should favor. But a third dispute inescapably emerged, this time concerning war and diplomacy. Each side again defended their position with mercantilist language, arguing their case for which nation, France or Holland, represented the most eminent threat to English aspirations for commercial and monetary hegemony.

Holland, at midcentury, was obviously the greater menace to English commercial ambitions. By the latter 1660s, however, there was growing doubt as to whether the United Provinces posed any real danger at all. Dutch merchants, for one, had lost considerable ground in the carrying trade of Baltic timber and naval stores. Sweden had recently enacted mercantilist legislation modeled precisely after the English Navigation

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117 Rather than issue bills of credit, the Royal Exchequer introduced the tally system in its stead. When English merchants and landowners lent silver or gold money to the Exchequer, they now received a tally (a small wooden stick) as security on the loan. The Exchequer kept a duplicate tally on hand with the amount of the loan advanced to the government notched on the tally. The wooden tally, in other words, was a receipt issued by the Exchequer, and when time came for repayment of the loan, the possessor of the tally presented it to the Exchequer for the appropriate sum of silver or gold coin (including interest). In the meantime, if the owner of a tally was in need of ready money, he could sell the tally to another individual, often a goldsmith. Tallies could circulate among several persons, thereby operating as yet another medium of exchange in Restoration England, in conjunction with Goldsmiths’ Notes and metallic coin, see Richards, “Evolution of Paper Money,” 371; Brewer, *Sinews of Power*. 

Acts, targeting Dutch carriers with particular ferocity. Similar anti-Dutch legislation followed in Norway, Russia, and Prussia.\textsuperscript{118} England’s Baltic presence, moreover, rose markedly, especially after Parliament’s removal of the Eastland Company’s monopoly in 1673. The ratio of English to Dutch vessels in the Baltic Sea improved from 1:10 at midcentury to 1:4 by the mid-1670s.\textsuperscript{119} In West Africa, too, Dutch control of the slave trade had waned considerably, as the Royal African Company of London expanded its business and established a series of impregnable forts along the coast.”\textsuperscript{120}

Of even greater significance to this manifest change in Dutch fortune was the newly aggressive posture taken by France. Louis XIV loathed the fact that French merchants and practically all of Europe had grown dependent upon Dutch commercial power. Beginning in the 1660s, Louis and his finance minister, Jean-Baptiste Colbert, adopted a determined program to utterly destroy Dutch traffic, paving the way for a new commercial order of French supremacy. Colbert’s ultimate objective was to saturate public and private coffers in France with silver and gold, permitting Louis to act upon his dream of erecting a French super-state.\textsuperscript{121}

Louis and Colbert launched the opening salvo in 1664. That year they established, under heavy state promotion, the French West and East India Companies, as well as new tariffs on Dutch and English imports, particularly East Indian spices.\textsuperscript{122} After temporarily

\textsuperscript{120} Klooster, \textit{Illicit Riches}, pp. 12, 14.
\textsuperscript{121} Israel, \textit{Dutch Primacy}, 282-4.
allying with Holland during the Second Anglo-Dutch War, Colbert renewed his *guerre de commerce* in 1667 by doubling tariffs on Dutch linen, and by raising the duty sevenfold on Dutch-processed tobacco.\textsuperscript{123} France was far and away the Netherland’s most important European market, and so the new restrictions had a far more lasting impact on Dutch commercial fortune than either the English or Baltic Navigation Acts.\textsuperscript{124}

With France, England and Sweden all aiming their mercantilist weaponry at the Netherlands, the States-General in Holland finally responded in 1671 with an uncharacteristic ban on French brandy imports, accompanied with extraordinarily high duties on French silk. Colbert retaliated five days later by raising tariffs again on Dutch spices and fish. Months later, in April 1672, Louis declared war on the Dutch Republic. England followed the next day, on the side of France. A joint Anglo-French fleet of 146 warships and 34,000 men surrounded the Republic, causing an immediate, two-year cessation of Dutch maritime commerce. The Amsterdam stock exchange crashed, including the share price of the Dutch East and West India Companies. Colbert’s dream of seizing the Mediterranean carrying trade in particular, especially between Spain and Italy, seemed close to realization.\textsuperscript{125}

The Third Anglo-Dutch War was highly unpopular in England. As one writer expressed, it was “the utmost excess of madness” to ally with Louis XIV, that “master of

\textsuperscript{123} Israel, *Dutch Primacy*, 287-8; Cunningham, *Growth of English Industry*, 458.


\textsuperscript{125} Israel, *Dutch Primacy*, 289-96; Klooster, *Illicit Riches*, 12.
absolute dominion," against such a seemingly benign Dutch power. Most of Europe felt the same, inducing Spain and Austria to enter the war on the side of Holland. England withdrew from the war in 1674 without having made any real gains, and Dutch trade in the Baltic revived shortly after. The French navy still prevented Dutch vessels from entering the Mediterranean, but the entry of other European nations into the war forced Louis to focus attention elsewhere on the Continent. In 1676 a joint Dutch-Danish fleet successfully defeated the chief naval arm of Sweden, France’s ally. War between the Netherlands and France continued until 1678. By the latter years of the conflict, Dutch privateers had largely neutralized the French navy, and armed Dutch convoys now ensured safe passage for merchant shipping. Under the final treaty, France agreed to repeal the 1667 punitive tariffs against Dutch goods, and Sweden agreed to allow Dutch vessels back into their ports.

The United Provinces barely escaped what otherwise would have spelled a disastrous end to their very existence as an economic power. After the war, the Dutch still dominated East Indian commerce, and Dutch trade with Spain and its colonies revived. Yet Dutch commercial power no longer matched the phenomenal levels enjoyed at midcentury, and from this point forward, the Netherlands entered a prolonged period of gradual declension, extending well into the eighteenth century.

127 Israel, Dutch Primacy, pp. 295-301, 313-9; Klooster, Illicit Riches, 12-4. Even in Asia, however, Dutch economic power began to wane. In 1668 the Shogunate in Japan enacted a complete embargo on the export of silver in Japan, where Dutch merchants had acquired a great deal of their silver coin for the East Indian trade, and in 1662 the Chinese had thrown Dutch merchants out of Formosa, modern-day Taiwan, see Klooster, Illicit Riches, 12. For more on the Dutch carrying trade between Spain and Italy, see Israel, Dutch
The opposite condition applied to France. Colbertian mercantilism transformed
the country into an economic powerhouse, and the resulting silver and gold financed a
French commercial and naval marine unmatched at any time in its history. Louis’
imperial drive and energy, embodied most perfectly in his breathtaking palace at
Versailles, imperiled the Continental peace as well as England’s domain in the
Caribbean. The two French islands of Guadeloupe and Martinique had fully converted
from tobacco to sugar, joined also by the vast French colony of Saint Domingue, on the
western third of Hispaniola, endangering England’s re-export trade of sugar. Louis’
ambition for metal and power clashed directly with that of the English, and the colossal
trade deficit with France made the situation that much worse.

For the balance of the Stuart period, however, a great many English writers still
insisted that Holland remained the greater threat, persistently warning of Dutch
commercial power. Such mercantilists tended to associate with the emerging Tory faction
and Stuart court. Louis was a cousin and friend of Charles, and even subsidized a portion
of his purse. It was still common opinion, Petty remarked in 1676, that “the Hollanders

\textit{Primacy}, 224-5. In 1725, Erasmus Philips looked back and noted, “Holland, after two naval Wars, yielded
us up the Dominion of the Ocean, and our Trade extended itself every where,” Philips, \textit{State of the Nation},
17.

\textsuperscript{128} For the pre-sugar French Caribbean, see Philip P. Boucher, \textit{France and the American Tropics to 1700: Tropics of Discontent?} (Baltimore: The Johns Hopkins University Press, 2008), pp. 62-111; for the transformation to sugar, see Boucher, \textit{France and the American Tropics}, pp. 168-228; Richard S. Dunn, \textit{Sugar and Slaves: The Rise of the Planter Class in the English West Indies, 1624-1713} (Chapel Hill: University of North Carolina Press, 1972), 20-2; Crous, \textit{French Struggle}, 1-145. Guadeloupe and Martinique quickly adopted sugar money as their primary currency, and by 1671, the value of sugar exports from Martinique was fifteen times greater than that of tobacco. As Philip Boucher notes on p. 242, “symbolically, the triumph of sugar may be dated to 1669, when all fines at Martinique were levied in sugar.”

are at our heels, in the race of Naval Power,” notwithstanding the equally-common belief that “the French grow too fast upon both, and appear so rich and potent.”

There were still viable reasons for fearing Dutch power. The Dutch commercial fleet was still greater than the combined fleets of France and England, and the Dutch East India Company still well exceeded the volume of trade enjoyed by its English rival. The Netherlands were also England’s greatest rival for the contraband trade with Spanish America; France was not even a competitor. Dutch planters, moreover, had recently established sugar plantations off the northern coast of South America at Surinam, and cane production there doubled in the final quarter of the century. And of course Dutch traders in colonial America were still a constant thorn on the side of those wishing to more strictly apply the Navigation Acts.

The very nature of political and social life in the Dutch Republic – with its religious pluralism, laissez-faire attitudes, and toleration of radical and dissenting viewpoints – allegedly undercut the stability of the Restoration monarchical settlement. They have “not only undermin’d the Trade of the English in all parts, to the diminution of his Majesties Revenue,” one author insisted in 1672, “…but have labored to soil his Glory, and lessen his Dignity.” “A Republike is nothing but an Engine (erected by

130 Petty, Political Arithmetick, preface.
131 Brewer, Sinews of Power, 12.
133 Israel, Dutch Primacy, pp. 244-58, 326; Ormrod, Commercial Empires, 190. One of the arguments made by the Barbadian assembly in 1668 for relief from the Navigation Act of 1660 was indeed the growing threat from “the Potent and frank Hollander now settled on the one hand of us at Surinam, and the proud and envious French on the other hand at the Leward Isles, whose study it is now to overballance the Commerce of the English Colonys,” see Petition of the Representatives of Barbados to Charles II, 3 Aug. 1668, TNA: CO 1/23, no. 33, p. 66.
134 Pincus, 1688, 309-14.
Sedition and Treachery) to subvert Monarchy, and we see that Holland hath been a
Retreat for all Rebels, and a Sanctuary to the worst of men... the greatest Patrons of
Schism in the world.135 Dutch liberty, of course, motivated the proto-Whig support for
Holland; Roger Coke, for instance, railed most zealously against England’s near-
perpetual state of war with the Dutch.136

By the late 1670s, popular opinion in England had overwhelming shifted against
the French. Even some of the moderate proto-Tories agreed, a conviction rooted less in
ideology and more in the reality of militant French expansionism.137 Further action on the
subject, for now, however, stalled. Mounting internal divisions at home between Whig
and Tory – the Exclusion Crisis of 1679-81, a vicious debate over the royal legitimacy of
the Catholic Duke of York, future James II – allowed Charles to convince most
 moderates of the impropriety of declaring war on France while the country remained so
split.138

France’s sudden rise to power had enormous implications for mercantilist theory.
The apparent success of Colbertian economics gave new credence to the view that an
active, interventionist state was indeed the key to wealth and power. The simultaneous

135 De Britaine, Interest of England, pp. 2-3, 10, 14. “They have expos’d his Majesty to contempt by their
false Libels,” De Britaine added, “…All Heresies, Schisms, and Anti-monarchical Principles have been
136 Coke, Discourse of Trade, pp. preface, 2.
137 Pincus, 1688, 314.
138 Ibid., 314-6; Brewer, Sinews of Power, 140. “After the Year 1679,” Charles Davenant later recalled, “on
both sides the Minds of Men grew so inflam’d and such Animosities did arise between ‘em... so that the
different sides began to be distinguish’d by other sorts of Names... The Words of Whig and Tory, intended
at first as reciprocal Reproaches, in a short time grew to be the Names by which two great Parties were
contented to be call’d, and into which in a manner the whole Nation was divided,” see Charles Davenant,
An Essay upon the Probable Methods of Making a People Gainers in the Ballance of Trade (London,
1699), 233-4.
decline of Dutch hegemony seemed to confirm the apparent folly in a lack of economic constraints. Restoration writers, including anti-French Whigs, marveled at the “magnitude of Power” achieved by Louis XIV: a king “so rich in Treasure,” wrote Slingsby Bethel, “…that Europe begins to bow to his Power.” “Other Princes are enforced to beg for peace, and disband their Armies, because their Treasures are exhausted,” he wrote, but with France, “their stock of money doth not fall much short of the money of the rest of all Europe… the prodigious sum of money which he doth yearly drain out of the rest of Europe, is beyond my Arithmetick to tell you.”

Bethel’s 1679 *French Usurpation* encapsulated perfectly the English fear that France would soon monopolize the Western supply of silver and gold. Colbert was the master of mercantilism, Bethel wrote, “studious to accumulate money, and careful to bring in more daily... France will in a short time draw into them all the moneys of Europe.” Louis, he believed, sought nothing less than global domination: “His Designs are so vast that in short time all Europe will not be Elbow-room for his Ambition.” The most frustrating part was that England, through its trade deficit, annually forsook well over a million pounds sterling to France, amplifying the threat. “France by our sloth flourish; by our folly grow wise; by our excess wax proud; by our money, rich… Trade is the fountain from whence its Riches spring, and Money is the basis of its greatness and strength.”

The solution, ironically, lay in mimicking Colbertian mercantilism, at least according to Bethel and many others, including protection for English manufacturing and

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140 Ibid., pp. 2, 6-7.
strengthening enforcement of existing statutory regulations. The administrative apparatus also required expanding if England hoped to compete with Louis’s massive state-building program. Tax revenue in England amounted to only a fifth of the state revenue collected in France. Yearly expenditures by the English government were merely £2 million, embarrassingly low compared to its modern, absolutist neighbor. “New Maxims must be framed, and Measures taken, for the retrenchment of the Power of France,” Bethel urged. A new competitor in the global quest for silver and gold had arrived on the scene, and England, in the 1670s at least, appeared on the losing end of that struggle.

The Stuart Crown adopted a newly-aggressive, imperial stance toward its colonies after 1675, only months after the kingdom ended its third and final war with the Dutch. The increased scrutiny over the Atlantic plantations took place within a larger context of monetary uncertainty, a factor formerly left out of the colonial historiography.

      England, more than ever, required a profitable colonial system. Massive trade deficits, especially with France, were presently draining the kingdom of coin. The English currency was in near-shambles, consisting mostly of clipped, hammered silver pieces and a gold currency inaccessible to many common English people. The Crown, moreover, defaulted on its debts in 1672, and the plethora of goldsmiths seemed a poor substitute for the incorporated banking firms already functioning in Holland, Italy, Germany and now Sweden. France, meanwhile, under Louis XIV and his finance

141 Brewer, Sinews of Power, pp. 14-5, 20, 38, 89.
142 Bethel, French Usurpation, 7.
minister Jean-Baptiste Colbert, was accumulating vast sums of coin and an empire already surpassing that of the still-potent United Provinces.

If England was to properly compete with France and Holland for global hegemony, the Atlantic settlements would need to function more effectively as a money-making imperial arm for London. Enforcement of the Navigation Acts was absolutely imperative. Achieve this, Bethel predicted, and “London will be the Emporium, and great Mart of Europe... We shall be fit for any foreign Action, or new Conquests.”

The problem, of course, was that the colonists too desired wealth and money, and would not so easily surrender their own economic interests, making necessary a degree of compulsion.

143 Ibid., 24.
England was undergoing a crisis of economic confidence in the 1670s, inducing the Crown, in 1675, to embark upon an aggressive colonial reform program. England’s colonies, too, were undergoing crises in 1675-76. In Jamaica, a newly-assertive planter-assembly proudly defied the mercantilist designs of the governor and Royal African Company. In New England, an alarming war with the Indians devastated the country and partially emptied the Massachusetts treasury. In Virginia, the inflation of tobacco currency and its misuse by the Jamestown government incited a planter-revolt in the summer of 1676. All the while, back home in England, a small but eminent band of mercantilist thinkers disavowed the colonial project entirely, renouncing overseas settlements as detrimental to the economic productivity of England.

Some historians have argued that these two years of colonial chaos and rebellion were a key turning point in imperial history, provoking the Crown to finally tighten its grip over the colonies. But the reform program would have taken place even without these events, and indeed the royal bureaucracy had already formulated the plans for implementing significant changes. It was the English monetary crisis, not the colonial crisis, that initiated these empire-wide changes. The colonial chaos of 1675-76 merely

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vindicated the supposed wisdom in continuing forward with the already-developed plans to further regulate and consolidate the empire.

Following its establishment in the early part of 1675, the Lords of Trade, a royal committee of the Privy Council, confronted the challenge of bringing England’s colonies into a greater state of economic and monetary subordination. Colonial economic obedience was the committee’s chief objective. Reform or elimination awaited any colonial government refusing submission to the mercantilist order after 1675.

Jamaica, England’s metaphorical silver mine, took immediate precedence in the reform effort. The fiercely-independent Massachusetts Bay was still another target, though the Lords of Trade approached the matter here more cautiously, slowly chipping away at the many instances of New England autonomy. The Boston mint still defiantly coined money, symbolizing the total intransigence of the Massachusetts General Court. The Massachusetts assembly contained a faction of fiery independents who rejected altogether the principle that New England inhabitants owed primary allegiance to King or Parliament, steadfastly opposing the political-economic realities of empire.

New England, from London’s perspective, was the most troubling, indeed puzzling, section of the empire. Its peculiar political and religious institutions, its prideful coinage, manifest smuggling, and absence of any overt contribution to the mercantilist system discomfited even the most enthusiastic supporters of the American colonial project. William Petty, Restoration economist, was one such critic. “The Government of New-
England,” he wrote in 1676, “(both Civil and Ecclesiastical) doth so differ from that of His Majesties other Dominions, that ‘tis hard to say what may be the consequence of it.”

New England’s open economic subversion most irritated the imperial bureaucracy. This was especially true in light of their flourishing commerce. Boston had “become a Magazine both of all American and European Commodityes,” the Lords of Trade reported late in 1675. Massachusetts merchants, after trading directly with the French and Dutch, transported “all sorts of Wines Linens Silks and fruits” across the colonial world for tobacco and sugar, “which they carry back to the aforesaid Kingdomes without carrying to England.” Such traffic siphoned business away from English merchants, left the navigation “unspeakeably prejudiced,” and robbed the king of “an immense sum of Money yearly in his Customes.”

King Philip’s War further undermined the apparent worth of New England (though perhaps not if one wished to see its commerce disrupted). Warfare erupted in the spring of 1675, after the Plymouth colony executed three Wampanoag Indians accused of murdering an Indian informant who had worked for Massachusetts Bay. The executions sparked a string of retaliatory Wampanoag attacks on homesteads along the western frontier, unleashing a fury of anti-English resentment that had been building up for at least a generation. Much of the pent up anger resulted from the midcentury decline of

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2 Petty, *Political Arithmetick*, 88. Petty nevertheless added on p. 97 that “New-England, where few or no Women are Barren, and most have many Children, and where People live long, and healthfully, hath produced an increase” in the power and wealth of England.

wampum currency. Land, not shells, was the only indigenous commodity now demanded by New England settlers.⁴

Other native groups quickly joined in the fight, and in the summer and fall of 1675, Indian insurgents attacked at least fifty-two New England villages, utterly destroying twelve.⁵ The course of the war changed only after New England leaders formed a military alliance with the Pequot and Mohegan Indians in early 1676, effectively turning the conflict into a native civil war. The insurgency finally disintegrated in the spring and summer of 1676, after suffering a series of brutal counterattacks. Over one thousand New England settlers and approximately three thousand Indians died in the war, the former mostly in 1675 and the latter representing nearly a quarter of the native population in southern New England.⁶

Aside from the sheer human cost of the conflict, the war’s fiscal toll was extraordinary. Prosecution of the war cost New England governments at least £50,000

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⁵ Edward Randolph reported “1200 houses burned, 8000 head of cattle, great and small, killed, and many thousand bushels of wheat, pease and other grain burned, see Edward Randolph: Including his Letters and Official Papers from the New England, Middle, and Southern Colonies in America [Randolph Letters], eds. Robert Noxon Toppan and Alfred T.S. Goodrick, eds, 7 vols. (Boston, 1898-1909), 2:246.
sterling, and property damage far exceeded this sum. In future Indian conflicts, colonial
governments resorted to paper-currency finance, but in 1675-76, war finance was still a
far slower, more tedious endeavor. Instead of turning to the printing press for money, the
Massachusetts treasury depended on local merchants to fund the conflict. Willing
merchants lent the government silver coin and received a treasurer receipt in return,
certifying the colony’s indebtedness to the merchant. Indian land was the government’s
collateral in case of default.

King Philip’s War was the last major Indian conflict fought in colonial North
America without the aid of paper currency. Persuading merchants to lend the requisite
supply of coin was an incredibly difficult task for the Massachusetts government.
Country pay financed most of the war, with enormous taxes levied in “all sorts of corne,”
thereafter exchanged by the treasurer in town for silver. “Moneys are much wanting,” the
assembly lamented. Decades later, in 1721, one writer suggested that the use of paper
currency may have resulted in quicker victory. “If this had been Projected and wisely
used Twenty or Fourty Years before it was,” he wrote, “it seems to me as tho’ Thousands

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7 Richard S. Dunn, “Imperial Pressures on Massachusetts and Jamaica, 1675-1700,” in Alison Gilbert
Olson and Richard Maxwell Brown, eds., Anglo-American Political Relations, 1675-1775 (New
the English in the severall colonies, in their habitations and stock,” Randolph stated, “is reckoned to
amount to £150,000,” see Randolph Letters, 2:246. Also see Documents Relative to the Colonial History of
the State of New York [DRNY], eds. E.B. O’Callaghan and Berthold Fernow, 15 vols. (Albany, 1856-87),
3:243-4. “The New-England men wil not recover their wealth and Townes they have lost hes twenty
coming yeares,” William Berkeley wrote the Lords of Trade in April 1676. Also see Governor Simon
Bradstreet to the Lords of Trade, 18 May 1680, TNA: CO 1/44, no. 61i, p. 412.

8 Curtis Nettels, The Money Supply of the American Colonies Before 1720, repr. ed. (Madison: University

9 Records of the Governor and Company of the Massachusetts Bay in New England, ed. Nathaniel
Bradstreet Shurtleff, 5 vols. (Boston, 1853-4), 5:120-1. Following the war, in 1677 – in order to settle the
large debt owed merchant-creditors – the treasury offered to abate taxes one-fourth if paid in silver money,
which coin the treasury promptly returned to the merchants of Boston, see Records of Massachusetts, pp.
5:139, 156

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of Lives... would have been saved.... that a parcel of poor Naked Indians, had never attempted our Ruin, or prevailed as they have.”

Virginia’s status as a part of the greater empire was also in question in 1676. In the wake of King Philip’s War, Virginia frontiersmen, many of them former indentured servants, dreaded potential coordination between Indian rebels north and south. In this case, however, rebellion came not from the Indians, but from the colonists themselves. The revolt partly resulted from the growing frustration with an unresponsive Jamestown government, but foremost among the causes was the tax system and its twin grievance, the inflation of tobacco currency.

Virginia farmers and planters paid two taxes: one collected by the provincial government in Jamestown and another collected by the county government, with the county tax nearly always exceeding that of the provincial. Special appointees of Governor Berkeley, in secret session, undemocratically determined the county rates, and the Jamestown government habitually wasted the tobacco money on expensive fortifications that would do little in stopping any potential Indian assault. The amount of

10 [John Wise], A Word of Comfort to a Melancholy Country (Boston, 1721), 8.
13 Washburn, Governor and the Rebel, 32; Wertenbaker, Virginia Under the Stuarts, pp. 138, 141-2. A few months after the rebellion, in 1677, the inhabitants of the Isle of Wight petitioned that the assembly had
tax depended upon the number of tithables – polls – on the farm or plantation, including all slaves and white men above the age of sixteen. Provincial rates alone sometimes exceeded 100 pounds per poll. The average tobacco grower produced between 1200 and 1500 pounds a year, and between the provincial and county rates, taxes generally amounted to between one-quarter and one-half of a farmer’s output.

The price of tobacco, the regional currency, had fallen to under a penny a pound in some areas, resulting in farmers having to spend more money, i.e. tobacco, to purchase the same quantity of goods. Robert Beverley, in 1705, identified the “extrem low price of Tobacco, and the ill Usage of the Planters in the Exchange of Goods for it,” as the first

“enacted forts to be built… for the private use of some particular persons and not att all for the commons good… under pretence of securitie for us against the Indians which we perceiving and verrie well knowing that ther pretence was noe securitie for us but rather a ruine to the countre,” see JHB, pp. 2:101, 103.

14 Washburn, Governor and the Rebel, 40; Webb, 1676, 19. An earlier government project in 1662 also caught the ire of small planters: the Burgesses passed an act providing for the construction of 32 brick houses at Jamestown; each county of the province was to finance the building of one house, with taxes of 30 pounds of tobacco per poll levied for that purpose, see Wertenbaker, Virginia Under the Stuarts, 140. Another allegation of corruption came in 1674, when the Burgesses levied a “very heavy tax, of 120 pounds of tobacco per poll” in order to finance agents in London to lobby against a royal land grant to Lords Arlington and Culpeper, which would have practically handed the two proprietors control over the entire colony. Rumors quickly disseminated that the tobacco raised from the “Great & burthenous Levie” had been misappropriated and would “bring them no benefit,” see JHB, 2:237; Billings, “Causes of Bacon’s Rebellion,” 425; Webb, 1676, 17-8; Wertenbaker, Virginia Under the Stuarts, pp. 115, 123-6.

15 Russell R. Menard, “Plantation Empire: How Sugar and Tobacco Planters Built Their Industries and Raised an Empire,” Agricultural History 81, no. 3 (Summer 2007): 320; Billings, “Causes of Bacon’s Rebellion,” 418-9; Webb, 1676, 18-9; Wertenbaker, Virginia Under the Stuarts, 138-9. As early as 1657, Lionel Gatford remarked, “The Planters suffer much, and complain excessively of the heavy and unequal taxes laid upon them, which taxes in a great part are pretended to be imposed for the levyng and raising of force to secure the Colony and defend them against their enemies; when as they are spent and imbezled by the officers and largesses of the assemblies of the Colony.” Lionel Gatford, Publck Good without Private Interest, or, A Compendious Remonstrance of the Present Sad State and Condition of the Colonie in Virginea (London, 1657), 11.

16 Charles Wetherell, “‘Boom and Bust’ in the Colonial Chesapeake Economy,” The Journal of Interdisciplinary History 15, no. 2 (Autumn 1984): 188. For more on the role of low tobacco prices in the rebellion, see Billings, “Causes of Bacon’s Rebellion,” pp. 410, 421-3; Washburn, Governor and the Rebel, 31. A string of pestilence and extreme weather in the 1670s rendered the situation that much more desperate, see Washburn, Governor and the Rebel, 31; Webb, 1676, xxv; Wertenbaker, Virginia Under the Stuarts, pp. 116, 131-3; Bruce, Economic History of Virginia, 1:372. For this reason, Robert Beverley and some
cause of rebellion; the second being “extravagant Taxes” that “fell heaviest on the poor People.” “There was nothing to be got by Tobacco,” Beverley recalled, a partial result, he argued, of the “heavy Restraints and Burdens laid upon their Trade by Act of Parliament in England.”

On 23 June 1676, Nathaniel Bacon led a march of four hundred armed men and women on Jamestown, burning the capital to the ground in September. The rebellion dissipated shortly after Bacon’s death in October. Bacon accused the government of having “raised great unjust taxes,” and petitioners from surrounding counties listed “great taxes” and the misapplication thereof as the “cause of our rising.” “Whereas formerly it was accounted a great leavie that was 40 or 50 pounds of tobacco per each,” stated one

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17 Robert Beverley, *The History and Present State of Virginia* (1705; repr., Chapel Hill: University of North Carolina Press, 1947), pp. 74-5, 78. Beverley, nevertheless, also added that “the Occasion of this Rebellion is not easie to be discover’d.” Other historians perhaps wrongly blamed the Navigation Acts for the rebellion: none of the rebels named the Navigation Acts among their primary grievances, and by the 1670s overproduction played a greater role in falling tobacco prices than export restrictions. Nevertheless, in 1914 Thomas J. Wertenbaker wrote, “First among the causes of distress during this unhappy period must be placed the Navigation Acts… Can there be any doubt that the Navigation Acts and the futility of all attempts to escape their baleful effects, were largely instrumental in bringing on Bacon’s Rebellion?... Had England been less selfish in her treatment of Virginia, there would not have been so many indigent men in the colony eager to join in this wild uprising against the government,” Wertenbaker, *Virginia Under the Stuarts*, pp. 116, 120-1, 123. In 1895 Philip Alexander Bruce likewise wrote, “One of the causes of the uprising under Bacon was the [Navigation] Act, and the expectation that the success of the insurrection would bring relief from its burden to the participants,” Philip Alexander Bruce, *Economic History of Virginia in the Seventeenth Century*, 2 vols. (New York: The MacMillan Company, 1895; repr., New York: Peter Smith, 1935), 1:359. For a counter to this argument, see Billings, “Causes of Bacon’s Rebellion,” 420. For more on the historiography of Bacon’s Rebellion, including of Beverley’s history, see Brent Tarter, “Making History in Virginia,” *The Virginia Magazine of History and Biography* 115, no. 1 (2007): 6-9.

petition, “… yet wee paying neer two hundred a head yearly, but for what we know not.”

Notwithstanding any personal or political vendettas that Bacon and his followers harbored against Governor Berkeley, the 1676 Virginia rebellion was, by and large, a monetary revolt. The value of tobacco currency had fallen to record lows, county and provincial taxes had soared to unprecedented highs, and the tobacco expended by Jamestown officials was ineffectually used on fruitless endeavors.

Jamaica, too, was in a state of political crisis. A military regime had governed the colony during the first eight years of English rule, and after the first and second assemblies met and dissolved in 1664, Governor Thomas Modyford went seven years without a representative body at all, condemning the first assembly as having promoted “traitorous principles.” Jamaican prosperity, however, a partial result of the continual

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19 JHB, pp. 2:101-3, 107-9; Declaration of Nathaniel Bacon in the Name of the People of Virginia, 30 July 1676, in Massachusetts Historical Society Collections, 4th ser. vol. 9 (1871), 184-87. The same petitioners also demanded “that evrie man may be taxed according to the tracks of Land they hold,” attacking the very philosophy of what effectively amounted to a regressive tax system. The tax per poll, of course, included servants and slaves among tythables, meaning that large landowners paid a greater amount than average farmers, but the tax levy system was nevertheless a heavy burden for low-income farmers. For more on the regressive tax system in Virginia, see Wertenbaker, Virginia Under the Stuarts, 139. Later in 1705 Robert Beverley remarked that “extravagant Taxes,” which “fell heaviest on the poor People,” had finally pushed Virginians to rebellion. Beverley nevertheless added that “the Occasion of this Rebellion is not easie to be discover’d,” see Beverley, History and Present State of Virginia, 74-6.

20 “The extent to which economic conditions in Virginia before 1676 contributed to Bacon’s Rebellion has never been fully appreciated,” historian Warren G. Billings remarks, see Billings, “Causes of Bacon’s Rebellion,” 417. Billings nevertheless qualifies this statement by adding on pp. 422-3, “The tax burden, although it became heavier from 1660 onward, bore only an indirect responsibility for Bacon’s Rebellion. But added to low tobacco prices and mounting debt, it made living even at a subsistence level difficult. In combination these three factors created a powerful force for discontent.”

21 The first assembly, which had met in January 1664, claimed the powr of the purse, declared the illegality of any statute passed without consent of the assembly, and made no acknowledgement of the King. Modyford arrived in June 1664, summoned a second assembly in October – this time dominated by the buccaneer faction – declaring the laws of the previous assembly null and void. See Calendar of State Papers: Colonial Series, America and the West Indies, 1574-1738 [CSPC], ed. W. Noel Sainsbury, J.W. Fortescue, and Cecil Hedlam, 44 vols. (London, 1860-1969), 1661-8, nos. 573, 826, 836-8, 934, 1063. For
stream of silver and gold from the privateers, temporarily quelled all political agitation on Jamaica.

With the arrival of Governor Thomas Lynch in 1671, the island’s emerging class of sugar planters renewed their push for representative government. After Lynch summoned assemblies in 1672 and 1673 to raise money to strengthen fortifications, the planters dutifully raised the necessary funds, but not before “two or three obstinate and factious persons stirred up the Assembly... to rayse questions about the Governour and Counsell’s power.”

One of the laws passed by the 1672 assembly raised the value of Spanish dollars from 4s6d to 5s: a devaluation of the shilling that cost RAC creditors over 10 percent in their collection of debts. “Assemblyes are apt to bee refractory, when they are not restrayned by an absolute Power,” the governor remarked shortly after.

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22 Governor Thomas Lynch to Benjamin Worsley, 8 July 1673, in CSPC, 1669-74, no. 1115.
23 Minutes of the Council of Jamaica, in Ibid., nos. 642, 705; John J. McCusker, *Money and Exchange in Europe and America, 1600-1775: A Handbook* (Chapel Hill: University of North Carolina Press, 1978), 246. In his 1683 *Laws of Jamaica*, F. Hanson offered Governor Lynch considerable praise for assenting to a 5s valuation in 1672, see F. Hanson, *Laws of Jamaica* (London, 1683), preface. The original order – passed by the Council on October 1671 (and affirmed by the assembly in February 1672) – stated that the new valuation would take place in March 1672. Yet in the months between, several persons on the island began to “hoard up their Spanish money,” in hopes of making a profit, “whereby trade is much lessened.” The Council thus began it early, in December 1671.
24 Governor Thomas Lynch to Benjamin Worsley, 8 July 1673, in CSPC, 1669-74, no. 1115. “His Majesty desyres exceeding the Settlement and Prosperity of your Collony, But is not much pleased with your Assembly,” a Lords Committee member wrote the governor,” Secretary Lord Arlington to Governor Thomas Lynch, 1672, in TNA: CO 1/29, no. 72, p. 196. For more on the 1672 and 1673 assemblies, see CSPC, 1669-74, nos. 669, 752, 829, 1082; Whitson, *Constitutional Development*, 51.
Previous royal directives instructed that all Jamaican laws be in force two years and no longer, including acts of revenue, compelling Lynch to call yet another assembly in 1674, as the 1672 laws were now expiring. This time around, the planters tacked the “free importation of negroes” onto the Revenue Bill, renewing also the 5s valuation on coin. Governor Lynch had little choice but to approve; the government needed funding. Soon after, when the RAC took an interloping shipmaster to court for carrying over 300 slaves to the island, the judge threw out the case on the ground that the assembly had recently passed a “statute against Monopolyes.” The judge’s decision, the Crown furiously replied, effectively declared that Jamaican law trumped “the King of his Prerogative.”

King Philip’s War, Bacon’s Rebellion, and the Jamaican political crisis shook the Atlantic world at the precise time that an economic crisis rocked England. Little wonder, then, that some observers saw the entire colonial project as an unnecessary diversion from productive measures at home. Some in England went so far as to reject the settling of colonies at all. Such anti-colonial sentiment had been growing in England for the last several years, since at least 1670, again the result of the economic and monetary uncertainty engulfing England. The mid-decade colonial crises simply verified an already-developed, anti-colonial conviction, a view shared not by a majority of mercantilists, but certainly a strong minority.

25 Instructions for Sir Thomas Lynch, 31 Dec. 1670, in TNA: CO 1/25, no. 107, p. 265. The instructions exempted from the two-year rule any law confirmed by the Crown, but as of Feb. 1674 the Crown had not yet confirmed any.
26 CSPC, 1669-74, nos. 1206, 1232, 1241.
27 Journals of the Lords of Trade and Plantations, July 1676, in CO 1/37, no. 31, p. 108. Also see Whitson, Constitutional Development, 73-4; Dunn, Sugar and Slaves, 158.
Overseas plantations depopulated the home country and “drained us of Multitudes of our People who might have been serviceable at home.”

“The Condition of England is worse by our Plantations,” Roger Coke insisted in 1670; “Scarcity of People Diminish Trade,” and “those multitudes of hands which are imployed abroad... are not imployed here.” If England was more “fully peopled,” wrote Slingsby Bethel in 1679, the nation “might exercise the greatest Merchantile Trade... for where the People are many, and the Arts good, there the Traffick must be great, and the Country rich.”

Anti-colonial sentiment was generally limited to the 1670s; one member of the Board of Trade later

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28 John Cary, *An Essay on the State of England, in Relation to its Trade* (Bristol, 1695), 65. This was not Cary’s opinion: he was simply repeating the older mantra of the 1670s.

29 Roger Coke, *A Discourse of Trade* (London, 1670), pp. 4-5, 13-4, 43. In 1676 William Petty also confirmed that it was a prevailing opinion in England “that the Land is under-peopled,” although he strongly supported the Atlantic settlements, see William Petty, *Political Arithmetick* (1676; repr., London, 1690), preface. Ironically, the opposite argument had been made in support of colonization earlier in the century: England, these early-seventeenth century writers argued, had too many people, and colonies were a great way to positively depopulate the country, see Robert Gray, *A Good Speed to Virginia* (London, 1609), B4; Council of Virginia, *A True and Sincere Declaration of the Purpose and Ends of the Plantation Begun in Virginia* (London, 1610), 3; Christopher Levett, *A Voyage into New England* (London, 1624), 28-9. “Great complaint,” Christopher Levett wrote in 1624, “hath for a long time beene made in England, that our land is overburdened with people, and that there is no imployement for our men,” arguing that “plantations be a meanes to help this inconvenience.” “There is nothing more dangerous for the estate of common-wealths,” Robert Gray argued in 1609, “then when the people do increase to a greater multitude and number... for hereupon comes oppression, and diverse kinde of wrongs, mutinies, sedition, commotion, & rebellion, scarcitie, deareth, poverty, and sundrie sorts of calamities.”

confirmed that it had once “been a great question among many thoughtful Men whither our Foreign Plantations have been an advantage to this Nation.”

Even so, most English mercantilists welcomed the benefits brought forth by the tobacco and sugar plantations, a view wholeheartedly shared by the Crown. William Petty, in 1676, countered the critics by pointing out that the American and African trades employed, as he calculated, above 40,000 tons of shipping annually, greatly enhancing the “Power and Wealth of England.” Others argued that England and its colonies constituted “one great Body” – negating concerns of depopulation – with the settlements representing a “clear Profit to the Kingdom.” William Penn too decried the “vulgar opinion” of the anti-colonial skeptics, maintaining that Englishmen on profitable plantations are “worth more than if they stay’d at home.” The tobacco and sugar plantations, in particular, were of “extraordinary Profit,” because “we Export it to other Countries in Europe, which brings in Money.”

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33 Cary, *Essay on the State of England*, 66-8. In 1689 Barbadian planter Edward Littleton asked, “Why should England grudge at the prosperity and wealth of the Plantations, since all that is ours she may account her own? Not only because we are really a part of England, as it is taken largely; but also because all comes to this Kingdom of England,” see Edward Littleton, *The Groans of the Plantations* (London, 1689), 30.

Even the most fervent supporters of colonization, however, agreed that serious reform was still requisite. In Petty’s view, “small divided remote Governments” represented a “Burthen” to the empire, so that “instead of being Additions, they are really Dimunitions.” Petty proposed consolidating each colony into “the whole Empire,” uniting England, Ireland, and the Americas into a single political body. “May not the three Kingdoms be United into one,” he asked, “and equally represented in Parliament?”

Like Petty, the Stuart monarchy too supported consolidation, but rather intended to suppress or eradicate colonial political representation. Some of the King’s advisors hoped to reorganize the colonies into three general governments, ruled directly by the Crown and modeled closely after the viceroyalties of New Spain and Peru.

Either way, it was abundantly clear even before the mid-decade colonial crises that the wealth and power of England required a highly profitable plantation system. Massive trade deficits, a clipped coinage, government insolvency, and a seemingly unstable financial and monetary system imperiled the viability of the Restoration regime. The challenge demanded reform in all four pillars of mercantilist thought: commercial policy, currency, foreign relations, and also the colonial sphere.

Colonial smuggling, for one, cut deeply into the customs revenue, which presently accounted for nearly 40 percent of royal income, a concern especially after the Stop of the Exchequer in 1672. Always on the lookout for revenue outside of Parliament,

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35 Petty, Political Arithmetick, pp. 88, 95.
smuggling made it difficult for the king to rule without summoning Parliament, as his venerable cousin Louis XIV did in France. But even Parliament wanted smuggling to end. Smuggling jeopardized merchant profits in London, and merchants were the greatest lobbying group in Parliament. Colonial smuggling undercut the entire mercantilist system, one that Parliament enthusiastically endorsed, dating all the way back to 1651. Both King and Parliament had an interest in reform.

Parliament designed the Navigation Acts so that colonial profits would center in England. Lax enforcement and recurrent smuggling, however, diverted money from its proper English channels. Competitive bidding was too great of a monetary temptation for the American colonists. It was in their economic self-interest to sell goods to the most competitive bidder, and to buy goods from the most competitive seller. English colonials, too, desired wealth and money, at least as much as their counterparts back home. Colonial smuggling was little more than an act of economic resistance against an imperial policy of monetary subordination.

The goal of the English mercantilist, then, was to instill economic obedience in the minds of colonial subjects. But colonial obedience to the law was far more than an economic act. It was a political act, for it required that colonists accept the economic primacy of England. King and Parliament demanded it. When colonists voluntarily obeyed the law – in violation of their own economic sensibilities – they simultaneously conceded the legitimacy of the empire’s prevailing political-economic system. The problem, for now, was that colonial political-economy rivaled imperial political-economy, undermining the entire mercantilist order.
The English monarchical system, theoretically speaking, offered colonists protection in return for allegiance. Historian Richard Bushman calls this the “protection-allegiance formula.”^38 The Crown protected colonial settlements and shipping from foreign attack, and guaranteed relative commercial freedom within the bounds of the national monopoly created under the Navigation Acts. The Crown further promised to uphold traditional notions of English liberty. Colonists, for their part, were to affirm their utmost allegiance to the King, both in word and in deed. Allegiance entailed, among other things, obedience to the Navigation Acts. When colonial governors, assemblies, and magistrates tolerated or encouraged smuggling, they failed to uphold their end of the bargain. Smuggling, then, was not only an economic crime; it was a political crime, a light form of treason.

Though most colonists sincerely vowed cultural and political allegiance to England – radical independents in Massachusetts notwithstanding – they had so far resisted voluntarily surrendering economic self-interest. Coercion, then, was London’s remaining solution. Coercion, first, involved heightened scrutiny over existing colonial governments. If this failed, it meant overturning altogether the subversive political elements. The inherent difficulty was that colonial political institutions had already been firmly established by this point in time. In the case of Massachusetts Bay, the colony had long ago developed a highly distinctive political economy that differed greatly from that

of England. Those who held fast to these autonomous institutions perceived any metropolitan intrusion into their sphere as both foreign and menacing.\textsuperscript{39}

So long as mercantilism remained the prevailing creed of empire, English and colonial monetary interests inherently clashed with one another. This the Crown could not alter, and English mercantilists conceded as much. Such was the whole point of mercantilism. The solution, then, lay in political economy. Colonists had to be convinced that economic sacrifice benefited the political economy of empire as a whole, which they themselves were a part of. Colonists would voluntarily relinquish economic self-interest only after accepting that imperial political-economy trumped all others, for the betterment of all the King’s subjects, not just in England, but across the whole empire. Any barrier to political-economic unity, from London’s perspective, then, had to be crushed: hostile assemblies, autonomous governors, or magistrates and juries acquitting pirates and smugglers.

In March 1675, Charles II established the Council of Trade and Plantations, an entirely new standing committee of the royal Privy Council. The Lords of Trade, or Lords Committee, was to carefully monitor all colonial affairs with special regard “for Matters relating to Trade.” Unlike the former Council of Foreign Plantations, the Lords of Trade met far more regularly, enthusiastically, and with diligent scrutiny, averaging fifty

sessions a year. Also unlike its predecessor, the nine members concurrently sat on the Privy Council, ensuring a ready ear for their recommendations.\(^{40}\)

The Lords of Trade arranged for a host of new officers to strengthen the overseas customs service, in both royal and private colonies. For settlements under royal control—Virginia and the Caribbean—the new committee demanded reports from governors with greater frequency and detail.\(^{41}\) The committee discouraged the founding of any additional private colonies, whether by charter or proprietorship. Those already in existence they recommended for conversion into royal provinces, as Charles had already done with Barbados and the Leeward Islands. But the King, earlier, had also organized private, proprietary charters for Carolina and New Jersey, awarding liberal grants of land and privileges to court favorites who remained loyal during the Commonwealth period. This practice had to end, the committee urged, for private colonies were notorious for running roughshod over trade regulations. Though the committee failed to block an enormous


\(^{41}\) Andrews, Colonial Period, 4:335.
grant to William Penn in 1681, they still managed to ensure that the Pennsylvania charter included tighter restrictions than earlier endowments.42

When the Lords of Trade first convened in March 1675, two colonies in particular, vastly different in character, occupied their utmost attention. On Jamaica, an upstart class of sugar planters was aggressively undermining the established economic and political order. Massachusetts Bay, of course, had long ago attained a degree of political autonomy that Jamaicans only dream of, and if Boston inhabitants had only kept to themselves, the Crown may not have been all too concerned. But the Bay Colony had extended its tentacles into virtually every corner of the Atlantic world, proudly defying England’s carefully constructed imperial system. The committee launched its opening salvo against Massachusetts Bay the following year, sending a previous unknown, Edward Randolph, to survey the region.

Edward Randolph was born in 1632 to an affluent family in the English county of Kent; the son of a physician and the cousin of Robert Mason, proprietor of New Hampshire. In early 1676, as the Bay Colony struggled through the final months of war with the Indians, the Lords of Trade commissioned Randolph to personally deliver a letter from the King, demanding that Massachusetts agents be sent to London at once for questioning. During

his stay, Randolph was to closely regard daily life and trade within the colony, returning
his observations back to the committee.\textsuperscript{43}

Randolph arrived in Boston in June 1676, inaugurating perhaps the most
controversial career of any imperial official in American history. From the beginning,
Randolph carried himself arrogantly. His persona was one of self-importance and
pretension; his enemies in Boston saw him as little more than a busybody looking to stir
trouble and meddle into affairs that were not his own. The Massachusetts Council
dismissed him hastily after receiving the letter, but shortly after sent the two requested
agents.\textsuperscript{44}

For the next several weeks, Randolph journeyed across the colony to gain a
general sense of the economic landscape and culture of the country. To his delight, he
found a moderate minority of merchants thirsting for closer ties to the modern,
commercial, political center in London, eager to wrest political control from the
parochial, Puritan government. Such men tended to be on the upper-scale of Boston’s
merchant community, and chiefly belonged to the younger generation. If they
participated in smuggling, they were willing forgo it in the future if it meant greater
political power and imperial connections. There was a growing sense among this segment
of cosmopolitan merchants that the colony’s dogged independency imperiled profitable

\textsuperscript{43} Hall, \textit{Edward Randolph}, pp. 1, 20; Thomas C. Barrow, \textit{Trade and Empire: The British Customs Service
in Colonial America, 1660-1775} (Cambridge, MA: Harvard University Press, 1967), pp. 16-7, 30-4;
Michael Kammen, \textit{Empire and Interest: The American Colonies and the Politics of Mercantilism}
(Philadelphia: J.B. Lippincott Co., 1970), 26-8; Margaret Ellen Newell, \textit{From Dependency to
\textsuperscript{44} Hall, \textit{Edward Randolph}, pp. 21-4, 30-1; Barnes, \textit{Dominion of New England}, 13-5; Dunn, \textit{Puritans and
Yankees}, 214-6.
relations with England, and the social distinction that came with it. For such men, freedom of trade could be sacrificed, however reluctantly. 45

The opposite view prevailed among the popularly-elected government. On one occasion Randolph noted the arrival of five vessels from France and the Canary Islands, smuggling wine and brandy into the country. When Randolph confronted Governor John Leverett on the matter, Leverett — a former captain under Cromwell — replied “that the Laws made by Our King and Parliament obligeth them in nothing but what consists with the Interest of New England.” 46

Upon returning to London in October 1676, Randolph submitted a lengthy, confidential report to the Lords of Trade. On nearly every page, Randolph portrayed Massachusetts in a negative light, continually attacking their “pretended charter.” 47 Hyperbolic claims littered the text of his report, and so historians must handle the account carefully. One of the greatest distortions was his depiction of a population anxiously awaiting royal governance, falsely insinuating that this minority opinion prevailed throughout most of New England. Kernels of truth nevertheless pervaded the report, and the Lords of Trade certainly accepted the account as trustworthy enough to influence imperial policy. 48

46 Edward Randolph to Secretary Henry Coventry, 17 June 1676, in *Randolph Letters*, 2:205.
48 For more on the October 1676 report submitted by Randolph, see Hall, *Edward Randolph*, 26-30; Bailyn, *New England Merchants*, 156-7. Michael Garibaldi Hall calls the report “grossly distorted” and full of
The Boston mint was among the first subjects discussed in the report, singled out by Randolph as the most prominent symbol for all that was wrong with the colony. “As a marke of soveraigntity they coin money,” he wrote, “stamped with inscription Massachusetts and a tree in the center, on the one side, and New England, with the year 1652 and the value of the piece on the reverse.” The 1652 stamp was a bit of a mystery. Ever since the opening of the mint, even a quarter-century later, the date on the back of newly-minted coins remained 1652. Randolph gladly explained. “All the money is stamped with these figures, 1652,” he wrote, “the year being the aera of the commonwealth, wherin they erected themselves into a free state... which year is still commemorated on their coin.”

No doubt many Bay colonists looked back upon the 1650s as a time of greater political autonomy than at present, and because neither mint nor government officials bothered explaining the 1652 date, Randolph’s explanation is certainly compelling.

Five years earlier, in 1671, the Council of Foreign Plantations – the committee preceding the Lords of Trade – offered a slightly different explanation for the inscription. “They still continue to coine money there but putt the date of 1652 on the stamp of it, that they might not seeme to trespass on his Majesties Prerogative.” That is, the mint-masters may have simply used the inscription to render the coinage less treasonous than otherwise. 1652 was still eight years distant from the crowning of Charles II, with no

“egregious errors.” yet “even what seem to be the most outrageous parts of his narrative often have some color of truth,” Hall, Edward Randolph, 26-7.

Randolph Letters, 2:229. The Massachusetts agents who later responded to Randolph’s accusations offered up no explanation for the 1652 date, simply answering, “As for the year 1652 there was no alteration then made in the Government,” see William Stoughton and Peter Bulkeley, “Answer to Mr. Randolphs Narrative of the state of New England,” 28 June 1678, in Randolph Letters, 3:9.

Minutes of the Council for Foreign Plantations, 21 June 1671, TNA: CO 1/26, no. 78, p. 200.
regal prerogative to violate, but a 1676 stamp would have constituted a more flagrant assault on this ancient monarchical right.

Yet the inscription may have also transcended the political sphere. Throughout the 1660s and 1670s, a dark narrative of provincial decline pervaded Massachusetts sermons and literature: the so-called jeremiads, wherein Increase Mather and other ministers publicly lamented the moral decay of New England’s second and third generations. Massachusetts in the 1630s had carried the Divine errand of shining a light upon the surrounding world through the creation of an unlikely utopia in the wilderness. The 1640s and 1650s saw the humiliating collapse of this original Winthropian vision, yet communal morality within New England itself remained strong. The first generation still dominated provincial affairs in 1652, and Winthrop had been governor only three years prior.

By 1676, New England, as the ministers saw it, was almost unrecognizable. Greed, fornication, materialism, Sabbath-breaking, apostasy, pride, and a devastating Indian war now plagued the colony: “New-Englands Calamity,” Mather called it. In one like sermon, Mather framed 1652 as a time of greater godliness, reciting a letter of that year from his now-deceased father, celebrating a successfully ministry among the Indians. “How would he mourn if he were here at this day to behold the strange degeneracy that is in the spirit of the present Generation,” Mather admonished the congregation.51

51 Increase Mather, An Earnest Exhortation to the Inhabitants of New-England (Boston, 1676), pp. 1, 22.
Like Israel, New England had forsaken its original mission and turned to worldly pursuits. Babylonian captivity was near; the hour was late, though the money bore 1652. Again, there was a strange paradox in using money to hearken back to a spiritual era—money had been a corrupting force—yet it surely could not escape the purview of the ministers that currency stamped with such a year might indeed serve a useful social purpose. Randolph had not stayed in the colony long enough to realize it, but the Bay shilling stamp, wittingly or unwittingly, reminded money-holders that a greater spiritual errand had once prevailed. Merchants were the ones who most commonly handled money, and no other class in New England needed this reminder more than they.

Even before Randolph submitted his report, the Crown had already prepared an assault on the mint. The aforementioned 1665 commission had already demanded that the “mint house... be repealed, for coyning is a royall prerogative.” The same month that Randolph departed for Boston, his cousin and New Hampshire proprietor, Robert Mason, petitioned the king regarding the colony’s “coining money with their own impress, raising the coin of England, and acting in all matters in a most absolute and arbitrary way.” In 1675 yet another critic of New England noted that the mint-masters “melt down all English money.” The Lords of Trade themselves alleged the same year that “so soon as any English money is brought thither... it is immediately melted down.”

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53 *Records of Massachusetts*, 4.2:211.
55 Observation on the State of New England, May 1675, TNA: CO 324/3; *CSPC*, 1675-6, no. 405.
committee attributed this to the lighter silver content in the Boston shilling: 12d of English money made 15d of Boston money, supposedly incentivizing English merchants to ship money – *silver* money – to Boston for conversion.\(^\text{56}\) This, at the same time that milled silver was fleeing active circulation in England. The Boston mint-masters, the charge went, seemed to be taking advantage of England’s ever-warped currency.

If the Boston mint was the ultimate symbol of Massachusetts sovereignty, free trade in spite of English law was the ultimate exercise of that sovereignty. “No law is in force or esteeme there but such as are made by the generall court,” Randolph noted, “...it is accounted a breach of their privileges and a betraying of the liberties of their commonwealth to urge the observation of the lawes of England.” Boston merchants, he wrote, carried “a generall traffick to most parts of Europe,” without paying any customs in England. Remember, the Royal Exchequer – receiver of the customs – had defaulted only four years earlier. Boston merchants, indeed, trafficked European goods across most of the colonial world, “much cheaper than such who pay the customes and are laden in England, leaving little left for the merchants residing in England to import into any of the plantations.” “This kingdome hath lost the best part of the western trade,” he warned, “...Boston may be esteemed the mart town of the West-Indies.”\(^\text{57}\)

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\(^\text{57}\) Randolph Letters, pp. 2:231-2, 249. In July 1675 the Lords of Trade received complaints of Boston merchants “buying wine and Brandy... in exchange for fish” on the Canary Islands, see Sir John Berry to Secretary Joseph Williamson, 24 July 1675, TNA: CO 1/34, no. 118, p. 240. Also see APCC, 1:659-60; Bailyn, *New England Merchants*, 144-7
Randolph portrayed the New England colonists as having become spectacularly rich from illegal trade, creating “rich men of all callings and professions.” “All mechanical arts and occupations thrive well,” he wrote, “the farmers are numerous and wealthy.” At least thirty merchants, he alleged, were worth between £10-20,000, and all merchants enjoyed “considerable estates and very great trades.” Meanwhile, at a time in which silver output at the royal mint had fallen drastically relative to that of gold, Randolph observed that “there is a reasonable quantitie of silver money in the colony, but no gold.” A great deal of this Boston silver, he believed, properly belonged to England, and would belong to England if the Crown had only taken the appropriate steps to secure it. “That government would make the world believe they are a free state,” he continued, “...all nations having free liberty to come into their ports and vend their commodities, without any restrain.”

Randolph ended his scathing report on a high note. “The inhabitants are generally well affected to his Majestie and his government, as well the merchants and farmers as the meaner traders and artificers, who groan under the yoake of the present government, and are in dayle hopes and expectations of a change, by his Majesties reassuming the authority and settling a general government.” The colonists of Plymouth, Connecticut,

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58 Randolph Letters, 2:235-6. The previous year, yet another English traveler observed that Boston merchants “seem to be rich men and their Houses as handsomely furnished as most in London,” see “An Account taken from Mr. Harris of New England,” 29 Apr. 1675, TNA: CO 1/34, no. 66, p. 140. Using statistical analysis of the period between 1650-1709, historian Terry Anderson has found that real wealth in New England indeed “rose in all but the first decade of the eighteenth century,” with a particularly rapid increase in wealth between 1650 and 1680, see Terry L. Anderson, “Economic Growth in Colonial New England: ‘Statistical Renaissance,’” The Journal of Economic History 39, no. 1 (Mar. 1979): 247. In 1684, Massachusetts Governor Simon Bradstreet contradicted this allegation in a letter to Randolph: “The people here you know are generally very poor, unless some few in Boston, and most of them not soe rich as they are thought to be,” see Randolph Letters, 3:337
New Hampshire, and Maine were likewise “very desirous of submitting to a general
governor to be established by his Majestie... and doe heartily wish that his Majesties
authority were established over the whole country.”60

Randolph excitedly awaited a response from the Lords of Trade. As the months
rolled on, however, he found the committee preoccupied with the staple plantations.
Bacon’s Rebellion had recently erupted in Virginia and political dissension in Jamaica
was at a boiling point. Even the most egregious trade offenses in New England seemed
paltry in comparison. Ever restless, Randolph submitted a second report to the committee
seven months later, charging the colony with having “formed themselves into a Common
Wealth.” Even more abrasively, he contended that the governor and assembly “have noe
right either to Land or Government in any part of New England and have allwayes been
Usurpers.” “They Coine money with their owne impress... They violate all the Acts of
Trade and navigation, by which they have ingrossed the greatest part of the West India
Trade.” Boston smuggling, he now estimated, damaged the customs revenue “above
£100,000 yearely and this Kingdome much more.”61

With this second report, the Lords of Trade, in July 1677, finally launched a
formal investigation. Out of 24 alleged “crimes and assumed powers not granted in their
Charter,” the first crime listed by the committee was none other than the Boston mint.

“They have erected a publack Mint in Boston and Coined money with their own

60 Ibid., pp. 2:253-4, 258.
61 Ibid., 2:266. This last claim was especially jolting, a sure embellishment considering that a petition of
London manufacturers the year before had set the number at £60,000, itself an extraordinary sum, see
Petition of the mercers and silkweavers of London to the King, 10 Apr. 1676, TNA: CO 1/36, no. 45, p. 79.
Randolph factored in the lost customs revenue lost Caribbean planters purchased European goods from
New England carriers – a considerable source of lost revenue – but the £100,000 figure was clearly a pure
invention of Randolph. For more on the May 1677 report, see Hall, Edward Randolph, 33-5.
Impress,” the committee charged, with the mint as the symbolic capstone for the ensuing 23 grievances, including the refusal to take oaths of allegiance and supremacy to the King, and having “declared themselves a Common Wealth.”

The Massachusetts agents, having only recently arrived in London, now faced an unmerciful round of questioning. Regarding the mint, the committee even asked “whether Treason be not herein Committed,” and if so, whether the treason was enough to have the “Corporation dissolved and Charter forfeited?” Apprehensive, the Massachusetts agents replied that “they were necessitated to it, about the yeare 1652, for the support of their Trade, and have not, hitherto, discontinued it, as being never excepted against, or disallowed by His Majesty.” This latter point was entirely false – perhaps unknowingly – because the 1665 commission had explicitly demanded the mint’s repeal. Nevertheless the agents “beg pardon if they have offended.” The strategy was clear: spare the coinage by persuading the Crown that the singular purpose of the mint was economic, not political.

On the question of illegal trade, the agents conceded a degree of smuggling, but attributed this to a mere misunderstanding among Boston’s merchants. “There are perhaps some private persons who trade indirectly, by reason they have not understood those Acts,” nevertheless, the damage to the customs “is very inconsiderable in comparison of what is reported.” In the future, they promised, the government would

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63 Memoranda concerning New England, 20 July 1677, TNA: CO 1/41, no. 32, p. 75.
“readily apply themselves” to enforcing the Acts of Trade, and would promptly administer the required oaths of allegiance and supremacy.\textsuperscript{65}

After several days of review, the Lord of Trade delivered the verdict, insisting upon the absolute “necessity of bringing those People under a more palpable declaration of their obedience.” Of the more egregious offenses, the colony “had transgress’d in presuming to Coyne Money, which is an Act of Sovereignty, and to which they were by noe Grant sufficiently authorized.” Nevertheless, the committee recommended that the king compromise on this matter of the mint. The General Court must simply “sollicit His Majesties Pardon for the offence that is past,” and “upon due application,” the king may graciously allow the colony to continue the mint under his authority, thus maintaining the royal prerogative and completely eviscerating the mint’s political nature. The Navigation Acts, moreover, must be “religiously observed.” Obey these and sundry other instructions, the committee promised, and “His Majestie will not destroy their Charter, but rather by a Supplemental one to bee given them, set all things right that are now amiss.”\textsuperscript{66}

\textsuperscript{65} Ibid., 2:277; Answer of the Agents of the Massachusetts, 20 July 1677, TNA: CO 1/41, no. 31, p. 72-3. In May 1680 Governor Simon Bradstreet likewise remarked, “It is true now and then, a small vessell may ship a side to France or Holland... yet the damage to his Majestie is inconsiderable,” Governor Simon Bradstreet to the Lords of Trade, 18 May 1680, TNA: CO 1/44, no. 61, p. 407. In 1689 Increase Mather similarly wrote, “It hath indeed been objected, that in New England they did many Years ago Transgress the Act of Navigation. But the Transgression of some few particular Persons ought not to be charged as the fault of the Government there,” Mather, Brief Relation, 7.

\textsuperscript{66} Journals of the Lords of Trade and Plantations, 27 July and 2 Aug. 1677, in Randolph Letters, 2:277-9, 283. Also see Report of the Lords of Trade to Charles II, 19 July 1677, TNA: CO 1/41, no. 30, p. 66, where the committee advised that that the King would “pardon them for coining” and thereafter “grant them a license for coining.” For more on this investigation and report by the Lords of Trade, see Hall, Edward Randolph, 36-9; Dunn, “Imperial Pressures,” 63.
The judgment of the Lords of Trade was surprisingly moderate, altogether rejecting Randolph’s insistence on a revocation of the charter. The committee’s position on the mint embodied this restraint. Imperial sanction of the Boston coinage, together with an apology and revised stamp, would effectively enhance royal authority while avoiding any resentment which might arise from outright abolishing the mint. The economic expediency in having a distinctive currency in Boston would no longer contradict the larger political agenda from London, but would rather complement it. The mint would transform from that of a competing political-economic institution to one that served the Crown’s centralizing program: from a symbol of peripheral autonomy to one of imperial strength and power. Naturally, the 1652 stamp would have no place in this revamped, Crown-approved mint. Much relieved, the agents agreed to “humbly Implore his Majesty’s gratious Pardon” for the “extreamely usefull” mint, so that the coinage “may be continued to them under what Impress He pleases.”

Seven years earlier, in 1670, Louis XIV had ordered the Paris mint issue a series of coins for his Canadian settlement, demonstrating that a colonial coinage could indeed buttress imperial authority. Louis had recently rejected the request for a Montreal mint, but a Canadian coinage minted in Paris suited the Sun King just finely, for reasons the money explained itself. The coins, made of silver and copper, brilliantly manifested the splendor, majesty, and sovereignty of the emerging French empire (Figure 18). On the obverse, the laureated bust of Louis XIV, with the sun beaming above his glorified

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67 Answer of the Agents of the Massachusetts, 20 July 1677, TNA: CO 1/41, no. 31, p. 72. In the same answer the agents noted that the Acts of Trade “have not beeene strictly observed by some Merchants but as to the damage thereby accruing to his Majesty wee doe most certainly know it is very inconsiderable in comparison of what is reported.”
image. On the reverse, the French coat-of-arms, topped with a crown, encircled by the Latin phrase “GLORIAM REGNI TUI DICENT” – “They shall speak of the glory of thy kingdom.” Perhaps Charles II and his advisors had something similar in mind for the Boston mint. Whatever they intended, it was certainly not a pine tree.⁶⁸

Images assumed a greater significance in the early modern world than they do today. We in the twenty-first century are constantly bombarded with images, moving to and fro at lightning speed, here one second and gone the next. Images, today, lack power, meaning, and permanence. Not so in the seventeenth century. The owner of a Bay shilling or French Canadian coin would have spent considerable time simply looking at the money, feeling the money, and pondering upon its significance and meaning. Monarchs took their royal prerogative so seriously for precisely this reason. They understood, very consciously, the power of images.

Had the General Court followed their agents’ advice and apologized for the mint, the entire character of the coinage would have been severely and irrecoverably altered. The mint would now exist, not owing to the agency or prerogative of the Massachusetts government, but by the explicit permission of the King, following due apology for daring to assert their own monetary authority. Knowing this, the General Court rejected compromise when word arrived of the offer, proudly assuring their agents that when the king “shall truely be informed of the symplicity of our actings, the publicke joy thereof to his subjects here, and the great damage that the stoppage thereof will inevitable be to our necessary commerce... his majestye will not account those to be freinds to his crowne that

shall seeke to interrupt us therein.” The stamp was paramount. “Wee shall take it as his Majesty’s signall ouning of us,” the assembly chided its agents, “if he will please to order such an impresse as shall be to him most acceptable.”

The mint controversy was a battle over symbols and competing political visions, waged not only between England and Massachusetts, but also within New England itself. The Lords of Trade recognized that for royal authority to properly assert itself in Massachusetts Bay, the symbolic power of the mint must be turned on its head. The independent faction on the General Court opposed compromise for this very reason, exposing the mint for the political institution that it truly was. From the perspective of the moderate faction, of course, such intractability amounted to pure absurdity, risking the very existence of an economically-useful mint on the basis of a mere stamp and a simple apology. The two Boston agents, William Stoughton and Peter Bulkeley, belonged to this commercially-minded, moderate faction, explaining their original submission to the Crown’s demand.

Once word of the committee’s judgment arrived in Boston, most colonists greeted the news of the survival of their charter with great delight and easement, proclaiming an official day of thanksgiving. Rumors had circulated that the committee might abrogate the charter altogether, and so Massachusetts officials triumphantly interpreted the committee’s decision as a confirmation of their charter. Now that fear of a royal takeover

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69 Massachusetts General Court to William Stoughton and Peter Bulkeley, 10 Oct. 1678, in Records of Massachusetts, 5:203. The General Court simultaneously requested the Crown that the agents may be allowed to return home, see Records of Massachusetts, 5:197.


71 Records of Massachusetts, 5:163.
had passed, the General Court went on its way and ignored virtually all of the demands made by the committee, presumably expecting English officials to acquiesce as they had in 1665.\textsuperscript{72} Trade was the only issue on which the General Court partially relented, yet even here, the assembly managed to assert their own lawmaking authority by pushing through a colonial statute almost identical to the Navigation Acts, implying that Parliamentary law was valid only through the colony’s own sovereign will.\textsuperscript{73} Once the government legally acknowledged these commercial restraints, of course, trade continued on its prior course as though nothing had happened.

Jamaica, for the moment, was of far greater significance to the mercantilist ambitions of imperial policymakers. English merchants, in the mid-1670s, annually imported as much as £100,000 of silver and gold from the island. Average annual output at the royal mint, comparatively, was £370,000.\textsuperscript{74} The Royal African Company was a key factor in flow of money from Port Royal to London, but a newly-aggressive, planter-led assembly was now actively assailing both the company and the power of the royal governor, molding Jamaican laws to favor their own economic interests.

\textsuperscript{72} Hall, Edward Randolph, 39-41.
\textsuperscript{73} Records of Massachusetts, 5:155. “The [1660] act of navigation,” John Adams remarked nearly a century later, “...was never executed nor regarded until seventeen years afterwards, and then it was not executed as an act of parliament, but as a law of the colony,” [John Adams], Novanglus, or, A History of the Dispute with America, from its Origin, in 1754, to the Present Time (1774), in The Works of John Adams, ed. Charles Francis Adams, 10 vols. (Boston, 1850-6), 4:113. Thomas Hutchinson also later remarked that “it seems to have been a general opinion that acts of parliament had no other force than what they derived from acts made by the general court to establish or confirm them,” Thomas Hutchinson, The History of Massachusetts, from the First Settlement thereof in 1628, until the Year 1750, 2 vols., 3rd ed. (Boston, 1764 and 1767; Salem, MA, 1795), 2:12.
\textsuperscript{74} This annual average was for the entire decade of the 1670s. See Zahedieh, Capital and the Colonies, 233; C.E. Challis, “Lord Hastings to the Great Silver Recoinage, 1464-1699,” in C.E. Challis, A New History of the Royal Mint (Cambridge; Cambridge University Press, 1992), 381.
The Crown aligned itself with the Royal African Company for two principal reasons. First, the company had proven enormously profitable for its shareholders in England, many of whom belonged to the Stuart court. But more importantly from the mercantilist point of view, the RAC was England’s most direct link to the silver mines of Mexico and Peru, “and if not disturbed” – Charles proclaimed in November 1674 – “is likely to be further improved to the great benefit of this Our Kingdom.”75 Over one-third of the company’s annual cargo went to Spanish America, where traders paid roughly £18-22 a slave, the value of twenty gold guineas or eighty pieces-of-eight.76

This royal alliance with the RAC sparked great hostility among Jamaica’s sugar planters, who charged the company with undersupplying the island and intentionally hawking up the price of African labor.77 Spanish buyers paid on average above 25 percent more than what the company received from Jamaicans, who paid in sugar, moreover, not coin. Unlike the credit-starved Caribbeans, Spanish buyers also demanded no extensive credit from the company. Even among English planters, the company seemed to favor Barbados over Jamaica, and especially over the Leewards.78 Years later, in 1690, the House of Commons resolved that the company charged “what price they

75 Royal Proclamation of Charles II, 30 Nov. 1674, in BRPA, 121.
77 Dunn, Sugar and Slaves, 237; Zahedieh, Capital and the Colonies, 117-8; Pettigrew, “Free to Enslave,” pp. 6, 22, 25; Nettels, Money Supply, 16-29.
please; and have actually sold their negroes at above double the price they may be
imported for."\textsuperscript{79}

Illegal slave dealers sold Africans rather more cheaply than the RAC, unburdened
with the operating costs of establishing and maintaining forts along the West African
cost.\textsuperscript{80} The mere presence of additional sellers reduced the price of African labor,
cutting RAC profits but saving the planters money. The 1674 Jamaican assembly
therefore legalized the “free importation of negroes,” and island judges now upheld the
new “statute against Monopolyes.”\textsuperscript{81} The forthcoming battle was yet another example of
the ongoing, monetary tug-of-war between England and its colonies. The Lords of Trade
approached the Jamaican standoff aggressively, eager to signal the dawning of their new
imperial reform.

A new governor, Lord Vaughan, arrived in March 1675, immediately calling a
new assembly to repeal the repugnant acts of the previous.\textsuperscript{82} Though the planters dutifully
reinstated the RAC monopoly, Vaughan had to call yet another representative body in
1677, when the laws of the previous expired. This time the planter faction, headed by
Samuel Long and William Beeston, tacked a “Bill of Privileges” onto the Revenue Bill,
declaring the laws of England to be in force on the island. The Bill of Privileges was a
shrewd way of legalizing non-RAC dealers who stayed within the bounds of the

\textsuperscript{79} APCC, 2:35.
\textsuperscript{80} Dunn, \textit{Sugar and Slaves}, 237; Zahedieh, \textit{Capital and the Colonies}, pp. 117-8, 248-50; Pettigrew, “Free to
Enslave,” 6.
\textsuperscript{81} CSPC, 1669-74, nos. 1206, 1232, 1241; Journals of the Lords of Trade and Plantations, July 1676, in CO
1/37, no. 31, p. 108. Also see Whitson, \textit{Constitutional Development}, 73-4; Dunn, \textit{Sugar and Slaves}, 158.
Charles II responded in November 1674 with a new proclamation affirming the monopoly and condemning
interlopers, see BRPA, 121-2.
\textsuperscript{82} CSPC, 1675-6, nos. 471, 536-8.
Navigation Acts, including English interlopers who used English ships and English sailors. Desperate to fund the government, Vaughan conceded after a months-long battle.\(^{83}\)

Frustrated with Vaughan’s inability to quiet the planter faction, the Lords of Trade laid preparations for Charles Howard, Earl of Carlisle – himself a member of the royal committee – to govern Jamaica. Carlisle, they trusted, would decisively crush the planter assembly, as well as the remaining buccaneer faction. Carlisle, they instructed, was to summon a legislature upon arrival, and get them to authorize, by royal demand, a perpetual revenue act and 40 permanent laws authored directly by the Crown, nullifying the need for future assemblies.\(^{84}\)

Assuming success, the committee promised the new governor a Jamaican mint. In November 1677, months before departing from England, Carlisle requested that “a Mint may bee allowed... coyned here with particular marke.”\(^{85}\) Modyford had ineffectively petitioned for a mint in 1664 and 1670, but this time, the Crown approved the request, even permitting the mint to operate within Jamaica itself, so long as the “Coines have Our Image and Inscription engraved on them.”\(^{86}\) After some delay, Carlisle finally arrived on

\(^{83}\) Vaughan angrily dissolved the April 1677 assembly and called an entirely new one in September, but failed to get better results, compelling him to accept the assembly’s demands, see CSPC, 1677-80, nos. 39, 172, 174, 208, 270, 313, 368, 375, 398, 402. For more on Vaughan’s relationship with the assembly, see Thornton, West-India Policy, pp. 167, 169, 171-2; Whitson, Constitutional Development, pp. 27-8, 48, 56-72; Dunn, Sugar and Slaves, 158.


\(^{85}\) Memorial of the Earl of Carlisle to the Lords of Trade, 10 Nov. 1677, TNA: CO 1/41, no. 102, p. 248.

\(^{86}\) Order of the King in Council, 16 Nov. 1677, TNA: CO 1/42, no. 118*, p. 312. Also see APCC, 1:746; Journal of the Lords of Trade and Plantations, 17 Jan. 1678, in TNA: CO 391/2, pp. 195-204.
the island in July 1678. A few weeks later, he motioned the Crown for permission to begin setting up the mint. Silver abounded, but small change was scarce. “The least coin here is 7½ pence,” he wrote the committee, “so that the inhabitants suffer much in their way of trade.”

The contrast between the Boston and Jamaican mints was enormously stark, though the economic rationales behind the two mints were essentially the same. Mints provided much-needed regularity to the oft-clipped, foreign monies that otherwise circulated in the colony. Mints also produced much-needed small change. Boston coins included one-shilling, six-pence, and three-pence pieces, considerably smaller than the six-shilling Spanish dollar, and presumably, the Jamaican mint would have also coined money as low as three- and six-pence.

The contrast between the two mints was entirely political. The Jamaican coinage would bear the King’s image and a current date, not a staple commodity with a Commonwealth year. The Jamaican mint would be established only with the Crown’s approval, fully consistent with the royal prerogative. If the Jamaican assembly had independently authorized a mint without notifying the King, and had hypothetically stamped a cane of sugar upon the coin instead of Charles II, obviously the money would have been entirely unacceptable to the Crown, and blatantly treasonous. But such was not the case here, and so the Lords of Trade happily authorized the proposed mint, with Charles’s assent. Implicit in the approval was that Carlisle ensure the passage of the new permanent laws, especially the perpetual revenue.

87 Governor Lord Carlisle to Secretary Henry Coventry, 14 Aug. 1678, in CSPC, 1677-80, no. 779.
Carlisle, upon arrival, summoned the seventh assembly to meet on the island since 1672. Not surprisingly, the planters voted down each and every one of the proposed statutes, with special emphasis against the perpetual revenue act. The planters understood that it was the annual salary which so tied the governor to the interests of the planters.  

“Popular discourses prevail here as in England,” Carlisle wrote the Lords of Trade, “...they will not consent to lose their deliberative power.”

By October 1678, just three months after arrival, Carlisle began sympathizing with the assembly in his correspondence with the Lords Committee, calling the present strategy “very impracticable besides very distasteful to the sense of the people.” Permanent laws were inadvisable in any colony, he argued, especially a growing one. The distance was too great between Jamaica and England, he added, conditions might change on the island, and a few of the statutes bore flaws requiring amendment. The about-face, of course, enraged the committee, who associated the headstrong assembly with the contentious political climate in England, presently engulfed in the Popish Plot, Exclusion Crisis, and recent dissolution of Parliament in January 1679. “The assembly have

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88 CSPC, 1677-80, nos. 779, 786, 794, 807, 815-6; Whitson, Constitutional Development, 84-8; Thornton, West-India Policy, 176-7; Dunn, Sugar and Slaves, 158; Hamshere, British in the Caribbean, 73; Dunn, “Imperial Pressures,” 60. Even his council refused to cooperate: four councilors refused to swear an oath to submit and consent to the altered form of government, see Governor Lord Carlisle to Secretary Henry Coventry, 24 Oct. 1678, in CO 138/3, pp. 277-84; Governor Lord Carlisle to Secretary Sir Josiah Williamson, 24 Oct. 1678, in TNA: CO 1/42, no. 137, p. 350. For more on the importance of the annual salary to colonial assemblies, see Bushman, King and People, 124-5; Greene, Peripheries and Center, 31.

89 Governor Lord Carlisle to Secretary Henry Coventry, 10 Sept. 1678, in TNA: CO 138/3, pp. 249-51; CSPC, 1677-80, no. 794.

90 Governor Lord Carlisle to the Lords of Trade and Plantations, 15 Nov. 1678, in CSPC, 1677-80, no. 827. Also see Governor Lord Carlisle to Sir Robert Southwell, 26 Nov. 1678, in TNA: CO 1/42, no. 147, p. 366.

91 Governor Lord Carlisle to Secretary Henry Coventry, 24 Oct. 1678, in CO 138/3, pp. 277-84; Governor Lord Carlisle to Secretary Sir Josiah Williamson, 24 Oct. 1678, in TNA: CO 1/42, no. 137, p. 350.
endeavoured to grasp all power,” they scolded the governor, demanding Carlisle, whom they accused of “defective” behavior, to try again.92

With the governor now defecting, the Lords of Trade revisited the question of the mint. The committee had previously granted Carlisle permission to set such a value upon the money as he “thought most agreeable,” meaning, if he wanted the Jamaican shilling to contain less silver than the English shilling, he could do so. But the committee now reconsidered this particular, asking the Commissioners of the Royal Mint to weigh in on the matter.93 The mint commissioners, in February 1679, replied that a Jamaican mint would be of “Dangerous Consequence” unless required to adhere to the “Standards of His Majesties Gold and Silver Moneys.”94 The Jamaican shilling, in other words, must have the same silver content as the English shilling. The Lords of Trade agreed. “The preserving of one certain Standard in weight... in all Your Majesty’s kingdoms and Dominions is very much for the security and advantage of Your Majesty,” the committee wrote the King, who also agreed. The Crown further instructed that any expenses in setting up the mint must now come from Carlisle’s own pocketbook, not the Royal Exchequer as previously.95

Carlisle received the new instruction in May 1679. The governor had no problem stamping money with the “Royall Superscription,” but this new condition regarding the

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92 Report of the Lords of Trade to the King in Council, 28 May 1679, in TNA: CO 138/3, p. 293; CSPC, 1677-80, no. 1009; Lords of Trade and Plantations to Governor Lord Carlisle, 31 May 1679, in TNA: CO 138/3, p. 313. Also see CSPC, 1677-80, nos. 954-5, 961, 1011-2; Thornton, West-India Policy, 191-3; Whitson, Constitutional Development, 89-92.
93 Order of the King in Council, 16 Nov. 1677, TNA: CO 1/42, no. 118*, p. 312; Journal of the Lords of Trade and Plantations, 6 Dec. 1678, in TNA: CO 391/2, pp. 270-1.
94 Henry Slingesby to the Lords of Trade and Plantations, 7 Feb. 1679, TNA: CO 1/43, no. 15, p. 24.
weight of the coin, he believed, was simply intolerable. Since 1672, Spanish dollars had passed on the island at 5s a piece, up 11 percent from the 4s6d rate in England. When a colony devalued its currency, as Jamaica did in 1672, money temporarily flowed into the province to buy goods that had not yet inflated in price, thereby encouraging exports until prices finally inflated to match the new standard.

Compliance with the mint instruction, then, meant a 10 percent currency appreciation, with the opposite effect as in 1672. Money would temporarily flow out of the colony until prices finally deflated to match the new standard. Only after a period of deflation would the hemorrhaging of money finally stop. Exports, in the meantime, would greatly suffer, and newly-minted Jamaican coins would leave the island almost as soon as they left the press. “Should our Coine bee of the same standard in weight and fineness to the King’s Coine in England, wee should never keep any money in the Island,” the governor protested. The new currency policy, indeed, would “carry off this Island all our ready money to other plantations.”

A double standard regarding the minting of coins was in place. The Boston mint coined shillings exceedingly lighter than those in England – near 25 percent – yet a Jamaican mint could not even coin money 10 percent lighter. The Crown’s frustration with the governor’s performance undoubtedly prompted this new requirement. Discouraged, Carlisle called off all plans for the mint, fearing deflation would render the entire project worthless. Not having a mint at all, and retaining the freedom to set a higher shilling-value on foreign coin than 4s6d, was preferable, Carlisle believed, to

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96 Governor Lord Carlisle to the Lords of Trade, 20 June 1679, TNA: CO 1/43, no. 76, p. 136.
having a mint under the English standard. Such a mint may have spelled disaster for the island, at least temporarily. “I shall forbeare giving your Lordships any further trouble in this till I have a fairer opportunity of offering it more advantageously,” he replied. The opportunity never came. Carlisle was out of office shortly after and nothing more came of the mint.\footnote{\textit{Ibid.}, Seven years later, the Commissioners of the Mint, in trying to convince the Lords of Trade to abolish the Massachusetts mint, reminded the committee that, “in the year 1678 the Earle of Carlisle did make Application for Power to Erect a Mint in Jamaica,” which was “found impracticable under the Terms of keeping the weight and fineness of the money to the English standard,” see TNA: CO 1/60, no. 88ii, p. 260.}

The reasons given by the Lords of Trade for cancelling the Jamaican mint were entirely specious, if not disingenuous. Every colony, excepting Maryland, had already devalued the shilling, and so there was anything \textit{but} one “certain Standard in weight” across the empire. New York, Massachusetts, and the Leeward Islands had each raised the Spanish piece-of-eight to 6s, one-third above the English standard.\footnote{\textit{Records of Massachusetts}, 4.2:533; McCusker, \textit{Money and Exchange}, pp. 157, 256; Cathy Matson, \textit{Merchants and Empire: Trading in New York} (Baltimore, The Johns Hopkins Press, 1998), 71-2; \textit{Acts of Assembly, Passed in the Island of Montserrat, from 1668 to 1740} (London, 1740), 19-20; Nettels, \textit{Money Supply}, 235. Sugar money nevertheless remained in use in the Leewards, see \textit{Acts of Assembly, Passed in the Island of Nevis, from 1664 to 1739} (London, 1740), 7-8.} Virginia, Carolina, Jamaica, and Barbados each valued the dollar at 5s, a little over 10 percent above the English standard, and Bermuda valued the coin at 5s4d.\footnote{McCusker, \textit{Money and Exchange}, pp. 105, 189, 239-40, 246, 256, 276; \textit{Acts of Assembly, Passed in the Island of Barbadoes, from 1648, to 1718} (London, 1732), 64; Minutes of the Council of Jamaica, 21 Oct. and 21 Dec. 1671, in \textit{CSPC}, 1669-74, pp. 268, 307; Crosby, \textit{Early Coins}, 132.} New Jersey devalued the shilling beyond any other, assigning the dollar, in 1676, a value of 7s8d, roughly 70 percent above the rates in England.\footnote{McCusker, \textit{Money and Exchange}, 168.} And even the sole exception, Maryland, assigned a
6s rate for the coin from 1671 to 1676, until the proprietor forced a return to the English standard.\textsuperscript{101}

In an age of imperial consolidation, then, the valuation of silver coin remained highly irregular across the English empire. This decentralized, peripheral control over money greatly irritated the Lords of Trade, who argued that currency devaluation in one colony caused “eminent prejudice to the rest.”\textsuperscript{102} Prices eventually rose in the colony with the higher rate for Spanish coin – “the Price of things bought with Money doth rise in Proportion” – but not immediately, and so for a brief period, the owner of a piece-of-eight could purchase more goods with his or her dollars in the province with higher rates, prompting outside money to rush in.\textsuperscript{103}

The jealousy this provoked among the colonies, in turn, provoked retaliatory currency measures. Indeed, one of the “common Reasons” offered against revaluing coin was that “others will raise as well as we, whereby the Design will be frustrated.” Such an action might even “occasion Quarrellings and War from neighbouring Kingdoms and States, for draining their Money from them.”\textsuperscript{104} One English author disparaged the practice as nothing more than “an Art which States have used to rob one another of their Money, by setting on higher prices upon it.” Though the country or colony will temporarily “draw to themselves the Money of their Neighbours... the other Nations out

\textsuperscript{102} Journal of the Lords of Trade and Plantations, 21 Feb. 1679, TNA: CO 1/43, no. 20, p. 31.
\textsuperscript{103} Rice Vaughn, A Discourse of Coin and Coinage (1630; London, 1675), 147.
\textsuperscript{104} [James Hodges], The Present State of England, As to Coin and Publick Charges (London, 1697), 85-6. Hodges actually supported currency devaluation, and was merely listing the many “Prejudices” given against the practice, attempting to debunk these arguments on pp. 88-196.
of the same Misconceipt will raise the Money likewise; and so deprive you of your end.\textsuperscript{105}

Currency devaluation sometimes came at the behest of private interests, as may have been the case in New York under Governor Sir Edmund Andros. A military man fluent in Dutch, Andros became governor of New York after England reclaimed the colony from the Netherlands in 1674. Because smuggling had been so rampant under the previous English governor, Francis Lovelace, the Lords of Trade this time installed a customs collector, William Dyre, to oversee trade enforcement. Not long into his administration, Andros began cozying up to the city’s Dutch merchant elite, instructing Dyre to look the other way when favored merchants smuggled goods into the colony.\textsuperscript{106} He even lobbied the Crown, unsuccessfully, to exempt the city’s importers from the Navigation laws, requesting that “ships trade directly from Holland.”\textsuperscript{107} The governor, then, was all ears when the city’s import-merchants approached him about raising Spanish coin above rates in Boston.

Andros lobbied first for a New York mint. In April 1675, a few months into his administration, he wrote the Duke of York – proprietor and future James II – of the “want of money for ordinary commerce,” requesting permission for a coinage with a particular “stamp or marke.” Andros and his merchant allies, of course, wanted New York to be a

\textsuperscript{105} Vaughn, \textit{Discourse of Coin}, pp. 32-3, 166. Also see Mun, \textit{England’s Treasure}, 70-7; Robinson, \textit{Englands Safety}, 61.


\textsuperscript{107} Sir John Werden to Governor Edmund Andros, 28 Jan. 1676, in \textit{DRNY}, 3:236.
competing entrepôt to Boston, and a New York coinage would mark the symbolic arrival of the port as a dominant presence in the region. The Duke of York was less enthusiastic. “There appears not any present remedy for the inconvenience,” he replied of the apparent scarcity of money, adding, “‘tis not Convenient for me” to push at present for a New York mint. “Indeed if money were coyned,” he wrote, the king might require that it be of the weight of England, and “it would soon be carried away again from you.” The Duke’s secretary agreed, arguing that to coin money at different weights than the English standard required “the Kings express authority,” which he thought unlikely. “It is not worthy your further thoughts,” the secretary assured Andros, suggesting “brass farthings” instead.108

Unable to secure a mint, Andros now floated the idea of advancing Spanish coin from 6s to 6s6d, a valuation nearly 45 percent above the rates in England, and nearly 10 percent above Boston. Merchants were far and away the largest holders of silver money in New York, and any New Yorker in possession of large sums of coin would see his nominal wealth, in terms of shillings, increase overnight by nearly 10 percent. It “giveth only Profit to a few Monied Men, whose Hands are full, at the time of the Raising,” a general critic of the practice wrote in England.109 Moneyed men had done the same on Jamaica just a few years earlier, when the government raised the dollar from 4s6d to 5s.

The Jamaican Council, in October 1671, set the date of the change for March 1672, yet in

the weeks following the announcement, profit-seekers began to “hoard up their Spanish money, whereby trade is much lessened.” The Council intervened and switched the date to December. \(^{110}\)

New York’s elite Dutch import-merchants stood to gain the most from Andros’s currency proposal, and the group enjoyed a firm alliance with the governor. Because the price increase for domestic goods lagged behind the price increase for imported goods, the import-merchant enjoyed spectacular advantage. Whatever his motives, Andros’s plan, like the mint, never came to fruition, the Duke’s secretary calling it a “certaine way of debaseing the Comodityes of that Country, and therefore a kind of impoverishing it.” \(^{111}\)

The most obvious case of a nefarious currency alteration took place in Virginia in 1679. The few Spanish dollars in the colony passed at 5s a piece, and tobacco currency had financed the bulk of the suppression of Bacon’s Rebellion. The colony spent 753,669 pounds of tobacco to reimburse surviving soldiers, and widows of the fallen received 1000-4000 “pounds of tobacco and Caske.” \(^{112}\) The English regiment that aided in suppressing the rebellion, however, was due for payment in silver coin. On the eve of payment, Governor Lord Thomas Culpeper suddenly raised the piece-of-eight to 6s, and was able now to pay the soldiers with 20 percent fewer silver coins. \(^{113}\) Almost immediately after payment, Culpeper issued a new proclamation calling the dollar back


\(^{111}\) Sir John Werden to Governor Edmund Andros, 28 Jan. 1676, in DRNY, 3:236.

\(^{112}\) JHB, pp. 2:69-70, 81-5. In 1678 the Maryland assembly likewise used tobacco currency to finance a war against the Nanticoke Indians, expending 825,979 pounds to do so, see Archives of Maryland, 7:87-104.

\(^{113}\) Bruce, Economic History of Virginia, 1:508.
down to 5s, “injuring the poor Soldiers.” “Had not Bacon’s Rebellion been so lately suppress’d, it might have ended in Mutiny,” John Oldmixon remarked a quarter-century later. 114 Soon after, when the infuriated Burgesses passed legislation returning the coin to 6s, Culpeper haughtily refused to sign the bill, claiming he needed the King’s permission first. 115

The Crown’s rationale for rejecting the Jamaican mint, then, was almost certainly cover for a more substantive reason than simply wishing to maintain a single currency standard. By denying Carlisle a mint, the Lords of Trade was punishing the governor for his failure to deliver upon the empire’s reform agenda. Betrayed by the Lords Committee, Carlisle now openly espoused the planters’ political grievances. In the same letter in which he regretted the mint’s rejection, the governor remarked that the island’s most respected gentlemen are “so generally dissatisfied with haveing the deliberative part of makeing Lawes taken from the Assembly.” 116 Jamaicans, he added later, would “never consent to make chaines (as they terme this Frame of Government) for their

114 Oldmixon, British Empire in America, 1:260. The event remained so notorious that one writer out of Boston, sixty years later, referenced the governor’s successful effort “to defraud an English Regiment,” see [William Douglass], A Discourse Concerning the Currencies of the British Plantations in America, Especially with Regard to their Paper Money (Boston, 1740), 17. Robert Beverley also mentioned the event in History and Present State of Virginia, 89-90, as did famed nineteenth-century historian George Bancroft, see George Bancroft, History of the Colonization of the United States, vol. 1, 14th ed. (1834; Boston, 1848), 2:247.

115 JHB, pp. 2:141, 146. Culpeper claimed he could not sign the Burgesses’ currency bill because “the best way of doing it is by address to his Majesty,” but the governor had no problem arbitrarily raising the coin himself just a year prior. The Burgesses responded by voting the governor’s clerk a salary of only 5,000 pounds of tobacco (less than £20 sterling), though the clerk of the assembly received 20,000 pounds, see JHB, pp. 2:137-40, 245-6.

116 Governor Lord Carlisle to the Lords of Trade, 20 June 1679, TNA: CO 1/43, no. 76, p. 136.
Posterityes."\(^{117}\) Carlisle summoned a new assembly in August 1679, and promised the planters that he would travel personally to England to lobby for a restoration of their former privileges.\(^{118}\)

By the end of 1680, the Lords of Trade finally concluded that the Jamaican assembly would never agree to a permanent revenue and law structure. Former governor Thomas Lynch, now in London, had carefully defended the colony’s grievances to the committee, convincing them of the necessity of compromise. Considering the growth and trade of the French Caribbean, he argued, “the planters seem more needfull now than formerly,” requiring all due encouragement.\(^{119}\) A petition of October 1680 from the leading planters and merchants affirmed that until the present crisis, Jamaica had been in a “most flourishing state... since which time a fatal stop hath been to its prosperity.” The committee finally gave in and promised representative government on condition of a seven-year revenue bill.\(^{120}\)

The Crown had overreached, its efforts to render Jamaica a more valuable imperial asset had backfired and now imperiled its mercantilist profitability altogether, compelling London officials to finally accept the deliberative power of the Jamaican assembly. In July 1681 the Lords of Trade commissioned Lynch to serve once again as

\(^{117}\) Governor Lord Carlisle to the Lords of Trade and Plantations, 15 Sept. 1679, in TNA: 1/43, no. 118, pp. 209. Also see Carlisle’s letter to the Lords Committee on 23 February 1680, in TNA: CO 1/44, no. 28, pp. 65-7.

\(^{118}\) CSPC, 1677-80, nos. 1096, 1103, 1188; Whitson, *Constitutional Development*, 93-7; Thornton, *West-India Policy*, 194. Just as he had promised, Carlisle left for England in May 1680, leaving Lieutenant Governor Sir Henry Morgan in charge, see Governor Lord Carlisle to the Lords of Trade and Plantations, 23 Apr. 1680, in TNA: CO 1/44, no. 52, pp. 387-8.

\(^{119}\) Sir Thomas Lynch to the Lords of Trade and Plantations, 18 Dec. 1679, in TNA: CO 1/43, no. 172, p. 326.

governor, with instructions to lobby the assembly for a seven-year revenue. After arriving in May 1682, Lynch wielded his diplomatic talent to persuade the assembly that unless they quieted their “extraordinary distrusts and jealousies,” they would lose all legislative privileges whatsoever. The planters consented to a seven-year revenue, and after the Crown approved of most of the assembly’s new laws without amendment, including the 5s valuation for Spanish coin, political dissension mostly evaporated. One of the laws confirmed by the Crown, in spite of great opposition from the RAC, was a price ceiling of £18 for all slaves sold within the colony, though the king reserved the right to later alter the law at his pleasure. In a show of gratitude, in October 1683, the assembly, in spite of “some few malicious persons,” extended the revenue to 21 years, which the Lords of Trade had privately induced Lynch to push for all along. With Jamaica now secured, New England came next.

121 CSPC, 1681-5, nos. 174, 227, 262; Hamshere, British in the Caribbean, 90; Thornton, West-India Policy, 202-3; Whitson, Constitutional Development, 116-9; Dunn, “Imperial Pressures,” 60. Lieutenant Governor Sir Henry Morgan had been left in charge after Carlisle left for England in May 1680. The assembly was upset that the Crown still insisted on a long-term revenue bill, but after much haggling, in November 1681, Morgan got a seven-year revenue passed. Nevertheless the emboldened assembly tack on much of the same legislation that had provoked the anger of the Lords Committee just four years earlier. See Deputy-Governor Sir Henry Morgan to the Lords of Trade and Plantations, 4 Oct. and 6 Nov. 1681, in CSPC, 1681-5, nos. 246, 285; Council of Jamaica to the Lords of Trade and Plantations, 17 Jan. 1682, in CSPC, 1681-5, no. 367; Whitson, Constitutional Development, 112-4; Thornton, West-India Policy, 207-8.

122 CSPC, 1681-5, nos. 668, 699, 711; Thornton, West-India Policy, 208-9; Whitson, Constitutional Development, 119-21.

123 CSPC, 1681-5, nos. 714, 743, 745, 948, 963, 966, 1236-7; Thornton, West-India Policy, 209; Whitson, Constitutional Development, 123. Hamshere, British in the Caribbean, 73-4; Nettels, Money Supply, 23. The RAC petitioned against this ceiling in Petition of the Royal African Company to the King, 12 Jan. 1683, in TNA: CO 1/51, no. 6, p. 110. 124 Quotation from Speech of Governor Thomas Lynch to the Assembly of Jamaica, 19 Oct. 1683, in TNA: CO 1/53, no. 13, p. 63. Also see CSPC, 1681-5, nos. 1275, 1311; Whitson, Constitutional Development, 124-7; Dunn, “Imperial Pressures,” 60-1; Dunn, Sugar and Slaves, 159; Thornton, West-India Policy, 210.
Massachusetts colonists, for the most part, breathed a collective sigh of relief after the Lords of Trade decided against revoking their charter in 1677. Smuggling resumed, the mint continued onward with no apology, and government officials still withheld from taking oaths of allegiance and supremacy to the king and England.

A few months later, in early 1678, the General Court made a critical, strategic blunder. Upon receiving, for the first time, a leaked copy of the once-confidential 1676 report by Randolph, the incensed assembly ordered their agents to prepare a belated rebuttal. The agents acquainted the Lords of Trade that they were now “possessed of a copie” of the nearly two-year-old report, and were “ready to discover several falshoods.” To their surprise, the finding enraged the committee, demanding an explanation for the leak.\textsuperscript{125} Randolph, still in London, happily proclaimed that the General Court had ignored virtually all of the committee’s moderate demands from the previous summer, having neither taken the necessary oaths nor “suspended the worke of their minte.” By passing a law nearly identical to the Navigation Acts, he continued, the General Court “doe encourage” the colonists “to beleive that noe Acts of Parliament... are in force with them” until approved by their own officials.\textsuperscript{126}

New England merchants had also recently thrown their support behind Culpeper’s Rebellion in the Albemarle precinct of North Carolina. The Navigation Act of 1673 commissioned imperial customs officials to serve in the Chesapeake and West Indies, collecting duties on the intercolonial sale of tobacco and sugar. In 1677, shortly after Bacon’s Rebellion, the Albemarle settlers “violently” imprisoned the customs collector

and installed John Culpeper in his place (no relation to the Virginia governor).\(^{127}\) Culpeper not only refused to collect any duties, but he and his supporters also convened a new legislature, appointed Culpeper governor, and for nearly two years governed the northern half of the Carolina province entirely outside of proprietary control, all with the financial and economic backing of Boston merchants.\(^{128}\) Albemarle tobacco made up a large percentage of the crop re-exported by New England merchants to the European Continent, and so the same merchants gladly welcomed any opportunity to escape paying customs.\(^{129}\)

Facing this renewed tide of criticism, the Massachusetts agents desperately defended the colony, claiming Randolph’s 1676 report to be full of “great mistakes & invidious misrepresentations.” “Mr. Randolphs stay in New England was so short,” they argued, that he could not possibly have portrayed the country accurately. His depiction of a province teeming with money and wealth was especially erroneous. Randolph claimed that at least thirty merchants held estates between £10-20,000; the agents replied that there were no more than a dozen whose estates reached even £5,000. “He speakes of only


\(^{128}\) For New England involvement in Culpeper’s Rebellion, see Affidavit of Timothy Biggs, 15 Aug. 1679, in *Ibid.*, 1:291-3; Robert Holden to the Commissioners of the Customs, 10 June 1679, TNA: CO 1/43, no. 71, pp. 124-6.

at randome,” they urged, and “made it his buisnesse wherever he came, to disaffect the people as much as he could."\textsuperscript{130}

The rebuttal was entirely ineffective. Furious with the colony’s incompliance, the Lords of Trade, in April 1679, appointed Randolph collector, surveyor, and searcher of the customs for all of New England: the first imperial officer to serve full-time in the colony.\textsuperscript{131} The agents begged the committee to grant them “liberty to recommend a person,” calling Randolph “a person extreamly obnoxious” who had “notoriously trespassed upon truth,” “not likely to continue unbiassed,” but the committee would hear none of it, and in September 1679, after some delay, Randolph sailed again for Massachusetts, stopping first in New York and New Hampshire.\textsuperscript{132}

Randolph arrived in Boston in January 1680 to a predictably hostile reception.\textsuperscript{133} A popular poem immediately circulated within the province, sardonically welcoming the “wicked” Randolph back to the Bay Colony: “Welcome now back againe; as is the whip, to a fooles back; as water in a ship... If you doe understand your occupation, ‘Tis to keepe acts of trade from violation.”\textsuperscript{134} “I am received at Boston more like a spy, than one of his

\textsuperscript{130} William Stoughton and Peter Bulkeley, “Answer to Mr. Randolphs Narrative of the state of New England,” 28 June 1678, in Randolph Letters, 3:7-8, 14, 16; Report of William Stoughton and Peter Bulkeley to the Lords of Trade, 2 July 1678, in Randolph Letters, 2:269-70.

\textsuperscript{131} Journals of the Lords of Trade and Plantations, 8 Apr. 1678, in Ibid., 2:294-5; APCC, 1:843. Also see Hall, Edward Randolph, 42-6; Bailyn, New England Merchants, 158; Dunn, “Imperial Pressures,” 62; Barnes, Dominion of New England, 16; Dunn, Puritans and Yankees, 216.

\textsuperscript{132} William Stoughton and Peter Bulkeley to the Lords of Trade, Apr. 1678, in Randolph Letters, 6:75.

\textsuperscript{133} Hall, Edward Randolph, 52-4.

\textsuperscript{134} “Randolph’s Welcome Back Againe,” Jan. 1680, in Randolph Letters, 3:61-4. “Patience raised Job unto the height of fame, Lert our obedience doe for us the same,” the poem concluded.
majesty’s servants,” he wrote, “...[they] have prepared a welcome for me, by a paper of scandalous verses, all persons taking liberty to abuse me in their discourses.”

Never one to back down, Randolph quickly went to work in prosecuting alleged violators of the Navigation Acts, bravely boarding suspicious vessels in the face of violent threats and harassment. “The Government of Boston continue still to Coine money,” he wrote just days after arrival, with the city’s “Merchants trading as freely as formerly.” Colonial jurists acquitted each of the 34 captains and merchants Randolph prosecuted for smuggling, and magistrates charged him court fees as high as £10 a case, amounting to £257 in just two years without a single conviction.

Defenders of Massachusetts Bay later claimed that “upon the Tryall” of these alleged smugglers, Randolph’s “proofs were so very defective, that the Juries would not find for His Majestie.” But though this may have been true for a handful of cases, the majority of the accused were most likely guilty. Several Boston magistrates denied

135 Edward Randolph to Governor Josiah Winslow, 29 Jan. 1680, in Ibid., 3:65. “The People are afraid that they shall be put under the hands of Strangers,” Randolph wrote almost immediately after arrival, see Edward Randolph to Sir Edmund Andros, 4 Jan. 1680, TNA: CO 1/44, no. 31, p. 75.
137 Hall, Edward Randolph, 55-8; Bailyn, New England Merchants, 166-7; Barnes, Dominion of New England, 19; APC C, 2:22. For more on the Massachusetts court fees, see Articles of High Misdemeanour exhibited against Thomas Danforth, 11 Mar. 1681, in Randolph Letters, 6:87; Petition of Edward Randolph to Charles II, 6 Apr. 1681, in Randolph Letters, 3:89; King in Council to the Governor and Company of Massachusetts Bay, 21 Oct. 1681, TNA: CO 1/47, no. 77i, p. 133; Deposition of Edward Randolph, 20 Oct. 1682, TNA: CO 1/49, no. 84; Petition of Edward Randolph to the Commissioners of the Customs, Dec. 1684, in Randolph Letters, 3:342. Governor Bradstreet, in May 1680, lambasted Randolph’s claims of widespread smuggling: “By the strictest inquiry that I can make of merchants and others,” he responded to the Lords Committee in May 1680, “there hath never bene £5000 irregularly traded by the merchants of this place in a yeare,” Governor Simon Bradstreet to the Lords of Trade, 18 May 1680, TNA: CO 1/44, no. 61, p. 407.
altogether that English law applied in the Massachusetts courtroom, a position shared by Deputy Governor Thomas Danforth, political leader of the independent, anti-Randolph faction.\textsuperscript{139} Randolph encountered the same difficulty in New Hampshire – now a royal colony – where two magistrates threatened to arrest him and his deputies if they continued seizing vessels.\textsuperscript{140}

At best, the independent faction in Massachusetts Bay believed they owed only minimal allegiance to the English King and Parliament. The sincerity of even this conviction was questionable. Though the assembly, hastily, and for the first time, took the required oath of allegiance in October 1678, that \textit{very day} the General Court unequivocally affirmed that “the lawes of England are bounded within the fower seas, and doe not reach Amerrica.” “Being not represented in Parliament,” the assembly reasoned, “wee have not looked at ourselves to be impeded in our trade by them.”\textsuperscript{141} The statement mirrored a like declaration from over a decade earlier, during the 1665 visit of the royal commission, when the assembly “proclaymed by sound of Trumpet that the Generall Court was the Supreamest Judicatory in that Province.”\textsuperscript{142}

Theoretically, the king extended protection to his colonial subjects in return for allegiance. The precise terms of this agreement were points of great debate, but the basic

\textsuperscript{139} Hall, \textit{Edward Randolph}, pp. 58, 60.
\textsuperscript{142} George Carr to Secretary Lord Arlington, 14 Dec. 1665, TNA: CO 1/19, no. 143, p. 338.
premise went mostly unchallenged throughout the colonial period.\footnote{Bushman, \textit{King and People}, pp. 4, 24.} Nevertheless, the evidence strongly indicates that the most fiercely independent members of the Massachusetts General Court altogether rejected this arrangement with the Stuart monarchy. Their vocal opposition to imperial lawmaking authority, headstrong resistance to taking the oath of allegiance, and total abhorrence to placing the royal stamp on the Boston shilling, demonstrated fully this utter rejection of the protection-allegiance agreement. Though the historiographical consensus proclaims that none of the colonies denied at least a \textit{small degree} of dependence upon the English state, a prominent faction within Massachusetts Bay indeed did just that.\footnote{Jack P. Greene, for instance, writes that all of the colonies, at all times, accepted at least some dependency on the English monarchy, insisting instead that dependence did not deprive them of their basic rights as Englishmen, see Greene, \textit{Peripheries and Center}, 15. But indeed, the battle over the Boston mint, in particular, but also the controversy over oaths of allegiance and the applicability of English law in the courtroom strongly indicates otherwise.} Randolph’s seemingly fanatical hostility to the mint makes a lot more sense within this context. The mint’s crime, he believed, was in manifesting, through the medium of currency, the treasonous conviction of the radical faction. Indeed, the treason could not have possibly been more blatant or visible.

Drastic reform within the Bay Colony government was obviously looming.

“There is an absolute necessity of Erecting a Great Councill” and “Generall Governor,” Randolph ominously wrote Governor Andros of New York, “it is in every man’s mouth that they are not Subject to the Laws of England.”\footnote{Edward Randolph to Sir Edmund Andros, 4 and 28 Jan. 1680, TNA: CO 1/44, no. 31, pp. 75-7. In another letter to Andros on the 3rd of January, Randolph explained how the city’s merchants twisted the meaning of the Navigation Act of 1673: “The Merchants of Boston persuade themselves that upon their paying 1d per pd. for Tobacco at Virginia, they have liberty to carry it whither they please.”} The Lords of Trade, too, was losing
patience. “They still carry on their mint without permission,” the committee reported in September 1680; they “obstruct the working of the Acts of Trade and Navigation in every possible way,” taking “not the least notice” of royal instructions.  

Randolph was delighted with the committee’s growing impatience, and in April 1681 petitioned the king that the “unparralell’d misdemeanors & contempts,” including the coining of money, amounted to “no lesse than High Treason.” “United under one generall Government,” he again urged the committee, New England “will be more serviceable to the Crown,” instilling “dependance and Submission” and eviscerating their former “Liberty in Trade.” The mint alone constituted a “great crime & misdemeanor,” he reasoned, one of several offenses “sufficient to void their Charter.”

Randolph’s habitual depictions of Boston as teeming with money bewildered Bay Colony leaders. Governor Simon Bradstreet conceded that among the merchants in the colony, two or three possessed estates above £16,000 – “some few others” between £5-10,000 – but “the truth is this Country in generall is very poore, and very hard it is for them to cloath themselves and their familys.” The colony’s need to levy great country-pay taxes to finance King Philip’s War was evidence of this, and even four years later, Bradstreet regretted “our low condition owing to the vast charges of the late war, to the great debts abiding heavy on us.” “Few planters or Country people have any great

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147 Petition of Edward Randolph to Charles II, 6 Apr. 1681, in Randolph Letters, 3:90.
148 Edward Randolph to Sir Leoline Jenkins, 30 Apr. 1681, in Ibid., 6:90-4.
Estates,” the governor wrote, “hee is accounted a rich man in the Country that is worth £1000.”

There seemed to be a very real problem, moreover, with the currency of the Bay shilling. Minting activity had declined severely in the last several years, though Spanish coin was still flowing in from the Caribbean. In 1672 the General Court, for the first time since 1652, allowed for the internal circulation of Spanish money by assigning the piece-of-eight a valuation of 6s. Prior to this, the piece-of-eight was legal tender at 4s6d, causing Spanish money to be severely undervalued relative to Boston money. The former, pre-1672 undervaluation of Spanish dollars and overvaluation of the pine-tree shilling encouraged merchants to bring foreign money into the mint, and to export Spanish rather than Boston money when balancing foreign payments.

With the 6s valuation in 1672, however, the assembly unwittingly overvalued the piece-of-eight and undervalued the Massachusetts shilling. Six Bay shilling-coins together contained 400 grains of silver, one Spanish dollar contained 387 grains, but both were legal tender at 6s. Gresham’s Law – the principle that ‘bad’ money chases out ‘good’ money – went into effect. Though the difference in silver content was only 3 percent – entirely imperceptible to the general public – the disparity was enough to encourage merchants to export Bay shillings rather than pieces-of-eight, just as the undervaluation of silver in England and overvaluation of gold encouraged English merchants to export silver rather than gold. To make matters worse, when the General

149 Governor Simon Bradstreet to the Lords of Trade, 18 May 1680, TNA: CO 1/44, no. 61i, pp. 411-2; Governor Simon Bradstreet to the Earl of Sunderland, 12 June 1680, in CSPC. 1677-80, no. 1388.*
150 Records of Massachusetts, 4.2:533.
Court renewed the minting contract for John Hull and Robert Saunderson in 1675, the fee at the mint for coining money rose from 5 to 6.25 percent.\textsuperscript{151} There was no longer any reason at all to bring foreign money to the mint, except perhaps out of a patriotic love for the stamp. Indeed, you would lose money by doing so.

The dearth of minting activity and “frequent exportation of our New England coyne” made a mockery of Randolph’s currency ranting.\textsuperscript{152} Beginning in 1677, several colonists, starting with Joseph Dudley, urged the abolishment of all fees at the mint, recommending instead that the government publicly finance “the Charge of a free Mint,” just as the English Crown did after the Free Coinage Act of 1666. Eliminate the coinage fee, they argued, and colonists would “convert dead treasures [plate] into currant coyn.”

“The decay of Trade and decrease of money,” the secretary of the General Court wrote in 1680, is a “generall complaint throughout the Country,” and “craves some Speedy and effectual Remedy... make the mint free.” “Little of late yeares hath been coyned, and of that little, much dispersed into other Colonys.”\textsuperscript{153}

The other option, of course, was to end the undervaluation of Massachusetts coin, without which, a free coinage would mean little. In June 1680 mint-master Hull petitioned the General Court to lessen the silver content of the pine-tree shilling by over 16 percent, together with “a new date” upon the coin. Dudley recommended the same back in 1677. Under this plan, six Bay shilling-coins would still make 6s, and one

\textsuperscript{151} \textit{Ibid.}, pp. 4.1:84, 5:44.
\textsuperscript{152} Quotation from 1682 legislation, see \textit{Records of Massachusetts}, 5:351.
\textsuperscript{153} \textit{Massachusetts Archives}, vol. 100, pp. 222, 243-4, 260, repr. in Crosby, \textit{Early Coins}, 108-11. Dudley suggested doubling the duties on all imported alcohol, and using this money to finance a “the Charge of a free Mint.”
Spanish dollar would still make 6s, but six Bay shilling-coins would now contain 333 grains of silver, not 400, thus greatly overvaluing the Bay shilling relative to the Spanish dollar, just as had been the case before 1672. Colonists would once again be incentivized to use the mint, and merchants would export Spanish instead of Boston coin.\footnote{\textit{Massachusetts Archives}, vol. 100, pp. 222, 245, repr. in Crosby, \textit{Early Coins}, 108, 111-2. Hull opposed making the mint ‘free’: not because he would not get paid (he would, only this time by the government), but because the English example after 1666 had shown that profit-seeking merchants might exploit a free mint.}

Finally, in May 1682, to prevent this “frequent exportation of our New England coyne,” the General Court ruled that Spanish money, like Boston money, pass at the equal price of 6s8d per ounce of silver. This way, neither of the two coins were overvalued nor undervalued. A full-weight Spanish dollar was 0.875 ounces, thereby making an unclipped dollar 5s10d. Six Bay shilling coins still passed at 6s.\footnote{\textit{Records of Massachusetts}, 5:351.}

The May 1682 decision was really the only option available to the Boston government. Serious mint reform, whether by abolishing mint fees or altering the silver content, was entirely unrealistic in such a hostile and unpredictable political environment. Hull’s contract as mint-master was set to expire in a couple weeks, and so the General Court took the safest course and simply altered the valuation of Spanish money, just barely lowering it to match the Bay shilling.

Country pay was also still being used throughout the colony, further undermining Randolph’s description of a province teeming with silver. Until 1680, neither the clerk nor the aforesaid secretary of the General Court received any coin for wages, and even
after 1680, they still received three-quarters of their salary in country produce. The following year, in 1681, the General Court even reverted Bradstreet’s salary to country pay, punishing his relative moderation. “The factious party are against the Governor,” Randolph wrote, “and have ordered his salary to be payd in Indian Corn at 3s6d per Bushell, which is above the market [price for corn].” The volume of coin in New England had certainly increased since midcentury, but few could honestly argue that silver was exceptionally prolific in Massachusetts, especially when the governor himself received his salary in ‘Corn Specie.’

Reverend John Woodbridge, of course, also agreed that the Bay Colony had a money problem. In 1681 Woodbridge again proposed a paper currency for the colony, staging his third and final attempt at a land bank. In 1667 Woodbridge had unsuccessfully lobbied the Massachusetts Council for a land bank charter. In 1671 he briefly prepared to establish one privately, abandoning the project just prior to emitting currency. Now, ten years later, Woodbridge tried again, publishing a new pamphlet endorsing a private land bank he now called “the Fund.” The Fund was to be organized in a similar fashion to William Potter’s midcentury currency proposal: subscribers would mortgage their land or personal estate in exchange for paper bills at a moderate rate of interest. It was long past due, he argued, “to make an Experiment of that which had passed the Scrutiny of above 30 years with approbation.”

156 Records of Massachusetts, 5:269.
158 [John Woodbridge], Severals Relating to the Fund (Boston, 1682). 7.
This time around, unlike in 1671, Woodbridge began “to pass forth Bills,”
printing negligible sums of currency known as “Fund-Pay” in September 1681. At
least seven subscribers, including Adam Winthrop, younger son of John Winthrop, Sr.,
mortgaged their property with the Fund, yet the bank mysteriously folded six months
later. The initial paper emission was mostly experimental. Woodbridge wished to see
whether non-subscribers would readily accept “Fund-Pay” as money, and so the closing
of the bank suggests that this was not the case. Woodbridge attributed the project’s
failure to his opponents, who allegedly undermined confidence in the Fund among the
general public. “Some that favoured not the Designe, did talk to the discountenance of
it,” he recounted later that year, spreading “Fallacies & buffoonry, to impede this
undertaking.” Nevertheless, he continued, “the Reality, Safety, and Benefit thereof may
appear to all prudent, and unprejudic’d men.”

Randolph made no mention of the Fund in his letters back home, fixating his
attention instead on the mint. One can only imagine the look of aggravation on
Randolph’s face when he inevitably encountered “New England coyne” in day-to-day

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159 Ibid., 7.
trade. Even Governor Culpeper of Virginia chimed in on the matter: “As to the Mint erected at Boston,” he wrote the Lords of Trade in 1681, “...it is extremely prejudicial to all his Majesty’s Subjects, in all other places whatsoever that deale with them.” The higher silver valuation at the Boston mint, he argued, drew coin away from the Chesapeake, preventing the economic advancement of the Virginia plantation.161

Following Culpeper’s complaint, the committee again berated the colony for the “great crime you are answerable for in coyning money,” the “fresh complaints” of smuggling, and the denial of religious liberty to Anglicans. “You presume to continue your Mint without regard to the penalties thereby incurred,” they warned, threatening, finally, to revoke the charter if instructions continued unheeded.162

The Crown’s incessant demands of the colony beg the question: why did the General Court have so many opportunities to compromise? Why was the mint still in operation as late as 1682? The King, for one, faced a host of troubling internal political crises in the final half of the 1670s, including the Popish Plot and Exclusion Crisis of 1678-81.163 The New England question was a subject on which the Crown could afford at

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161 Lord Culpeper to the Lords of Trade, 9 Aug. 1681, TNA: CO 1/47, no. 44, p. 93.
162 Report of the Lords of Trade to Charles II, Oct. 1681, TNA: CO 1/47, no. 79, pp. 188-90. The same month, the King and Privy Council wrote the Massachusetts government: “Wee are very well satisfyed that the said Edward Randolph hath discharged himself with all fidelity and circumspection... yet by reason that unlawful trading is countenanced by you, all his care hath been of litle effect,” King in Council to the Governor and Company of Massachusetts Bay, 21 Oct. 1681, TNA: CO 1/47, no. 77i, p. 133.
163 The Lords of Trade themselves admitted, in February 1679, that they had been “diverted by the multiplicity of affairs in Parliament and prosecution of the Plot, from offering such regulations as may be thought fit for bringing the Massachusetts to a due acknowledgment of their duty and dependence on His Majesty,” see Memorandum of the Lords of Trade, Feb. 1679, in CSPC, 1677-80, no. 912. A few months later, in June, the Privy Council likewise stated that the “present conjuncture is not very favourable for settling and Establishing what concerns your Majestys Service there,” referring to Massachusetts Bay, see APCC, 1:840. The number of sessions for the Lords of Trade markedly declined: the committee sat 89 times in 1676, 71 times in 1677, but only 29 times in 1678, averaging 35-45 sessions in the several years to follow, see Root, “Lords of Trade,” 24.
least some patience, and the Jamaican political crisis demanded the committee’s utmost attention from 1675 through 1682. Though Randolph would have disagreed, most mercantilists regarded Jamaica as almost infinitely more critical to the English money supply as Massachusetts Bay. Once the crises at home and Jamaica had finally simmered down, which they mostly had by 1682, the Crown could spare more attention for New England.

Sensing a change in momentum by 1682, and with the charter at risk, the moderate faction, led by Governor Simon Bradstreet, desperately urged the independent members of the General Court to cooperate unconditionally. Moderates included merchants like Richard Wharton who already enjoyed considerable wealth, and thus had more to gain from closer ties with England than they had to lose by stricter enforcement of the Navigation Acts. Even Fitz and Wait Winthrop, grandsons of John Winthrop, Sr., counted among the moderate group.164

Though the independent faction still controlled the judicial system and lower house of the General Court, the moderate faction finally persuaded the assemblymen, in February 1682, to authorize its agents to “begg pardon for the fault of coining,” humbly vouching that the “Acts of Trade shall be duly observed.” “We tooke up stamping of silver meerely upon necessitie, to prevent cheats by false peeces of eight,” the apology went, “...If that be a Trespasse upon His Majesties Royal Prerogative, of which wee are Ignorant, wee Humbly beg His Majesties pardon and Gratiouus Allowance therein, It

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164 Bailyn, New England Merchants, pp. 112-4, 143, 159-60, 168-9; Dunn, Puritans and Yankees, 217-9; Barnes, Dominion of New England, pp. 10, 22, 44; Hall, Edmund Randolph, 59-60; Sosin, English America, 30.
being so exceeding necessary for our Civil Commerce, and no way, as wee humbly Conceive, detrimentall to His Royal Majestie.”

Four months later, in June 1682, John Hull and Robert Saunderson’s contract as Boston mint-masters expired, after which there was no talk of renewal. Hull died the following year. Whether or not the mint shut down immediately after June 1682 is not knowable. Only a week after the contract expired, Randolph reported that the Boston government was presently “engageing the whole plantation in the matter of their mint.” What he meant by this, precisely, is hard to say. There may have been a loud cry to defiantly renew the mint. Nevertheless, in June 1686, Dudley remarked that the mint “hath long time discontinued,” and so the coinage likely died with Hull. A contract renewal after 1682 would have constituted too gross a violation of royal instructions, at too dangerous a time for the charter. The mere fact that the Boston mint lasted thirty years – an entire generation – was remarkable in itself.

Following a protracted series of back and forth exchanges between the Lords of Trade, General Court, and Massachusetts agents, the Lords Committee finally recommended a writ against the charter in June 1683. Randolph had recently submitted seventeen “articles of high misdemeanour” against the colony, and in the draft version,

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165 Instructions to Joseph Dudley and John Richards, 15 Feb. 1682, TNA: CO 1/48, no. 32, p. 147. Two earlier drafts also included this sentence: “Hoping also and humbly praying your Majestys favour for the continuance of our liberty of Coining.” The General Court left this sentence out of the final version, perhaps thinking it too forward, see Crosby, Early Coins, 84.
166 Records of Massachusetts, 5:43-4.
168 Dudley Council, 2 June 1686, in Proceedings of the Massachusetts Historical Society, 2nd ser., vol. 13 (Boston, 1899-1900), 244.
the now-deceased mint made up the first article of complaint. Of course, smuggling was another charge, as was the colony’s collection of duties on goods imported from England: an effort by the General Court to raise revenue and simultaneously improve the colony’s balance of trade. Nearly all of the articles of high misdemeanor – with the sole exception of an article on religious intolerance – were either directly or indirectly tied to commercial matters and money, with the mint – the symbolic capstone – perched on top of the list.\textsuperscript{170}

Increase Mather received these new developments with utter regret and solemnity. As with Jeremiah, the predictions of this weeping prophet of Massachusetts Bay had come to full fruition. Exile was fast approaching. “We in Boston are threatened with a Condemnation of our Charter and consequently the Loss of all our Priviledges,” he somberly noted, including the “necessity of Coyning money with a peculiar stampe of our owne.”\textsuperscript{171}

And yet, despite the recommended writ, the General Court had still another chance for compromise. The following month, Charles II stipulated that the charter may indeed survive if the Crown regulated and revised its specific articles. If not, the Attorney General would take the colony to trial, upon which the charter would almost certainly be found void.

\textsuperscript{170} For the draft and final version of the articles of high misdemeanor, see \textit{Randolph Letters}, 3:229-34. For more on the Massachusetts customs duties on English imported goods, see Journals of the Lords of Trade and Plantations, 19 July 1677, in \textit{Randolph Letters}, 2:277; Report of William Stoughton and Peter Bulkeley to the Lords of Trade, 2 July 1678, in \textit{Randolph Letters}, 2:269.

\textsuperscript{171} Increase Mather to Thomas Gouge, 21 Nov. 1683, in TNA: CO 1/65, no. 73iv, p. 329.
Violent debate erupted between the moderate and independent factions on whether they should agree to a charter revision, the moderate party angrily insisting that it was sheer madness to continue resisting the imperial impulse for consolidation. The independent party won out, and in December 1683 the lower house voted against Charles’s offer, vowing to fight the king in his own courts. The effort was unsuccessful – the Massachusetts attorney failed to arrive on time for trial – and on 23 October 1684, the Crown dissolved the Massachusetts charter.172

Between 1675 and 1684 the Lords of Trade inaugurated a newly-aggressive imperial policy, targeting, first, England’s most valuable colony, Jamaica, and then moving onward to Massachusetts Bay. Money was the common denominator that motived each side of this transatlantic drama. Virginia, being a royal colony, and having rapidly quelled the currency-rooted Bacon’s Rebellion, was not so central of a concern, though the Lords of Trade maintained active correspondence with the customs collectors in Virginia, New York, and the Caribbean to ensure lawful compliance with the Acts of Trade and Navigation.

Jamaica was of greater consequence for the English money supply than any other settlement – at a time, too, in which the state of the currency in England was especially precarious. When the Lords of Trade first met in March 1675, the Jamaican planter-interest had already defiantly subverted the RAC monopoly and openly assailed the

172 Hall, Edward Randolph, 79-83; Haffenden, “Colonial Charters, Part I,” 307; Barnes, Dominion of New England, 22-4. According to Mather, “they had not sufficient time given them to make their Defence, yet Judgment was entred against them for Default in not appearing,” Mather, Brief Relation, 6.
power of the royal governor, causing the committee to insist upon eradicating the assembly’s deliberative power altogether. Though the Crown ultimately scaled back on their previous demands, the committee still managed to secure royal power on the island while simultaneously mollifying planter agitation. The political maneuvering was near-masterful: the governor received a 21-year revenue, the RAC monopoly remained intact, and the assembly retained the power to initiate legislation, including the capping of the price of slaves. With the Jamaican storm evaporated, the Crown turned its full attention to New England.

Massachusetts smuggling was a clear and present danger to the workings of the mercantilist system. The Lords of Trade believed this to be the consequence of the extraordinary political privileges granted the colony under the ancient charter. The committee nevertheless offered the General Court a remarkable number of opportunities to save their established system of government, so long as they submitted to the political-economic realities of empire.

The Boston mint assumed a central role in the dispute because the pine-tree shilling was primarily political in nature. Moderates hoped to save the mint by appealing solely to its economic rationale, but the Crown was wise enough to understand that the Bay shilling coinage represented far more than this. Indeed, the General Court betrayed the mint’s political nature by refusing to compromise on the question of the stamp, as well as refusing to apologize for violating the regal prerogative. The assembly’s total intractability on the coinage issue evinces that at least a few, if not most, of the independent faction on the General Court entirely rejected the premise that Massachusetts
colonists owed primary, or even secondary, allegiance to the English state. The Crown’s like determination on the coinage controversy, and Randolph’s near-hysterical obsession with the issue, demonstrated that the royal bureaucracy plainly understood the same. The battle over the mint, then, was really a contest over sovereignty, and in October 1684 the imperial state assumed victory.
CHAPTER SEVEN: NORTH AMERICAN PIRACY, CLIPPING AND SMUGGLING

More money passed through North America in the early 1680s than at any previous time in colonial history. Most of the money arrived from the Caribbean, a result of the trade of food and provisions to the silver-soaked island of Jamaica. Boston no longer monopolized the use of silver currency in New England, and in New York, the Jerseys, Pennsylvania, and Charlestown, silver also appeared with greater frequency. Barbados fully converted to coin; only the Leeward settlements still relied on sugar money. Chesapeake planters too would have enjoyed the beginnings of a metallic currency had they imported silver, not slaves, from the Caribbean.

The economic maturation of Jamaica gifted a second monetary benefit, buccaneers, to the mainland North American settlements. Jamaica’s commitment to sugar, slaves, and commerce resulted in the decisive banishing of the buccaneering interest from the island by the early 1680s. The North American mainland was among the pirates’ favorite new refuges, and colonists all along the Atlantic seaboard were more than happy to welcome them in. Pirate money made a very real impact on the currency level of each province. Eager to attract boatloads of pirated coin, colonial governments not only tolerated buccaneers in their ports, but they also actively encouraged them by competitively devaluing their currencies against one another, for the chief purpose of offering pirates the greatest shilling-value for their silver.
Colonial manufacturing, more than even piracy, was an increasingly fearful prospect to the average English mercantilist in the late Stuart period. Thomas Budd of Pennsylvania, in 1685, even proffered a dual paper-currency system to encourage the manufacture and intercolonial sale of linen cloth. Smuggling, too, remained a pressing concern, and contrary to some historians’ assertions, a high degree of smuggling persisted through the end of Charles’s reign in 1685.¹

The English nation, in the early 1680s, enjoyed what was easily the most commercially-prosperous era the kingdom had ever witnessed, a far cry from the gloom of the earlier 1670s. But there was still a deep-seated mercantilist conviction, among Whigs and Tories alike, that the American colonies could yet be made more profitable for England. Abject colonial defiance to mercantilist law was costing the kingdom far too much money. James II would soon take up the question with unparalleled vigor.

Now that the worst of the political storm on Jamaica had passed, anti-buccaneering moved to the forefront of the Crown’s agenda for the island. The Lords of Trade, planter-assembly, royal governor, Port Royal merchants, and Royal African Company, all had a stake in eradicating the buccaneering interest. Two of the most rebellious planter-assemblymen, Samuel Long and William Beeston, even agreed with the RAC that privateers caused “irreparable damage” to those “imploying themselves in planting and

Merchandize.” Governor Thomas Lynch had ended all privateering commissions back in the early 1670s, but the buccaneers simply turned to the warring French and Dutch powers to secure commissions instead. “The onely Enemy to Planting is Privateering,” Governor Vaughan wrote in 1676, “…but these Indyes are soe Vast and Rich, and this kind of Rapine soe sweet, that it is one of the hardest things in the World to Draw those from it which have used it so long.”

Even worse than its danger to planting, buccaneering imperiled the contraband trade in slaves and English manufactures to Spanish America, discouraging the Spanish from patronizing English and Jamaican merchants. One 1677 raid robbed the Spanish of “46471 peeces of Eight”; yet another confiscated at least 20,000 pieces. “The King intendeth to make a Plantation of Jamaica and not a Christian Algiers,” the Lords of Trade replied to Governor Vaughan in 1676; buccaneering “hinders correspondence and a secret Trade with your neighbouring Spanyards, which brings infinitely more profit.”

4 Governor Vaughan to the Lords of Trade, 4 Apr. 1676, TNA: CO 1/36, no. 40, p. 71.
6 Secretary Henry Coventry to Governor Vaughan, 8 June 1676, quotation in Dunn, “Imperial Pressures,” 60; Thomas Lynch, “Reflections on the State of Jamaica,” 20 June 1677, TNA: CO 1/40, no. 111, p. 245. Spain should be England’s greatest ally in the Caribbean, Lynch argued, especially given the rise of French and Dutch settlement. “It’s the English Interest and advantage that the Spaniards should bee preserved in the possession of what they have in the W. Indyes,” he wrote, “For their Collonyes are large, and thinne of People soe they cannot invade or take from the English any thing they hold. The Spanyards have great
The Jamaican Council, as well, commanded immediate action to “reduce the Privateers,” so that Spanish traders might “bring us store of Mony and Goods, wherewith to purchase our English Commodityes.”

Jamaicans needed more money than ever, not simply for use amongst each other, but also for the provisioning trade with mainland North America. Jamaican sugar production rose by a factor of ten between 1670 and 1685, placing the island, like Barbados, in great dependence on North American provisions. Silver balanced the island’s trade deficit. “All ships from Ireland, Bermudas, New England, and New York, laden with provisions, carry off ready money,” Carlisle remarked. Even Chesapeake planters exported livestock and meat, sometimes for slaves, but also occasionally for silver and bills of exchange. Roughly half of the ships that serviced the Caribbean were New England vessels, and the Caribbean now supplanted the Wine Islands as the chief

Wealth and not Industry, By which Meanses the English that trade into Spayne and such as are Settled neere them in the W. Indies may gett sufficiently by them, which wee cannot by any of other Nation.” If Spain was further weakened, “in tyme theyr Collonyes [will be] seized by the French, or Trade engrossed by the Dutch.” For more on this West Indian strategy, see Richard S. Dunn, Sugar and Slaves: The Rise of the Planter Class in the English West Indies, 1624-1713 (Chapel Hill: University of North Carolina Press, 1972), 22.


8 Governor Lord Carlisle to Secretary Coventry, 26 Jan. 1679, in TNA: CO 138/3, p. 286; CSPC, 1677-80, no. 869.

source of coin for Boston. Other mainland merchants, namely those in New York and Rhode Island, enjoyed a like provisioning trade with the Dutch Caribbean island of Curaçao.

Whether acquired in Jamaica or Curaçao, the silver coins were almost always of Spanish origin. Spanish money underwent significant change in the seventeenth century. Peruvian silver production had previously peaked in the 1610s, shifting the mining focus, temporarily, to Mexico. By the 1630s, however, the early Mexican silver veins at Zacatecas had mostly been depleted, and nearly all silver output at midcentury came again from Peru. The Lima mint coined a lighter piece-of-eight – less silver – than the heavier Mexican piece-of-eight, and so the midcentury shift introduced lighter money into Atlantic circulation. In the final quarter of the century, however, Mexican production rebounded rapidly, with new silver strikes made in the 1680s. Peruvian silver production entered a simultaneous period of decline. The mint in New Spain again issued vast sums

10 Dunn, Sugar and Slaves, 210-1; McCusker and Menard, Economy of British America, 145; Charles F. Carroll, The Timber Economy of Puritan New England (Providence, RI: Brown University Press, 1973), 87-8. “The greatest part of the passing Money here was Spanish,” one Boston writer later reflected in 1719, “...In those times the Wealth of this Country was on the growing hand... Money came in, and continued Circulating among us,” The Present Melancholy Circumstances of the Province Consider’d. (Boston, 1719), 1. “Jamaica became the principal supplier of bullion to the North American colonies,” J.H. Elliott remarks, “mitigating their endemic monetary difficulties and enabling them to purchase not only essential British commodities, but luxuries,” J.H. Elliott, Empires of the Atlantic World: Britain and Spain in America, 1492-1830 (New Haven: Yale University Press, 2006), 226.

of the heavier, Mexican pieces-of-eight, making way to Jamaica and Curaçao from the contraband trade.\textsuperscript{12} 

Buccaneering seriously imperiled this new source of money. The Spanish were presently building fortification at Porto Bello, Governor Lynch reported, for which they stood “in great distresse for Negroes, and of Late they have found abundance of Gold on the Mountains of Darion,” promising “plenty of Gold” for whoever sold them slaves.\textsuperscript{13} Yet the construction project was a direct response to the frequent buccaneer attacks, most of which had come from Jamaica. “The Spaniards hate us for the multitude of English that here preys on them,” the governor wrote, “and in Spain they had rather the Dutch should have theyr Money then wee.”\textsuperscript{14}

Even Sir Henry Morgan, the former buccaneer who twice attacked Porto Bello, changed his mind on the subject. As Deputy-Governor, in 1680-1, Morgan disparaged the buccaneers as “vagabonds” and “Ravenous Vermin” who “discourage Spaniards from private trade with us.” “We are much infested by pirates,” he told the Lords Committee, “who, under the name of privateers, presume even to plunder and take vessels belonging to this island.”\textsuperscript{15}

\textsuperscript{12} Elliott, Empires of the Atlantic World, 227-8; Alan Knight, Mexico: The Colonial Era (Cambridge: Cambridge University Press, 2002), pp. 133, 177.

\textsuperscript{13} Governor Thomas Lynch to the Lords of Trade and Plantations, 28 Feb. 1684, TNA: CO 1/54, no. 41, p. 97.

\textsuperscript{14} Governor Thomas Lynch to the Lord President of the Council, in TNA: CO 1/54, no. 132, p. 362.

\textsuperscript{15} Deputy-Governor Sir Henry Morgan to the Lords of Trade and Plantations, 14 July 1681, in CSPC, 1681-5, no. 172; Council of Jamaica to the Lords of Trade and Plantations, 20 May 1680, in TNA: CO 1/44, no. 62, p. 414. Also see Hamshere, British in the Caribbean, 89; Latimer, Buccaneers of the Caribbean, pp. 243, 260-1; Nettels, Money Supply, 20. Morgan was eager to please the Crown, sensing that he might soon lose his governing position on the island, and the Lords of Trade had strictly urged him to take action against the buccaneers, see Journal of the Lords of Trade and Plantations, 5 Mar. 1680, in CSPC, 1677-80, no. 1318. Also see Instructions to Lord Carlisle, 3 Nov. 1680, in TNA: CO 138/3, pp. 447-53. Carlisle was nevertheless easier on the buccaneers than his predecessors, and was even accused of forming an alliance
In September 1681 the planter-led assembly, under the leadership of Morgan, passed the most stringent anti-buccaneering laws in the island’s history, making it a felony for any inhabitant to obtain privateering commissions from a foreign power.16 “Our losses and troubles through pirates are intolerable,” Lynch remarked two years later. Buccaneers had lately raided English vessels in Cuba, Hispaniola, the Bay of Honduras, and the Spanish Main – losses calculated at roughly £50,000 – including an assault from which “they tooke 65 pounds of Gold.”17 The same year, 1683, a land raid at Vera Cruz yielded 960,000 pieces-of-eight (£216,000 sterling), allowing each of the participants 800 pieces-of-eight (£180 sterling). In yet another swoop near Panama, English pirates allegedly “put the Spaniards to torture to discover if there were more silver.”18

By the mid-1680s, Lynch’s aggressive anti-piracy campaign had mostly succeeded in throwing the buccaneers out of Port Royal. But the pirates found easy refuge elsewhere, first in other parts of the Caribbean, and then outward into mainland North America, Madagascar and the Indian Ocean.19 Some pirates found more immediate

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17 Governor Thomas Lynch to William Blathwayt, 22 Feb. 1683, in TNA: CO 1/51, no. 43, p. 102. Also see APCC, 2:34; Governor Thomas Lynch to the Lords of Trade, 29 Aug. 1682, in TNA: CO 1/49, no. 35, p. 132.

18 Governor Thomas Lynch to Secretary Sir Leoline Jenkins, 26 July 1683, in TNA: CO 1/52, no. 35, pp. 66-9; Deposition of Simon Calderon of Santiago, 1682, in CSPC, 1681-5, no. 872; Nettels, Money Supply, 87n.

19 For more on Lynch’s suppression of the buccaneers, see Latimer, Buccaneers of the Caribbean, 244-5; Hamshere, British in the Caribbean, 88-91; Dunn, Sugar and Slaves, pp. 22, 150; Susan Dwyer Amussen
haven in Central American lagoons, the Leeward Islands, and the Bahamas. “We have many villanous wretches amongst us who would be glad of any occasion to gett mony,” the governor of Bermuda remarked; “to make this country a Refuge of Pyrats is the Intention of the people.” By 1685 the pirates had forged a sanctuary settlement on the island of Madagascar – 250 miles off the southeastern coast of Africa – a prime spot for raiding East India Company vessels carrying boatloads of silver to India and expensive spices and fabrics on the return trip. There seemed no place the pirates would not trek; even a Pacific raid in 1686 allotted 300 pieces-of-eight to each of the participants.

Pirates were already frequenting North American seaports as early as 1680, and within a few years buccaneering became one of the continent’s most important sources of coin. Buccaneers who had once returned to Port Royal after a successful venture now opted instead for Newport, Charlestown, Boston, New York, the Albemarle, and Philadelphia. “The Law wee have made against privateers,” Lynch wrote in 1684, “neither discourages them nor lessens their Number, while they have such retreats as Carolina, N. England and other Colonyes.” Gold and silver was the chief incentive.

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21 Governor Richard Cony to the Earl of Nottingham, 21 Oct. 1684, in TNA: CO 1/55, no. 53, p. 231; Governor Richard Cony to the Earl of Sunderland, 4 June 1685, in TNA: CO 1/57, no. 135, p. 337.


23 Examination of Richard Arnold, 4 Aug. 1686, in TNA: CO 1/60, no. 20i, pp. 34-7.

“They are now full of Pyrats money,” he added, “and from Boston they have told me, the Privateers have brought in £80000.”

Tolerating pirates made fiscal sense for mainland colonials, whether the buccaneers sold them confiscated goods at bargain prices, or lavishly spent coin in the taverns, brothels, and shops. Merchants and laborers, moreover, earned a good deal of money from the frequent repairing and provisioning of pirate ships. Lucrative profits awaited colonial merchants willing to bear the higher risks. When customs collector William Dyre, for instance, in 1684, seized a pirate vessel in Boston, Dyre was “much discouraged and severely Threaten’d by many, but more especially by one Mr. Samuel Shrimpton, a merchant of this place, to have my Brains beat out or a stab for seizing said ship.” Shrimpton was the wealthiest merchant in Boston, and purportedly received “Great Quantitys of piratically plundered Gold, silver and plate.”

Private colonies like Rhode Island, which lacked imperial oversight were most notorious for tolerating pirates. Governor Edward Cranfield of New Hampshire (recently made a royal province) recorded one such incident in 1683. “During my stay at Rhode

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25 Governor Thomas Lynch to the Lords of Trade, 28 Feb. 1684, TNA: CO 1/54, no. 41, p. 97.
27 William Dyre to Secretary Sir Leoline Jenkins, 12 Sept. 1684, in TNA: CO 1/55, no. 36, p. 98.
Island,” he wrote, “two pirates came in,” producing a supposed privateering commission from Governor Lynch. New York Governor Thomas Dongan was also present, and both Cranfield and Dongan recognized Lynch’s signature as an obvious forgery, “nor were his titles correctly given.” “Dongan and I asked the Government to arrest them, but they refused”; Rhode Island Governor William Coddington “was of another Opinion and Declared the Ship a free bottom.”

Pirates flocked as well to Massachusetts Bay, a “Receptacle of all piratical and uncustomed goods.” One of the ringleaders of the 1683 attack on Vera Cruz – yielding 960,000 pieces of eight (£260,000 sterling) – found sanctuary in Boston. New Hampshire Governor Cranfield described Boston’s welcoming, in 1684, of a French privateering ship bearing £700 a man. “The Bostoners no sooner had intelligence of her being upon the coast but they dispatched a messenger and pilot to invite and convey her in.” The pirates, he continued, “are likely to leave the greatest part of their [silver] Plate behind them, having bought up most of the choice goods in Boston.”

28 Letter from Governor Edward Cranfield, 7 Oct. 1683, TNA: CO 5/904, p.195; CSPC, 1681-5, no. 1299; Relation of T. Thacker, Deputy-Collector, 16 Aug. 1684, TNA: CO 1/55, no. 36ii, p. 102. For additional reports on piracy in Rhode Island, see Earl of Craven to the Lords of Trade and Plantations, 27 May 1684, TNA: CO 1/54, no. 109, p. 311. Even in royal colonies the problem subsisted, though to a smaller degree. In 1686, for instance, word reached London from royal New York of the “great Disorders & Depredations dayly committed by Pyrates,” see James II to Governor Thomas Dongan, 29 May 1686, in Documents Relative to the Colonial History of the State of New York [DRNY], eds. E.B. O’Callaghan and Berthold Fernow, 15 vols. (Albany, 1856-87), 3:374. For a 1685 report of pirates visiting New York, see APCC, 2:82.

29 William Dyre to Secretary Sir Leoline Jenkins, 12 Sept. 1684, in TNA: CO 1/55, no. 36, p. 98.

30 Nettels, Money Supply, 87n. For further reports of piracy in 1680s Boston, see Randolph Letters, pp. 4:117, 279-80, 5:13.

31 Governor Edward Cranfield to the Lords of Trade and Plantations, 25 Aug. 1684, in TNA: CO 1/55, no. 25, p. 67. Also see Governor Edward Cranfield to Secretary Sir Leoline Jenkins, 14 May 1684, in TNA: CO 1/54, no. 99, p. 278.
Piracy became such a vital source of coin for New England that, years later, paper-currency supporters evidenced the later decline of piracy as reason for why a silver currency was no longer viable. One Boston pamphleteer, in 1716, cited the buccaneers and the New England fishery as having formerly been the two most “principal Means to draw in Silver... the Privateers did bring in considerable Quantities.”

Another writer in 1720 remarked that of the money then in circulation, “it came great part of it from Pyrates.”

“Illegall trade and piracy... were formerly most notoriously countenanced and supported in this place,” Randolph attested later in 1698. Randolph had even listed “their entertaining Pirats, and Encouraging them to come and Victual there” as one of several “weighty considerations” for abrogating the charter.

Carolina was still another retreat for the buccaneers, as one South Carolina defender of paper currency later explained. “It may be said, that formerly Silver was very plenty here,” he remarked, “I answer thereto... the Privateers brought in great Quantities of Spanish Silver.”

Governor Lynch and others were particularly furious that the people of Carolina, north and south, welcomed the pirates. Even the Lords Proprietary admitted in 1686 of “a pirate full of plunder, which was landed and sold in Carolina.”

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32 Some Considerations Upon the Several Sorts of Banks Propos’d as a Medium of Trade (Boston, 1716), 3.
33 John Colman, The Distressed State of the Town of Boston Once More Considered (Boston, 1720), 9.
following year, the proprietors ordered the arrest of former governor Joseph Morton for his encouraging pirates in Charlestown. Morton had been appointed by the local council, whose members, unlike the absentee proprietors, had a very real stake in pirate money entering the colony.\textsuperscript{38}

The amount of coin in 1680s Charlestown was already slim, and so absent pirate money, it would have been substantially lower. The colony had not yet found a dependable export beyond deerskins, though some experimentation in rice cultivation was beginning to take place. Charlestown merchants, via New England shippers, also began sending off provisions, meat, and lumber products to Barbados and Jamaica, for bills of exchange, occasional slaves, and negligible sums of coin.\textsuperscript{39} Still, the southern half of the Carolina province contained under 4,000 settlers – fewer than the northern Albemarle precinct – and country pay remained legal tender for debts “not made expressly for silver.”\textsuperscript{40} As one inhabitant of Charlestown wrote in 1682, “Money here is but little, and that Spanish... our pay is what the Countrey affords.”\textsuperscript{41}

Virginia and Maryland were the two exceptions to the piracy trend, and indeed the nature of the tobacco economy made the Chesapeake a target rather than a beneficiary of pirate looting. Buccaneers often raided slow-moving tobacco vessels traveling to and fro

\textsuperscript{40} \textit{The Statutes at Large of South Carolina}, eds. Thomas Cooper and David James McCord, 10 vols. (Columbia, 1863-41), 2:37. The population of South Carolina rose from 1,200 in 1680 to 3,900 by 1690; the population of North Carolina rose from 5,500 to 7,600, see McCusker and Menard, \textit{Economy of British America}, 172.
the lightly-guarded Chesapeake, sometimes absconding to the northern colonies with the
confiscated tobacco after a successful looting.42 “The last yeare and this present yeare this
Government hath been ill Infested with Privateers, or rather Pyrates, of whom wee have
very ill Apprehensions,” Virginia officials wrote the Lords Committee in 1683, “our
nakedness laying us open to those outrages.”43 The Chesapeake, moreover, had no
important port towns for pirates to spend their money, and the valuation of Spanish coin,
besides, was lower in the Chesapeake than anywhere else. Culpeper was also uniquely
committed among the mainland governors in stopping piracy, equipping a vessel of
eighteen men against the buccaneers in 1683. Rumors afterward spread that a band of
pirates planned revenge on the governor by kidnapping him on their way to Boston.44

The reaction of the English government to the spread of piracy was surprisingly
weak. As of the early 1680s, there was no comprehensive program for piracy
suppression. Enforcement was a matter for colonial governments, and rules differed
across the empire. Nevertheless, the overall imperial trend was clearly against the

42 In one instance, a group of pirates left for Connecticut immediately after raiding a Chesapeake vessel,
see Records of the Governor and Company of the Massachusetts Bay in New England, ed. Nathaniel
Bradstreet Shurtleff, 5 vols. (Boston, 1853-4), 5:488. Also see Minutes of the Council of Virginia, 25 June
1682 and 10 Mar. 1683, in TNA: CO 5/1405, pp. 129-30, 209-10; Secretary for Virginia to Sir Leoline
Jenkins, 25 Mar. 1683, in TNA: CO 1/51, no. 74, p. 213; Journal of the Lords of Trade and Plantations, 27
Sept. 1683, in CSPC, 1681-5, no. 1273; Governor Lord Francis Howard to Lord Sunderland, 13 May 1685,
in TNA: CO 1/52, no. 102, p. 250; APCC, 2:54; Bradburn, “Visible Fist,” 363.
43 Nicholas Spencer to Sir Leoline Jenkins, 16 July 1683, in TNA: CO 1/52, no. 29, p. 54.
44 Nicolas Spencer to Sir Leoline Jenkins, 29 May 1683, in TNA: CO 1/51, no. 113, p. 340, Nicolas
Spencer to Sir Leoline Jenkins, 16 July 1683, in TNA: CO 1/52, no. 29, p. 54; Governor Thomas Lynch to
Sir Leoline Jenkins, 26 July 1683, in TNA: CO 1/52, no. 35, pp. 66-9. “At the latter part of last winter
Robberyes were committed in this Government by sculking Pyrates... found Guilty, and duely Executed,” a
Virginia official reported in May 1685, see Secretary for Virginia to the Earl of Sunderland, 15 May 1685,
in TNA: CO 1/57, no. 125, p. 308. Buccaneers occasionally raided other mainland vessels: in 1686 one
pirate looted two New England sloops laden with pork, peas, and other provisions for the Caribbean, and
another pirate off the coast of Rhode Island, the same year, robbed three colonial vessels, one of Carolina
and two of Boston, see Edward Randolph to the Lords of Trade, 23 Aug. 1686, in Randolph Letters, 4:117;
Governor Robert Treat to Governor Thomas Dongan, 5 Aug. 1686, in DRNY, 3:387. On the balance,
however, piracy was undoubtedly a net-gain for the colonies outside of the Chesapeake.
practice. In the latter half of the seventeenth century, European states were placing a greater emphasis upon diplomacy, treaties, and international law. Navies were no longer private, as they had generally been in the Elizabethan era, but rather controlled and run by the national government. In an era of baroque formality and state-building, money had to be acquired ‘officially,’ through well-organized commerce or state-run wars, not through private freebooters and self-governing thieves.45

The growing piracy problem in North America finally provoked a limited response from the Crown in 1684. For the first time, the king commanded that governors prosecute any persons who “knowingly entertain, harbor, conceal, trade, or hold any correspondence” with pirates.46 Each government dutifully passed the anti-piracy legislation, but enforcement was another matter. Pirates and their accomplices often “escaped” colonial jailhouses, juries acquitted those brought to trial, and governors and magistrates recurrently accepted bribes, sometimes from interested merchants.47 The problem became so endemic that James II, in 1687, instructed governors to no longer permit the “unwarrantable practice” of colonial magistrates hurrying pirates “immediately to their Tryals before any Evidence could be produced.”48

47 Thomson, Mercenaries, Pirates, and Sovereigns, 50.
Currency devaluation became a covert means by colonial governments to attract buccaneers: a favorite strategy almost entirely overlooked by historians of piracy. In the early to mid-1680s, colonial assemblies raised the value of Spanish coin to new heights, the timing of which conveniently, though not accidently, aligned with the pirate ascendancy. Colonials understood that pirates were more likely to bring dollars to a port for 6s apiece, or better yet, 6s9d apiece, than, say, 5s apiece. Knowing this, colonial governments actively competed over which province offered pirates the most bang for their buck. In 1683 alone, four colonies – Pennsylvania, Connecticut, New Hampshire, and Carolina – raised the piece-of-eight from 5s to 6s. Of these four, New Hampshire was likely the only one where pirate money was not a motivating factor: the proclamation was rather a response to Connecticut’s recent decision, which had made New Hampshire the last of the northern colonies to use the old 5s valuation.

East and West New Jersey still had the highest valuation at 7s8d, though the assembly of East New Jersey conformed their rate to that of New York in 1685. The New York government, in 1684, advanced the dollar from 6s to 6s9d, an increase of 12.5


51 McCusker, Money and Exchange, 168; Nettels, Money Supply, 240n.
percent over rates in New England. Just eight years prior, the Duke of York had rejected Governor Andros’s bid to raise the dollar to 6s6d, but now there were fresh incentives for doing so. A few months after raising the dollar to 6s9d, pirates reportedly flooded into New York. For buccaneers carrying thousands, even tens of thousands, of pieces-of-eight, the difference between 6s and 6s9d was enormous, especially if prices within the colony had not yet fully inflated to match the new rate.

Clipping allowed some colonists to accept Spanish money at rates higher than the law, at first glance, suggested. Several colonial governments declared clipped money to be legal tender at the same rate as full-weight coin. In such cases, de facto rates exceeded the apparent rating. An unclipped piece-of-eight, minted in Mexico or Spain, possessed 17.5 pennyweight (dwt) of silver. Clipped coin was often as light as 12 dwt. In some colonies, however, the law made no distinction between the two. Virtually all pirate money was clipped to some degree, often by pirates themselves. Governments that allowed “false pcees of eight” to pass as if they were full-weight, then, naturally attracted buccaneers with clipped money.

Whether or not the government legally distinguished between the two types of coin made a key difference in the quality of money in a colony. In Pennsylvania, for instance, clipped dollars were legal tender at 6s, the same rate for unclipped money. The Pennsylvania assembly had explicitly voted down a motion that Spanish dollars “goe by

52 McCusker, Money and Exchange, 157.
53 Sir John Werden to Governor Edmund Andros, 28 Jan. 1676, in DRNY, 3:236.
54 APCC, 2:82. The following year, in May 1686, James II scolded Governor Dongan for the “great Disorders & Depredations dayly committed by Pyrates” spending their money in New York, see DRNY, 3:374.
55 Quotation from Instructions to Joseph Dudley and John Richards, 15 Feb. 1682, TNA: CO 1/48, no. 32, p. 147.
weight,” and so, in reality, the Pennsylvania valuation was far higher than the 6s rating suggested.\textsuperscript{56} Barbados and Carolina too judged clipped and full-weight money at equal rates, though at 5s, not 6s.\textsuperscript{57} The New England governments rated full-weight dollars at 6s, but deducted a certain number of pence for each missing pennyweight of silver.\textsuperscript{58} Consequently, though the governments of Pennsylvania and Massachusetts Bay each rated pieces-of-eight at 6s, the Pennsylvania rating was, in actuality, considerably higher. A clipped coin weighing 12 dwt. in Pennsylvania still passed for 6s, but in Massachusetts it passed for only 4s2d. New York, like Massachusetts Bay, judged coins by weight, only at a higher rate than Massachusetts: 6s9d for unclipped money and 4s8d for coin weighing 12 dwt. Clipped money, then, flocked to Pennsylvania, Barbados, and Carolina; full-weight coin to New York and Massachusetts Bay.

The greatest downside to rating clipped money on par with unclipped money was that it caused the latter to leave circulation, flooding the colony with a disorderly, clipped currency. No trader would use full-weight coin when he or she could pass lighter money at the same rate. Gresham’s Law went into effect: the general economic principle that


\textsuperscript{57} McCusker, Money and Exchange, 239-40; Sir Richard Dutton to the Lords of Trade, 24 Mar. 1685, in TNA: CO 1/57, no. 70, p. 175; Minutes of the Council of Barbadoes, 26 Nov. 1678, in TNA: CO 31/1, pp. 299-300.

\textsuperscript{58} Records of Massachusetts, pp. 4.2:533, 5:351, 373; Records of Connecticut, 3:119; Documents of New-Hampshire, 1:480
“bad” (light) money chases out “good” (heavy) money, when governments give both the same rating.

Merchants with full-weight coin in such a colony did one of three things: they exported the money, hoarded the money, or clipped the money before spending it. One colonial merchant petition, for instance, later recounted that “none remain’d with us but such as was lessened by others.”

Such was not the case if coin went by weight. “Nothing can make Clipping unprofitable, but making all light Money go only for its weight,” Locke later affirmed, “This stops Clipping in a moment, and brings out [from hoarding] all the mill’d and weighty Money.”

In the opposite case, in judging coin by weight, heavier money circulated side-by-side with lighter money. The inconvenience, of course, was that it compelled shopkeepers, consumers, and merchants to constantly weigh money to determine its shilling value. Merchants still weighed money in colonies like Pennsylvania, Carolina, and Barbados – setting aside full-weight coin for export or clipping it down to 12-14 dwt. – but when the law compelled all inhabitants to weigh money, the entire ordeal could be very confusing and burdensome.

In rural areas, where few scales existed, most men and women relied on face value only, irrespective of silver content or the law. Such was known as ‘currency by tale’ rather than ‘currency by weight’: extrinsic value over intrinsic value. Locke, the

59 Petition of New York merchants to Governor Lord Cornbury, 25 June 1705, in DRNY, 4:1133.
60 John Locke, Further Considerations Concerning Raising the Value of Money (London, 1695), 14.
61 “In the currency of coins by tale,” one English writer later explained, “no regard at all is had to their lightness, or deficiencies arising from mere wear, but all pass, as if they were of their due standard or full
champion of intrinsic value, understood why most people preferred currency by tale.

“The weighing of Silver to every one we had occasion to pay it to, would be very troublesome,” he wrote, “for every one must carry about Scales in his Pocket.”

Given all of these discrepancies, then, determining the precise rates at which silver passed in the English Atlantic is an extraordinary, if not impossible task for the historian. It may simply be enough to note that money passed at the highest rates in the Middle Colonies and the Carolinas, at slightly lower rates in New England and Barbados, and at the lowest rates in Jamaica and the Chesapeake (which was still ten-percent higher than the shilling-value of silver in England).

Beginning in 1683, Jamaican planter-assemblymen struggled relentlessly to advance the value of dollars from 5s to 6s. They did so not to encourage piracy, but to ease debt payments. Jamaican planters, collectively, owed roughly £130,000 to the RAC, and the proposed shilling-devaluation would abate their debts by 20 percent. Governor Lynch, now armed with a 21-year revenue, refused to consent, offering sixteen detailed reasons against the assembly’s bill. The governor succeeding Lynch, Hender

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62 [Joseph Harris], An Essay Upon Money and Coins: Part II, Wherein is Shewed, that the Established Standard of Money should not be Violated or Altered (London, 1758), 77-9.
63 [John Locke], Some Considerations of the Consequences of the Lowering of Interest, and Raising the Value of Money (London, 1692), 144-5.
65 Governor Thomas Lynch to the Jamaican Assembly, 21 Sept. 1683, in TNA: CO 1/52, no. 100, pp. 247-8.

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Molesworth, was, coevally, island agent for the RAC, dooming the effort for the time being.\textsuperscript{65} Unable to raise the coin by law, the Jamaicans undertook \textit{de facto} devaluation by extralegally mimicking the Barbadian example of currency by tale, making no distinction at all between clipped and unclipped money. Full-weight coin soon left the island, and RAC agents howled of being forced to accept clipped money at 5s for debt payments.\textsuperscript{66} “Light Spanish money passes in Jamaica without any determined weight, and is every day introduced lighter and lighter,” the RAC petitioned the King.\textsuperscript{67} The assembly replied by condemning the RAC as a “great monopolist Company” that has “mismanaged its business.” Most debt, the assembly argued, was settled in sugar, not coin, and so the “lightness of money is no prejudice to the Company” and “may be refused if offered.”\textsuperscript{68} The Virginia assembly, too, was unable to secure approval for a 6s valuation. Governor Culpeper, in 1679, had raised the dollar from 5s to 6s, only to return it back down to 5s after discharging the English regiment that had helped suppress Bacon’s Rebellion. When the Burgesses demanded a return to 6s, the governor insisted they first needed the King’s permission, and so the Burgesses sought it.\textsuperscript{69} The Lords of Trade

\textsuperscript{65} Dunn, \textit{Sugar and Slaves}, 160; Dunn, “Imperial Pressures,” 61.


\textsuperscript{67} Petition of the Royal African Company to the King, 12 Jan. 1683, in \textit{Ibid.}, no. 891.

\textsuperscript{68} Answer of the Jamaicans to the Petition of the Royal African Company, 28 Jan. 1683, in \textit{Ibid.}, no. 920.

\textsuperscript{69} \textit{Journals of the House of Burgesses of Virginia [JHB],} eds. H.R. McIlwaine and John Pendleton Kennedy, 13 vols. (Richmond, 1905-15), 2:146. The Burgesses also petitioned for a prohibition on all silver exports from the colony. Over one year later, Culpeper also asked permission from the Crown “to raise the price of Monyes, (especially Forreigne) as they find cause,” see Governor Lord Culpeper to the Lords of Trade and Plantations, 12 Dec. 1681, in TNA: CO 1/47, no. 105, p. 262.
initially agreed with the assembly, and the king granted permission, in 1682, for a 6s valuation. But the following year, in 1683, the committee abruptly changed its mind and the king instructed Culpeper that the rate remain 5s until further notice.\footnote{Executive Journals of the Council of Colonial Virginia, eds. H.R. McIlwaine and Wilmer L. Hall, 5 vols. (Richmond, 1925-1945), 1:35-6; Journal of the Lords of Trade and Plantations, 20 Dec. 1681 and 21 Jan. 1682, in TNA: CO 391/3, pp. 327-31, 339-40; Journal of the Lords of Trade and Plantations, 27 Sept. 1683, in TNA: CO 391/4, pp. 200-3. This last order came in response to Culpeper, in January 1683, proclaiming the coin to now be 6s in Virginia, which proclamation was now repealed, see Minutes of the Council of Virginia, 11 and 31 Jan. 1683, in TNA: CO 5/1405, pp. 153-5, 169-71. Also see Nettels, Money Supply, 237.}

After denying Virginia’s request, the Crown simultaneously permitted a 6s valuation in royal New Hampshire, highlighting the wild inconsistency of imperial policy on the subject. Governor Cranfield, following the lead of Connecticut, had raised the dollar by proclamation in 1683, without a corresponding act from the assembly. The following year, several New Hampshire residents petitioned against the proclamation, to which the governor responded by claiming that the decree “has been an advantage to the province by introducing more money than formerly, of which the people have no reason to complain.”\footnote{Petition of Nathaniel Weare and others to the Lords of Trade and Plantations, 11 July 1684, in TNA: CO 1/55, no. 6i, p. 13; Governor Edward Cranfield to the Lords of Trade and Plantations, 16 Oct. 1684, in CSPC, 1681-5, no. 1895.} The Lords of Trade rebuked the governor for advancing the coin without royal direction, but let the proclamation stand regardless.\footnote{Report of the Lords of Trade and Plantations to James II, 8 Apr. 1685, in Documents of New-Hampshire, 1:570; Lords of Trade and Plantations to Governor Edward Cranfield, 29 Apr. 1685, in Documents of New-Hampshire, 1:572.} Meanwhile, the same year, on the island of Nevis, after customs officials protested the new 6s valuation, the Crown attended to their complaints and repealed the statute.\footnote{Commissioners of Customs to the Lords of Trade and Plantations, 27 Sept. 1684, in CO 1/55, no. 44, p. 166; Commissioners of the Mint to the Lords of the Treasury, 27 Sept. 1684, in TNA: CO 1/55, no. 45, pp. 168-9; Nettels, Money Supply, 235.}
Imperial currency policy, on the surface, seemed almost entirely arbitrary in the 1680s. Though the Crown demonstrated an undeniably disposition against the practice, it tolerated devaluation in the proprietary and charter colonies, and fluctuated between allowing and prohibiting it in the royal colonies. Much of this unpredictability can be attributed to the fact that imperial decisions were not nearly so systemized as they would later be.

And yet there was also a degree of logic to these seemingly inconsistent decisions. The Crown most actively resisted currency devaluation in the tobacco and sugar plantations, citing a possible reduction in the customs revenue. The RAC played a major role in prohibiting the practice in Jamaica, and in the case of Virginia, the royal quitrent revenue was a principal factor. Either way, royal income was at stake, an especially pressing issue at a time when the king sought to rule without Parliament. Still, from the standpoint of the tobacco or sugar planter, it was frustrating to watch neighboring colonies advance the rates of coin and be unable to follow. The Crown, in their view, was entirely unfair and heavy-handed over the currency issue.

The Chesapeake was the greatest loser in this currency ordeal. Virginia, in the 1680s, was finally in a position where obtaining a common silver currency might in fact be a distant possibility. In 1683 the Burgesses had even recognized the circulation of “Coyne comonly called New England money.” Some middling farmers along the

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74 When the King, in 1682, initially granted the Burgesses permission to advance the coin to 6s, quitrents and customs were still to be collected at the old valuation. The Burgesses happily agreed, but even this concession was not enough: the Crown changed its mind shortly after, see *Executive Journals of Virginia*, pp. 1:35-6, 44-5. For more on this question, see Nettels, *Money Supply*, 239-40.

75 *Executive Journals of Virginia*, 1:45.
Eastern shore and lower James River began to partially or wholly abandon tobacco for the provisioning trade to the Caribbean, finally lending some diversification away from tobacco monoculture. Roughly seventy vessels now annually sailed from the Chesapeake to Barbados, carrying livestock, pipe-staves, tobacco, pork and other foodstuffs to the islanders, a trade unimaginable at midcentury.\textsuperscript{76} New England ships carried on most of this commerce, stopping by on their way to Barbados, but a nascent Virginia shipbuilding industry was also emerging, limited generally to 30-ton sloops, ketches, and other small watercraft.\textsuperscript{77} The Chesapeake economy was showing definite signs of maturation, but the manipulation of silver rates by neighboring colonies, with no freedom to compete in like manner, rendered any chance of a common silver currency less likely than otherwise.

The lack of a Chesapeake silver currency was not entirely owing to their inability to advance the rates of Spanish coin. Buccaneering, for one, was not the benefit it was to the rest of continent. More importantly, and also unlike the rest of the continent, African slaves, not silver, constituted a majority of the returns from the Chesapeake’s trade with the Caribbean. RAC ships rarely visited the Chesapeake, and so intercolonial trade was the planter’s main option for acquiring slave labor.\textsuperscript{78} Slaves still accounted for fewer than

\textsuperscript{76} Coombs, “Phases of Conversion,” pp. 336, 343, 358; Bradburn and Coombs, “Smoke and Mirrors,” 139-41; Walsh, \textit{Motives of Honor}, 145-6; Hatfield, \textit{Atlantic Virginia}, 52-4; McCusker and Menard, \textit{Economy of British America}, 129; Zahedieh, \textit{Capital and the Colonies}, 201. One Virginia writer in 1681 maintained that ironworks might be erected and an export trade in flax and lumber-products, but “‘unskillfulness” and the “poverty of our Inhabitants” checked these undertakings, see Colonel Nicholas Spencer to Sir Leoline Jenkins, 13 May 1681, in TNA: CO 1/46, no. 137, p. 324. Carew Reynell in 1685 urged the abandonment of tobacco in favor of silk, wines, and oils, see Carew Reynell, \textit{A Necessary Companion, or, The English Interest Discovered and Promoted} (London, 1685), 32-4.


\textsuperscript{78} Coombs, “Phases of Conversion,” pp. 343, 359-60; Bradburn and Coombs, “Smoke and Mirrors,” pp. 142, 151; David W. Galenson, “The Atlantic Slave Trade and the Barbados Market, 1673-1723.” \textit{The
10 percent of the Chesapeake population at the end of the 1680s, but their numbers had increased threefold since 1670.79 If elite Chesapeake planters had only desisted from spending money on African labor, Virginian may likely have benefited from the beginnings of a metallic currency in the 1680s. Planters, instead, chose slaves over silver.

Slave importation was only one factor in Virginia’s overall trade deficit, but was still the most important factor because it was the Caribbean provisioning trade that provided all the other mainland colonies with money. The deficit with England was the second thorn in the side of the Virginia’s monetary ambitions. All of the mainland colonies suffered a trade deficit with England, but Virginia’s was especially damaging because the Caribbean provisioning trade failed to provide the requisite coin to settle the trade imbalance for English goods. Like the Barbadian planters at midcentury, however, the rising planter-elite of Virginia could not seem to help themselves, eager to furnish their newly-constructed, multi-level brick houses with splendorous imports from England and Europe. Elite indulgence was still far below that of the Caribbean, but wealthy tobacco planters noticeably intensified their consumption of luxury goods in the 1680s, dooming any chance for a silver currency.80

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Slave importation withheld a silver currency from Virginia in more than one way. Not only did it prevent the importation of Caribbean silver, but it also reinforced tobacco overproduction, dragging the price of the crop down to historic lows. Between 1669 and 1682, tobacco exports rose by almost 50 percent, from 15 to nearly 22 million pounds, causing the value of the “meene druge” to fall below a penny a pound.\(^{81}\) “Our Thriving is our Undoeing,” Culpeper wrote the Lords of Trade in 1681, “and our Buying of Blackes hath extremely contributed thereunto by making more Tobacoe... too great plenty would make Gold itselufe a Drugge.”\(^{82}\) Tobacco money evinced the fact, and made the problem worse. As an English visitor later explained, “Their Want of Cloaths and Houshold-Furniture, and all their other Necessaries, instigate them to make as much Tobacco as they can, this being the Money of that Country which Answers all Things.”\(^{83}\)

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\(^{82}\) Governor Lord Culpeper to the Lords of Trade and Plantations, 12 Dec. 1681, in TNA: CO 1/47, no. 105, p. 261. The lowness of tobacco, the Burgesses likewise reported, “renders us Generally unable to maintain our selves and families but in a mean and indigent Condition,” see *JHB*, 2:229. The price of tobacco witnessed a very mild price recovery in the mid-1680s. For tobacco price data, see Russell R. Menard, “The Tobacco Industry in the Chesapeake Colonies, 1617-1730: An Interpretation,” *Research in Economic History* 5 (1980): pp. 133, 138; Charles Wetherell, “‘Boom and Bust’ in the Colonial Chesapeake Economy,” *The Journal of Interdisciplinary History* 15, no. 2 (Autumn 1984): 185. The early-1680s tobacco depression hit the colony particularly hard. “Our now greatest to be feared Enemy is our poverty falling violently on us, by the small or rather noe value of our only Comodity Tobacco,” one Virginian wrote in 1680. Tobacco “at present is so Low, that a whole year's Crop will not advance to the ordinary planter whereby meaneely to cloath himself,” see Colonel Nicholas Spencer to Sir Leoline Jenkins, 13 May 1681, in TNA: CO: 1/46, no. 137, p. 324; Colonel Nicholas Spencer to Secretary Henry Coventry, 9 July 1680, in TNA: CO 1/45, no. 43, p. 189. In July 1680 the House of Burgesses unsuccessfully petitioned the King to command a “tottal Sessation from planting tobacco” in Virginia and Maryland for the year 1681, see *JHB*, 2:145. For the mild price recovery in 1683, see Secretary for Virginia to Sir Leoline Jenkins, 25 Mar. 1683, in TNA: CO 1/51, no. 74, p. 213.

Tobacco currency even financed and buttressed the initial slave codes in Virginia. The Burgesses, in 1682, instituted an award system for apprehending runaway slaves – 200 pounds for each one returned – expending a total of 46,600 pounds in just one year. One planter alone, George Ludlow, collected 1,200 pounds of tobacco for the capture of six runaways.\(^\text{84}\) Ironically, on occasion, tobacco money even aided the transition away from tobacco monoculture, even as it simultaneously reinforced it. In 1679, for instance, carpenter James Gates agreed to build a “house of 40 foote long & 20 foot wide” for Major Thomas Chamberlaine, who accordingly paid him 1,200 pounds of tobacco (roughly £5 sterling).\(^\text{85}\) 14,000 pounds also settled the wages for skilled laborers building a church at Jamestown.\(^\text{86}\) Nevertheless, the “want of money,” the Virginia Council argued in 1686, made commercial traffic “but slow paced.”\(^\text{87}\) “Tradesmen and Artificers” earned wages “generally in straggling Parcels of Tobacco... and the best of his Pay coming but once a Year.”\(^\text{88}\)

Silver, by this point in time, had finally displaced sugar money as the dominant currency on Barbados. Governor Richard Dutton, in 1682, noted that among skilled workers, “no Man will doe business here but for ready Money.”\(^\text{89}\) Three years later, he

\(^{84}\) *JHB*, 2:175-83. Charles City County led all counties again in 1684, see *JHB*, 2:258. For more instances of tobacco currency in 1680s Virginia, see *JHB*, pp. 2:133, 2:326; Secretary for Virginia to the Lords of Trade and Plantations, 20 Mar. 1683, in TNA: CO 1/51, no. 69, p. 173.

\(^{85}\) Henrico County, Deeds and Wills (1677-1692), 88, citation and quotation in Bradburn and Coombs, “Smoke and Mirrors,” 146.

\(^{86}\) Provincial taxes, used to finance construction of the church, still ranged between 50-110 pounds of tobacco per poll, see *JHB*, pp. 2:88, 116, 128.

\(^{87}\) *Executive Journals of Virginia*, 1:79.ears persisted, moreover, that an attack by the Indians – “our Barbarous heathen Enemie” – would cost the colony as much as 500,000 pounds of tobacco to finance the war, which “will be altogether Impossible for us to beare,” see *JHB*, 2:229-30.

\(^{88}\) Hartwell, Blair, and Chilton, Present State of Virginia, 8.

\(^{89}\) Sir Richard Dutton to the Lords of Trade, 16 Nov. 1682, in TNA: CO 1/49, no. 104, p. 136. Nevertheless, in 1680 the Barbadian assembly felt it necessary to prohibit the export of coin from the island, which the
affirmed silver to be the “Currant money of this Island,” though he regretted that most of the coins had been clipped by as much as one-third, passing at 5s as if they were full-weight.\textsuperscript{90} The Barbadian Council, seven years prior, had issued a proclamation against the “importation of bad and light money,” but currency-by-tale doomed the effort.\textsuperscript{91} Clipped or unclipped, however, coin was certainly preferable to sugar.

Barbados’ planters were still the wealthiest in the empire, holding most of their assets in valuables other than gold and silver. Per capita imports of English goods in the 1680s amounted to £3.47 on Barbados, compared to £2.06 on Jamaica, £0.63 in the Chesapeake, and £0.59 in New England.\textsuperscript{92} Three-quarters of the island’s inhabitants were now enslaved, and the top seven percent of property holders owned more than half the land.\textsuperscript{93} Slowly but surely, Leeward sugar planters, too, adopted the same consolidation model, attendant with a black majority by 1680, though sugar remained the predominant currency on the Leewards until the turn of the century.\textsuperscript{94} “They have little Money, but Buy and Pay with Sugars,” one visitor wrote of Nevis in 1688.\textsuperscript{95}

Jamaica still boasted the most silver and gold, notwithstanding the export of coin to mainland North America. Almost all of the money on the island was owing to the

\textsuperscript{90} Sir Richard Dutton to the Lords of Trade, 24 Mar. 1685, in TNA: CO 1/57, no. 70, p. 175. Also see \textit{Acts of Assembly, Passed in the Island of Barbadoes, from 1648, to 1718} (London, 1732), 126; McCusker, \textit{Money and Exchange}, 239-40; Nettels, \textit{Money Supply}, 183.

\textsuperscript{91} Minutes of the Council of Barbadoes, 26 Nov. 1678, in TNA: CO 31/1, pp. 299-300.

\textsuperscript{92} Zahedieh, \textit{Capital and the Colonies}, 259-60. “Unquestionably the Barbados sugar planters were the wealthiest men in English America in 1680,” Richard Dunn remarks, “far outdistancing their competitors in Jamaica and the Leeward Islands,” see Dunn, \textit{Sugar and Slaves}, 85. Also see Galenson, “Atlantic Slave Trade,” 492.

\textsuperscript{93} Dunn, \textit{Sugar and Slaves}, 87; McCusker and Menard, \textit{Economy of British America}, 153; Galenson, “Atlantic Slave Trade,” 492.

\textsuperscript{94} Dunn, \textit{Sugar and Slaves}, pp. 131, 237.

\textsuperscript{95} Sloane, \textit{Voyage to the Islands}, 1:42.
Spanish contraband trade. “We have much Money imported by our Trading Sloopes,” traversing “all along the coast of the Mayn,” Lynch remarked, adding, in 1683, “Wee have had more Money coming this year than ever.”  

Coin included pieces-of-eight, but also gold Spanish pistols, which passed on the island for 20s (£1), the value of an English guinea. Jamaica is “most commodiously seated in the midst of the Spaniards,” a planter bragged in 1683, “so that we drain the benefits of their Gold and Silver Mines... bars and cakes of Gold, wedges and piggs of Silver, Pistols, Pieces of Eight and several other Coyns... almost every House hath a rich Cupboard of Plate.” “Whereas most other Plantations ever did and now do keep their accounts in Sugar,” he wrote, “…it is otherwise in Jamaica, for in Port Royal there is more plenty of running Cash.”

In rural New England, outside of Boston, coin very gradually entered into circulation. Even in Connecticut, the Caribbean provisioning trade procured “some money,” the governor attested in 1680. When Connecticut and New Hampshire revalued the dollar in 1683, both governments, for the first time, assigned different values to the heavier Mexican piece (6s) and the lighter Peruvian piece (5s), indicating that

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96 Governor Thomas Lynch to the Lords of Trade and Plantations, 29 Aug. 1682, in TNA: CO 1/49, no. 35, p. 131; Governor Thomas Lynch to the Jamaican Assembly, 21 Sept. 1683, in TNA: CO 1/52, no. 100, p. 247. Also see Sloane, Voyage to the Islands, 1:1vi.
97 F. Hanson, The Laws of Jamaica (London, 1683), preface. Also see John Taylor, Present State of Jamaica (1687), in Jamaica in 1687: The Taylor Manuscript at the National Library of Jamaica, ed. David Buisseret (Kingston: University of the West Indies Press, 2008), 241; Sloane, Voyage to the Islands, pp. 1:xlvii, lv. In 1675 the Council of Jamaica recognized the circulation of gold French pistols (worth 20s) and silver French crowns (worth 5s), see Minutes of the Council of Jamaica, 3 May 1675, in CSPC, 1675-6, no. 548.
98 Records of Connecticut, 3:297. An small shipbuilding industry was also emerging in Connecticut, though mostly limited to ketches and other coastwise vessels, see Joseph A. Goldenberg, Shipbuilding in Colonial America (Charlottesville: University Press of Virginia, 1976), 27-9; Randolph Letters, 2:225.

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enough of these coins now circulated to warrant such distinction. Even in New
Plymouth, silver more frequently entered circulation, with the government now using
coin to regulate undesirable social behavior. The penalty for fornication, for instance,
formerly settled in country produce, could only “be payed forthwith in Mony.”
Silver now settled a large number of lawsuits in Plymouth; one defamation case involved as
much as £200 of coin. In 1685, in rural Massachusetts, one exceptionally large estate
included £580 in foreign coin and plate, £60 in English coin, and £23 in Bay shillings.

Country pay still dominated economic life among most rural folk in New
England, with Indian corn, wheat, peas, malt, pipe-staves, and even fish accepted in
public payments. The Rhode Island assembly declared “sheep’s wool” legal tender in
public payments at 7.5d a pound – equivalent to a Spanish royal or “bitt” – alongside
other country “species,” including butter, corn, and pork. After the 1682 death of John
Yeates in New Plymouth, the court ordered his widow pay their two surviving daughters
“eight pounds in current country pay when they come of age.”

99 Records of Connecticut, 3:119; Documents of New-Hampshire, 1:480-1. The year before, the
governments of both colonies ruled that “all debts shall be payd in specia according to contract,”
meaning that if the contract called for silver, the debtor must pay in silver – not country pay – indicating that coin
was more readily available for the middle and upper classes, see Records of Connecticut, 3:119; Documents
of New-Hampshire, 1:448.
100 Records of the Colony of New Plymouth in New England, eds. Nathaniel B. Shurtleff and David Pulsifer,
12 vols. (Boston, 1855-61), pp. 11:223, 247. The same silver penalty now also extended to selling alcohol
without a license.
101 Ibid., pp. 8:301-2, 304. For more instances of silver in 1680s New Plymouth, see Ibid., pp. 5:168, 6:173,
197-9, 8:310.
102 Nettels, Money Supply, 204.
103 Documents of New-Hampshire, 1:448. Also see Petition of Nathaniel Weare and others to the Lords of
Trade, 11 July 1684, in TNA: CO 1/55, no. 6i, p. 13.
104 Records of Rhode Island, 3:236.
105 Records of New Plymouth, 6:90.
teachers received “at least twelve pounds in currant marchantable pay.” One Plymouth couple who had taken care of a six-year-old orphan in “destitute condition” received “five pound in good currant country pay” for their “considerable charge and trouble in the keeping of her.” Especially as one drew near to the port towns, however, middling New Englanders no doubt enjoyed greater access to coin than in any previous era.

The same currency condition extended to the Middle Colonies, where exports had advanced markedly in the past two decades. As late as the 1670s, furs remained the dominant staple of New York, but with the market price for peltry now severely depressed, New Yorkers steadily turned to food provisioning. Middling merchants in particular abandoned the transatlantic fur trade and focused instead on the coastwise trade with New England, the Carolinas, and Caribbean. All along the Hudson River, interior settlers sold small agricultural surpluses of grain and flour to sloops headed for New York City. Most economic activity in the hinterland was still confined to local markets – farmers exported only 5-10 percent of their total output – but for the first time, farmers

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106 Ibid., 11:247.
107 Ibid., 6:54. For other references to country pay in post-1675 New Plymouth, see Ibid., pp. 5:204, 6:33.
deep within the interior enjoyed ready access to a variety of imported goods, and, if the surplus was large enough, even small sums of coin.109

Much of the exported New York grain, flour, staves, and shingles went to the Dutch Caribbean island of Curaçao. Here, New York merchants acquired pieces-of-eight, bills of exchange, and “lion dollars” or “dog dollars” (Dutch-minted silver – so-called because the stamp looked more like a dog than a lion). “Flour from New-York is counted the best,” one island visitor noted, and by the end of the 1680s, New Yorkers exported roughly 60,000 barrels each of flour and grain.110 Because the Dutch primarily used Curaçao as a base for Spanish trade, the islanders had little else to offer than coin.111 By the end of the century, Curaçaoans imported as much as £50,000 worth of goods annually from New York, Rhode Island, and Pennsylvania, providing the three colonies with a continual source of money.112 Some of the wealthier New York merchants even exchanged grain for silver across the ocean at Lisbon and Madeira.113

New York enjoyed a definite place on the commercial map, though its position was humble, and still largely dependent on the Boston entrepôt. The merchants of New York, New Jersey and Philadelphia had to purchase most of their imported goods from

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109 Matson, Merchants and Empire, pp. 74, 90-3, 111-2, 116. For more on the family farm as a preindustrial unit of production in the Middle Colonies, see James T. Lemon, The Best Poor Man’s Country: A Geographical Study of Early Southeastern Pennsylvania (Baltimore: The Johns Hopkins Press, 1972), pp. 29-30, 37.
110 Sloane, Voyage to the Islands, 1:xix; Koot, Empire at the Periphery, 205.
111 Nettels, Money Supply, 86-7; Wim Klooster, Illicit Riches: Dutch Trade in the Caribbean, 1648-1795 (Leiden: KITLV Press, 1998), 41-71; Koot, Empire at the Periphery, 206-8; McCusker and Menard, Economy of British America, pp. 110, 191; Elliott, Empires of the Atlantic World, 224; Sloane, Voyage to the Islands, 1:vi.
112 Nettels, Money Supply, 86.
Boston merchants, relinquishing a portion of the coin they had recently brought in from Curaçao. Few English vessels had yet established a direct trade with any of the Middle Colonies. Most of the small watercraft used in New York’s coastwise trade were Boston-built, though a small New York shipbuilding industry was also emerging, and some of the Curaçao-bound vessels were now New York-owned and New York-built.  

A New York mint, if established, would signal throughout the Atlantic that the province was indeed worth paying attention to. The Duke of York had turned down Andros’s proposal for a mint in 1675, but in 1684, Governor Dongan tried again. The influx of pirate money had no doubt contributed to great irregularity in the currency. But more importantly, a New York coinage, with a New York stamp, would unquestionably boost the commercial repute and pride of the province. This time the Duke of York replied that he was “inclinable enough to assent to your motion for a Mint,” but would “resolve further to consider of the matter.”  

All talk of a mint fell through, however, after February 1685, when the Duke became King. Three years later New York was now part of the Dominion of New England, and a coin bearing the distinct symbols and markings of New York was now out of the question.

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114 Governor Sir Edmund Andros to the Lords of Trade and Plantations, 16 Apr. 1678, in DRNY, 3:261; Goldenberg, Shipbuilding in Colonial America, 26-7; Nettels, Money Supply, pp. 86, 107, 110; Matson, Merchants and Empire, 73; McCusker and Menard, Economy of British America, 203.


116 Cathy Matson briefly mentions this event in Merchants and Empire, 82.
The population of the Middle Colonies amounted to only one-third of the population of either New England or the Chesapeake in the 1680s, but now almost equaled the free population of the entire English Caribbean. New York, at the end of the decade, still possessed more inhabitants than any other Mid-Atlantic colony – roughly 14,000 – but Pennsylvania’s population had soared from a mere 700 settlers in 1680 to over 11,000 in 1689, and at least 8,000 settlers now resided in the two Jerseys.\(^{117}\)

Pennsylvania’s explosive population growth was the almost singular result of the promotional and organizational skills of proprietor William Penn. Penn successfully marketed over 750,000 acres to at least 600 subscribers, including entire companies freighting large groups of immigrants. Roughly 2,000 men and women arrived in the colony on an annual basis in the 1680s, including Germans, English Quakers, Dutch and Scotch-Irish Presbyterians. The immigrants were overwhelmingly of middling status, settling farms across the several rural townships west and north of Philadelphia, along the Delaware River. Philadelphia, the ‘City of Brotherly Love,’ showcased a host of skilled artisans and craftsmen, as well as a tight-knit community of middling Quaker merchants. The soil was more fertile than that of New England; the climate more temperate than that of the South; the easy, rolling hills well-adapted for tillage; the many pleasant streams ideal for milling grain.\(^{118}\) Pennsylvania earned a “reputation for providing the best chance

\(^{117}\) McCusker and Menard, *Economy of British America*, 203.

in the western world for an improved standard of living,” James T. Lemon remarks; a society of “predominantly middle class” inhabitants.119

Silver coin was difficult to come by in the first few years of Pennsylvania settlement. The trade deficit with neighboring colonies and England was necessarily high, as exports were still underdeveloped, causing a “notorious scarcity of money in the province... almost all the money goes out.”120 Predictably, the Pennsylvania assembly, in 1683, ordained country pay legal tender for private debts and public payments. “There is a Necessity for the Sake of Commerce in this infancy of things,” the law stated, “that the growth & produce of this Province & territories thereof, Shall pass in Lieu of Mony.” Produce included “all marchantable Wheat, Rye, Indian-Corn, Barley, Oats, Pork, Beef [and] Tobacco,” thereafter “accounted current pay.”121 Country pay was also legal tender in neighboring East and West New Jersey.122 Book credit with the many storekeepers and tradesmen, moreover, allowed farmers in all three colonies the flexibility to obtain imported goods before the currency of the province – the next crop – was available.123

120 Francis Daniel Pastorius to the German Company, Nov. 1684, in Narratives of Early Pennsylvania, 376. Pastorius represented a Frankfurt company which had purchased 15,000 acres for the founding of Germantown.
123 Lemon, Best Poor Man’s Country, 27.
Ever ambitious, Penn took great strides in securing a silver currency for his new colony, even telling friends that he planned to erect a Pennsylvania mint. In one 1685 promotional pamphlet, Penn told forthcoming immigrants that it was “most advisable” to bring along estates at least “one-third in Money, and two thirds in Goods.” On the same page, he promoted the colony’s 6s valuation as reason to emigrate from England, “so that a man worth £400 here [England], is worth £600 there, without sweating.”

The 1683 law raising silver dollars in Pennsylvania to 6s, irrespective of weight, also recognized gold guineas as current money in the province. Because gold guineas had largely supplanted silver in 1680s England, this particular clause indicates that the new immigrants indeed brought along money, as guineas would have had no other way of coming into Pennsylvania. The recognition of the gold guinea at such an early date, 1683, also tells us something about the status of the bulk of Pennsylvania immigrants. Though most were not rich, neither were they poor. The guineas, however, must not have circulated long. Clipped silver, not gold, was the overvalued, and thus favored metal in Pennsylvania.

In neighboring West New Jersey, a large quantity of Irish copper pieces entered circulation, popularly known as the St Patrick halfpenny. In November 1681, a small band of non-Irish Quaker immigrants, led by Mark Newby, relocated to West New Jersey from Dublin (where they had recently emigrated from England). Before leaving Ireland, Newby purchased a cask containing 14,400 Irish copper halfpence, a total value of £30.

125 Penn, *Further Account*, 17.
Seven months later, in May 1682, the Jersey government declared legal tender status for “Mark Newbie’s half-pence, called Patricks half-pence,” provided that no person be forced to take more than 5s worth (120 pieces) in a single payment. In so doing, the Jersey government cited the urgent need for small change and the “more convenient Payment of small Sums.”

The St Patrick halfpenny likely dated back to the Interregnum, during the midcentury exile of Charles II. On the obverse stood St. Patrick, dressed in the garments of a bishop, dispelling serpents in front of St. Patrick’s Cathedral in Dublin, with the words “QUIESCAT PLEBS” – “May the People Be at Peace.” On the reverse, King David, playing the harp and kneeling before the crown of England, with the words “FLOREAT REX” – “May the King Flourish” (Figure 19). A second, larger version – coined sometime in 1688-90 – entered Jersey circulation at the end of the century. The second version had a similar reverse, but a slightly different obverse: St. Patrick, holding a three-leaf clover in his right hand and a bishop’s staff in his left, surrounded by a multitude of people and the words “ECCE GREX” – “Behold the Flock” (Figure 20).

For a brief period, in 1683, counterfeit money known as “New Bitts” circulated widely in Philadelphia, occasioning some disturbance before the Council finally moved to suppress it. The three counterfeiters – Charles Pickering, Samuel Buckley and Robert

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128 The precise date and origin of these coins remains contested. Though several numismatists have argued that the coins may have been issued during the reign of Charles II, John Lupia has recently presented evidence that the coins were minted sometime between 1646 and 1660, and the second version between 1688 and 1690. Perhaps as many as seven million pieces, and at least million pieces, were coined. See John Lupia, “The Two St. Patrick Coinages: The Smaller circa 1646-1660, and the Larger circa 1688,” The C-4 Newsletter, no. 4 (Winter 2009): 8-19.
Fenton – melted 24 pounds weight of silver (over £2,000 sterling), including “Spanish Bitts and Boston money.” Bitts were the popular name for Spanish reals, worth roughly one shilling in Pennsylvania. After melting, the three men mixed the silver bullion with copper alloy, and then minted the debased metal into a new currency, deceptively passing off the money as if it were fully silver. Upon discovery, the people called the money “New Bitts,” though some, including one Mary Bartholomew, had initially accepted the money believing it to be an actual bitt. After discovery, a Pennsylvania judge commanded the three men exchange full-weight silver to any recipient of the “false, Base and Counterfitt Coyne.” Pickering, the ringleader, paid an additional fine of £40, Buckley £10, and Fenton, their indentured servant, “an hour in the Stocks.”

Silver coin became noticeably more common in Philadelphia in the mid- to late 1680s. Quaker merchants exported wheat, flour, beer, biscuits, horses, and barrel-staves to Barbados and Curaçao, returning silver from the trade, not slaves. Some of the more ambitious merchants extended their trade to the Wine Islands and southern Europe. An infant shipbuilding industry also developed, though mostly constrained to small watercraft. Pennsylvanians exported flour, wheat, and bread to New England and

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129 *Minutes of Pennsylvania*, pp. 1:84-5, 87-9, 91-2. Pastorius briefly mentioned this event in his 1683 tract, writing, “There are coiners of false moneys and other vicious persons here whom nevertheless, it may be hoped, the wind of God’s vengeance will in his own time drive away like chaff,” Pastorius, *Positive Information*, 400. For more on false coins and colonial laws for counterfeiting silver, see Kenneth Scott, *Counterfeiting in Colonial America* (New York: Oxford University Press, 1957), 8-9.


132 “Some Vessels have been here Built, and many Boats,” Penn, *Further Account*, 4.
Newfoundland, as well as beef, pork, and pipe-staves to the Chesapeake and Carolinas.\(^{133}\) The commercial boom resulted in more money for the province, which Penn, in 1685, happily celebrated. In the first three years of settlement, he noted, “New York, New England and Road Island did with their provisions fetch our Goods and Money,” but such was no longer the case.\(^{134}\)

Rumors spread in Pennsylvania of “some precious Mettle under-neath the Ground, which some men did think was Silver Oar.”\(^{135}\) But many just as rather preferred not to have silver mines. “We have no precious stones found in these parts, nor do we desire them,” a resident of Germantown wrote, “and we cannot ascribe great praise to that man who first brought forth gold and precious stones out of the dark and hidden places of the earth, for these noble creations of God, although good in themselves, are nevertheless terribly abused by their misuse, and, against their will, are made to subserve the uses of vanity.”\(^{136}\) Commerce and agriculture was the Pennsylvania vision: mines of silver and gold would desolate the colony’s middling character.

The most ambitious economic plan of all for Pennsylvania, no doubt, came from Thomas Budd, a Quaker merchant, landowner, and political figure in Pennsylvania and

\(^{133}\) Lemon, Best Poor Man’s Country, 27-9; Robert Turner to William Penn, 15 Oct. 1686, in Narratives of Early Pennsylvania, 290; William Penn, Some Account of the Province of Pennsilvania (London, 1681), 5; McCusker and Menard, Economy of British America, 204. For contemporary accounts of the commodities and growth of Pennsylvania, see Penn, Further Account, pp. 6-7, 10-11, 14; Penn, Some Account, 5; William Penn to the Committee of the Free Society of Traders, 16 Aug. 1683, in Narratives of Early Pennsylvania, 225-7; Richard Frame, A Short Description of Pennsilvania (Philadelphia, 1692), in Narratives of Early Pennsylvania, 301.

\(^{134}\) Penn, Further Account, 10.

\(^{135}\) Frame, Short Description, 302.

\(^{136}\) Francis Daniel Pastorius, Circumstantial Geographical Description of Pennsylvania (1700), in Narratives of Early Pennsylvania, 382-3.
West New Jersey. Budd, in 1685, detailed a comprehensive plan for two distinct forms of paper money, both designed to encourage colonial linen manufacture.

Pennsylvania’s dependence on imported cloth, Budd argued, unnecessarily doomed the colony’s trade balance. Colonial farmers, he argued, should be forced to “sow one Acre of Flax, and two Acres of Hemp,” with “Spinning-Schools” established in each township. The resulting linen would not only supply Pennsylvania demand, but would also give Philadelphia merchants enough “quantities to sell to the Inhabitants of our own neighbouring colonies.... they being usually supplied from England, where it must be dear [expensive], after Freight, Custom, and other charges at Importation, with the [London] Merchants profit considered.”

Pennsylvanians, that is, would monetarily benefit in two ways: first, by not having to import cloth from England, and second, by having a new export to ship to the Caribbean and neighboring colonies. Non-Pennsylvanians, too, would benefit from access to cheaper colonial cloth.

Paper money, he believed, might further encourage this manufacturing venture. Budd proposed a currency of transferable, redeemable bills, backed by flax, hemp, and linen cloth. Colonists would deposit any of the three commodities into “publick Store-Houses,” receiving a paper note indicating the quantity, quality, and value of the deposited goods. “These Notes,” he wrote, “will pass from one man to another all one as Money.” The holder of the note – even if he or she had not originally made the deposit – would have liberty to remove the said goods from the warehouse at his or her pleasure. Budd modeled his idea precisely after the redeemable bank notes of Holland, Italy, and

137 Budd, Good Order, 16-7.
Germany, only the notes were backed by flax, hemp, and linen, not gold and silver, and based on 100-percent reserves, not fractional-reserves.\textsuperscript{138}

Budd further recommended a land-bank currency on the model of William Potter’s earlier proposal: a “Bank of Monies and Credit.” All land and real estate would be recorded in a “publick Registry... whereby it is made ready Money at all times... the security being so undeniably good.” The land bank, he promised, would move trade “briskly, to the great benefit and advantage of some hundreds of People that we set to work... which Trade we could not mannage and carry on without this credit.” “People of all degrees,” he predicted, would use the currency to invest in new projects, including linen manufacture. The notes would circulate throughout all of Pennsylvania, “and thereby Trade is made easie, and much convenienced.”\textsuperscript{139}

William Penn – who, two years earlier, called Budd an “esteemed Friend” – expressed some interest in the plan, though only vaguely and with a touch of skepticism.\textsuperscript{140} In a letter addressed to a mutual friend, Penn remarked that “Thomas was rash in a passage or two, yet the book is universally liked as to American matters.”\textsuperscript{141} Penn never clarified which “passage or two” he believed was “rash” – whether it was the agricultural mandate, the storehouse currency, or land-bank currency.

Penn showed great enthusiasm for hemp and flax in previous pamphlets, and other evidence strongly suggests that Penn was at least moderately interested in paper

\textsuperscript{138} Ibid., 12-3. 
\textsuperscript{139} Ibid., 17-9. 
\textsuperscript{140} William Penn to the Governor and Council of West Jersey, 20 June 1683, in Pennsylvania Archives, First Series, 1:61. 
alternatives. Penn was a close friend of William Petty, who had recently authored a pamphlet entitled “General Cautions Concerning Pennsylvania.” Among other things, Petty recommended that the new inhabitants “decline the use of gold and silver for money, but use small brass pieces, printed parchment and bank books.” Four years after Budd’s proposal, Penn was also supportive of Governor John Blackwell’s plan for a Pennsylvania land bank – discussed briefly the following chapter – and so Budd’s proposal must certainly have caught his attention.

What Budd neglected to mention, of course, was that his economic plan directly violated England’s mercantilist agenda. Manufactured goods – English-made and re-exported Dutch and German linens – accounted for roughly 90 percent of all goods exported from England to the colonies. American demand for manufactured goods had soared dramatically since 1660, since which time the value of English-made exports to the colonies had nearly doubled. America constituted an increasingly vital market for English manufactures. At midcentury, fewer than 10 percent of English-made exports went to the Americas, but by the late 1680s, that number was 40 percent. Not all of these English manufactures were textiles, but roughly half of them were.

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142 Penn, Some Account, 5; Penn, Further Account, pp. 7, 14.
145 McCusker and Menard, Economy of British America, 40; Zahedieh, Capital and the Colonies, 265.
Colonial manufacturing was a colossal menace to the English mercantilist agenda. A chill went up the spine of most every mercantilist thinker upon hearing word of colonists making “Shooes and Hats,” or sowing “Flax and Hemp, which they already Spin and Manufacture into Linnen.”¹⁴⁶ Leather shoemakers presently supplied most of the local market in New England, and a growing number of craftsmen inhabited rural townships.¹⁴⁷

If American colonists no longer demanded imported manufactures, England’s enormous trade surplus with the Americas would shortly collapse, and colonials would keep a far greater proportion of the money earned from the Caribbean provisioning trade. Even worse, the same colonial vessels carrying flour and bread to the Caribbean might also carry colonial-made textiles to the islanders. Pamphlets like that of Thomas Budd, however unrealistic, awakened mercantilists to the nightmarish possibility.

Smuggling, for the time being at least, remained the more pressing threat to English mercantilism. Colonial manufacturing could not yet compete with the low cost of English and European labor, nor could it compete with the near-unlimited acreage of land available for immigrants. “This country is not yet ripe for manufactures,” one account in New York stated, “Labor is too high – too much land to be settled.”¹⁴⁸ Small-scale, colonial household manufacturing of coarse woollens and linens could only partially satisfy local demand, leaving more than ample room for London merchants to market

¹⁴⁶ Present State of the Colony of West-Jersey, 191.
¹⁴⁷ Zahedieh, Capital and the Colonies, 260-1; Lemon, Best Poor Man’s Country, 30.
¹⁴⁸ Daniel Denton, A Brief Description of New York (1670; repr., Cleveland, 1902), cited in Matson, Merchants and Empire, 248.
English woollens or Dutch and German linens to the colonists.\textsuperscript{149} The problem, for now, was that consumers and merchants still illegally patronized foreign suppliers. Money, again, was the motivating factor. According to Randolph, Boston merchants, the chief supplier of smuggled imports, “were enabled to bring those Goods 50 per Cent. Cheaper to their Market there, than our Merchants could.”\textsuperscript{150}

Yet in recent decades, several prominent historians have argued that the volume of smuggling severely waned after 1660, and more especially in the final quarter of the century. Illegal trade, they say, did not disappear entirely, but was now mostly confined to luxury goods. As evidence, these historians point to the recorded increase in England’s transatlantic trade after 1660, arguing that the statistical rise indicates colonial compliance with the Navigation Acts. Because enforcement mechanisms were still incredibly weak, this supposed increase in colonial compliance, they argue, must also mean that the price of English goods and services (including freight) was no longer higher than the Dutch competition, else smuggling would have continued unabated. If this is true, then, the Navigation Acts were, in fact, not as burdensome as the restrictions had been at midcentury, and may not have been burdensome at all.\textsuperscript{151}

\textsuperscript{151} Not all historians agree with the argument that smuggling declined: English scholars tend to emphasize the persistence of smuggling late into the century. Nevertheless, most colonial American historians now seem to believe that smuggling substantially fell. Three of the more prominent colonial historians to argue this point include Nuala Zahedieh, John J. McCusker, and Russell R. Menard; see Zahedieh, \textit{Capital and the Colonies}, 40-1; McCusker and Menard, \textit{Economy of British America}, 77. More recently, Christian Koot, in his study of English-Dutch interaction in the seventeenth century Caribbean, persuasively challenged this view, see Koot, \textit{Empire at the Periphery}, 120.
First, the undoubted statistical increase, after 1660, in English transatlantic trade and shipping does nothing to prove any real, or at least substantial, decline in smuggling. The simultaneous rise in colonial population, and the accompanying rise of colonial consumption and economic production, may be equally attributable to the massive increase in trade volume. Between 1660 and 1689, the New England population nearly tripled from 32,000 to 86,000; the Chesapeake population more than tripled from 26,000 to 82,000, and the black population in the English Caribbean jumped from 34,000 to 98,000. Colonial agricultural techniques also enjoyed significant efficiency gains. Even if smuggling increased after 1660, English trade with the colonies would have also greatly increased in volume.  

Another piece of evidence used to argue for a sizable decline in smuggling is the likely fall in English freight rates after 1660. ‘Likely,’ because records of shipping rates are thin and highly disparate, rendering impossible any surefire estimation of average freight rates. Still, the evidence strongly indicates that English freight rates indeed fell in the latter half of the century. Thus, the argument goes, there was no longer the same incentive to smuggle goods. Yet this argument too falls flat. Even if English freight rates now fell below that of the Dutch – which may or may not have been the case – the avoidance of customs duties in London, for one, would have still made smuggling an attractive option. But more importantly, illegal contact with Dutch or French traders – even if freight was now higher – allowed colonists to buy or sell European-made goods directly, without having to siphon money off to a merchant-middleman in London.

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153 For more on this argument, see Zahedieh, Capital and the Colonies, 173-83.
Re-exporters of European goods to American markets, or American goods to European markets, did not perform the service for free. Even if they had, the extra shipping involved would have made the transaction more costly than a direct trade. When colonists legally bought French wines or Dutch linens, the colonial consumer bore the extra shipping cost of funneling the goods through England, as well as the middleman’s profits. Purchasing wine directly from the French, or linens directly from the Dutch, saved the colonists money even if Dutch and French shipping rates were now slightly higher than English shipping rates. The price markup negated any potential freight efficiency.

The same was true for the export of colonial tobacco and sugar. Europeans who bought Virginia tobacco and Barbadian sugar from an English middleman knew that the London merchant marked-up the price for sale in Europe. That was the entire point of the re-export trade, else why would the merchant bother? European buyers of colonial produce, then, when they could, preferred to buy those goods directly from the colonists themselves. Both parties in the illegal exchange benefited monetarily: the European trader bought the good at a slightly lower price than what he would have paid if the good passed first through England, but at a slightly higher price than what the English merchant would have paid the colonial producer. Indeed, if the smuggler did not offer a slightly higher price for colonial exports than an English buyer, there would have been no incentive for the colonial producer to take on the risk of illicit trade.

If illegal trade diminished as much as some historians claim, this further begs the question as to why the Restoration Crown exhausted so many resources in stamping out a
practice that no longer persisted. It would be a curious thing for the Crown to so
desperately waste money on a phantom problem. The Commissioners of Customs, in
1683, arranged for the full-time deployment of English agents to ports across France,
Spain, Denmark, Sweden, Germany, and the Netherlands, to stand on guard for inbound
vessels from the colonies that had not passed first through England.\textsuperscript{154} One English critic
of Massachusetts Bay, in 1689, even cited the necessity of this action as evidence that the
old charter government had been complicit in smuggling.\textsuperscript{155} The action must not have
been very effective: two years later, in 1685, the Privy Council urged that the royal navy
be sent to the Americas, to “seize all vessels belonging to strangers.”\textsuperscript{156} The following
year, in 1686, James II alleged that “several ships and vessels have carried great
Quantityes” of colonial produce “to Holland, Hamburgh, and other places without first
landing the same in England.”\textsuperscript{157}

English mercantilists conceded that money was a prime motivator to trade
illegally. Mercantilists knew very well that the Navigation Acts often ran contrary to
colonial economic self-interest. Josiah Child even estimated, with obvious hyperbole, that
“if it were not for that, you should see forty Dutch Ships at our own Plantations for one
English.”\textsuperscript{158} One English opponent of the old Massachusetts charter publicly celebrated
the principle that the “Parliament of England have never by any Act of theirs favoured

\textsuperscript{154} Memorial of the Commissioners of Customs, 11 Dec. 1683, in \textit{CSPC, 1681-5}, no. 1447.
\textsuperscript{155} \textit{A Short Discourse Shewing the Great Inconvenience of Joyning the Plantation Charters with those of
\textsuperscript{156} \textit{APCC}, 2:81.
\textsuperscript{157} James II to Governor Thomas Dongan, 20 June 1686, in \textit{DRNY}, 3:385. Also see Proclamation of Charles
II, 24 Nov. 1675, in \textit{British Royal Proclamations Relating to America, 1603-1783} [BRPA], ed. Clarence S.
Brigham (Worcester, MA: American Antiquarian Society, 1911), 127-8, wherein he states that “great
quantities” of European goods are “daily Imported” into the colonies.
\textsuperscript{158} Josiah Child, \textit{A New Discourse of Trade} (London, 1692), preface.
the Plantations.” The Americans colonies, he wrote, are “much differenced from England, and not to have those Privileges and Liberties which England enjoyed.” Rather, they are to be “restrained and burthened beyond any in England, as appears by the several Acts made for the increasing of Navigation.”  

Here was a supporter, not an opponent, of the Navigation Acts.

Illicit trade pervaded New England economic life in the 1670s-80s, but the same was also true of the Middle Colonies, Chesapeake, and English Caribbean. Historian Cathy Matson, for instance, writes that New York merchants habitually landed French and Dutch goods in the coves and inlets of East New Jersey, Connecticut, and Long Island. Middling merchants, she writes, were especially drawn to smuggling, and avoided detection by use of small watercraft. Regular dealings with French and Dutch Caribbean islanders presented New Yorkers with numberless opportunities to acquire goods outside of England, and some of the larger merchants established a trade with Amsterdam by the legal export of grain to Portugal. New Yorkers, Matson notes, “expressed the belief that smuggling, like piracy, provided a means to sidestep persistent currency shortages.”

In neighboring East New Jersey, the customs collector, William Dyre encountered fierce opposition. In 1685 Dyre seized a vessel for refusing to make entry at the customs office. One of the two shipmasters was French, and there was “but one English man on board,” with all sorts of “European Goods,” including gloves, linens, and Persian silks.

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160 Matson, Merchants and Empire, 83-5. Charles II, in 1683, handed the governorship to Colonel Thomas Dongan to target this covert trade, but though Dongan successfully prosecuted some violators, illegal trade continued forward, see Koot, Empire at the Periphery, 171-2.
The owner of the sloop, a Jersey man, publicly “railed at me and strangely contemned the Custome house.” Dyre brought the case to court, but “the Jury (who bought much of the goods) found for the Defendant.” The judge slapped Dyre with a court fee, and after refusing to pay, the judge took him “into his Custody.” “I still remain prisoner,” he wrote the Commissioners of Customs, “...to complain to the Governor is to no purpose.”

Direct trade between Chesapeake planters and Dutch shipmasters had declined somewhat since midcentury, but an illegal, indirect trade persisted, and possibly increased, mediated by carrier-vessels from New England or New York, en route to Newfoundland or Dutch islands of Curaçao and St Eustatia. The Navigation Act of 1673 required that colonial buyers of tobacco or sugar post bond to deliver the same to England, and so to avoid this, New England and New York shipmasters often covered the tobacco (or European goods) with legal fish or flour. “Under Colour of a Trade to Newfoundland for fish, great quantities of Wine Brandy and other European goods are imported,” reported the Lords of Trade. The problem remained severe enough, in 1692, for Child to complain that Dutch traders, through Newfoundland or Curaçao, “carry great quantities of Virginia Tobacco directly for Holland.”

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161 William Dyre to the Commissioners of the Customs, 30 June 1685, in TNA: CO 1/57, no. 169, p. 417.
162 Lords of Trade and Plantations to Governor Sir Edmund Andros, 12 Jan. 1687, in Randolph Letters, 4:145-7. Also see Koot, Empire at the Periphery, 208; Zahedieh, Capital and the Colonies, pp. 40, 250; Dickerson, Navigation Acts, 69; Curtis Nettels, “British Mercantilism and the Economic Development of the Thirteen Colonies.” The Journal of Economic History 12, no. 2 (Spring 1952): 108-9. Direct trade between Chesapeake planters and Dutch shipmasters declined for two chief reasons. First, tobacco ships moved more slowly along rivers than other vessels, making concealment less possible. Second, the consignment system kept many of the larger planters in a state of constant indebtedness to their particular English patron.
163 Child, New Discourse, preface.
Scottish traders, too, infiltrated the Chesapeake, a form of commerce not yet legal until the Act of Union of 1707. Since at least the 1660s, Scottish merchants illegally purchased Virginia tobacco, but the trade rose to new heights in the 1680s. By the latter decade, Glasgow merchants declared, very candidly, a collective imported sum of up to 250,000 pounds of tobacco a year. The avoidance of English customs was a particularly attractive part of this trade. The Privy Council, in 1682, estimated that in Maryland alone “wee are damnifyed in our Customes to the value of £2,500” annually. Scottish freight rates were also demonstrably lower than rates in England, and in bulk trades like tobacco, the greatest expense was often freight. Scottish shipmasters passed easily for Englishmen, and “seldom fail as counterfeit masters,” Randolph later recorded. Even Dutch shipmasters could feign English names, to the wink and nod of a knowing official.

167 Price, “Rise of Glasgow,” 189. Scottish labor was considerably cheaper than English labor, as was the price for outfitting ships.
168 Edward Randolph to the Commissioners of Customs, 7 Dec. 1695, in TNA: CO 324/5, pp. 352-65; CSPC, 1693-6, no. 2187.
169 Victor Enthoven and Wim Klooster argue that the Dutch assumption of English names – recorded as “English” in official colonial record-books – render the quantitative historical analysis of the 1960s-70s on colonial smuggling relatively useless, see Victor Enthoven and Wim Klooster, “The Rise and Fall of the Virginia-Dutch Connection in the Seventeenth Century,” in Douglas M. Bradburn and John C. Coombs, eds., *Early Modern Virginia: Reconsidering the Old Dominion* (Charlottesville: University of Virginia Press, 2011), 111-2. W.A. Cole likewise writes, “It has generally been held that although smuggling was certainly widespread, the problem of its precise extent, or even its probable order of magnitude, defies
Scottish merchants further engaged with the southern half of the Carolina province. In 1687 a Charlestown jury acquitted one such trader, citing doubt that the crew was Scottish and not English. Nevertheless, according to the prosecutor, “it was declared, that if it had been never soe evident” – that the crew was Scottish – “they would have pleaded the Benefit of their Charter against me; pretending it gives them full Power to Trade with Scotland and Ireland.” Money was the prime mover. Scottish merchants, the prosecutor explained, “are evidently able to undersell the English, their Goods being either much Courser or Slighter... and will be sure to goe off there, being cheap.”

Caribbean sugar planters recurrently welcomed “forreign Vessels” as well; a problem noted by the Barbadian governor in 1681, five years after the Council petitioned London for exemption from the Navigation Acts. The many shrouded inlets, coves, and bays of the Caribbean made it extraordinary difficult, if not impossible, for imperial officers to properly monitor the full spectrum of commercial activity. Nearby French islanders exchanged wines and luxury goods to the English planters; Dutch traders offered them linens.


170 APCC, 2:102.
171 George Muschamp to the Lords Proprietors, 11 Apr. 1687, in TNA: CO 1/62, no. 19, p. 93.
172 Memorandum of Commissioners of Customs, 30 Mar. 1685, in TNA: CO 1/57, no. 75, p. 188; APCC, pp. 38-9; Petition of Sir Richard Dutton to the King, 7 Sept. 1681, in TNA: CO 1/47, no. 27, p. 59; Amussen, Caribbean Exchanges, 104.
173 For more on English Caribbean dealings with foreign traders in the late Restoration period, see Koot, Empire at the Periphery, pp. 120-1, 124; Amussen, Caribbean Exchanges, 104.
Captain St. Lowe, a customs-house officer on the Leeward Islands, detailed, in 1687, how planters habitually sold “great Quantitys of Sugar” to Dutch buyers. “Most of our islands, but especially Antigua and St Christophers,” he wrote, “have so many Bays and places where they may put on board Sugars, that it is impossible for the Custome house Officers to prevent the same.” The Hollanders, he estimated, “do generally send their great long Boats to St Christophers twice or thrice a week.” The French also had their hands in Leeward commerce, selling “brandys and french wines... from French St Christophers: our Merchants who pay his Majesties Customs being not able to supply them at near the Price they so illegally get them.” Without naval vessels “to cruise up and down and examine all sloops,” he urged, “...it is impossible to have it remedied.”

If Caribbean smuggling fell greatly in volume after 1660 or 1675, it would have been highly strange for the customs officer to exaggerate his own job failing.

The sugar planters, most of all, embraced illegal slave dealers. In the early 1680s, interlopers sold as many as one-half of the number of slaves sold by the RAC to the English sugar planters. Slave prices, consequently, fell to their lowest levels ever. Interlopers smuggled Africans onto the back shore at night, and the RAC had profound difficulty in prosecuting them in courts made up of planter juries. One RAC factor on Barbados, in 1681, reported of a smuggler “bringing about 100 Negroes which were then put on shore without Interruption.” Their confidence and reputation, he added, has

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“growne very high.” Leeward planters, largely neglected by the company, were especially eager for smuggled slave labor, though the Leewards already had a black majority by 1680.

Historians who maintain that there was a severe decline in smuggling do not deny the interloping trade in slaves and luxury goods, but as the last section demonstrated, smuggling of all sorts was common. Smuggling may indeed have fallen from its extraordinarily high levels in the 1650s: enforcement of the law was marginally stronger after 1660, slightly increasing the risk of seizure, and mild efficiency improvements in English shipping may have rendered incompliance slightly less worth the risk. In some cases, it was just as profitable to simply follow the law; in other cases, perhaps more numerous, there was profit to be had in breaking the law. Historian Christian Koot explains it this way: “Although it is impossible to know the precise extent of contraband trade in the English Atlantic, contemporary accounts, government officials’ complaints, and direct evidence of smuggling suggest that it was constantly present... Most colonists did not smuggle all the time; rather, they combined illegal with legal trade to maximize profits where they could.” Money, indeed, was a powerful incentive: the prime mover.

Colonial smuggling, in the 1670s, bothered English officials because the general economy and wealth of the Crown seemed to be doing so poorly. Colonial smuggling in the 1680s bothered English officials because the general economy and wealth of the

177 Letter to the Royal African Company from factors on Barbados, 30 May 1681, in TNA: CO 1/47, no. 96, p. 231. Also see Proclamation of James II, 1 Apr. 1685, in BRPA, 137-8.
178 Dunn, Sugar and Slaves, 235-7.
179 Koot, Empire at the Periphery, 120.
Crown was *doing so well*. A funny thing about money is that you can never seem to have enough of it. Such was the case for the English empire in the early to mid-1680s. End colonial smuggling, the Crown understood, and the empire’s wealth would grow even larger.

When James II ascended the throne in early 1685, England was in the midst of an unprecedented trade boom. Long vanished was the extreme economic pessimism of the early to mid-1670s. English fortune began to shift somewhat after 1674, when Charles II signed a peace with the Netherlands, ending the Third Anglo-Dutch War. The French and Dutch warred onward another four years, placing neutral England in a prime commercial position. English global trade expanded with particular rapidity in the early 1680s, and by the middle of the decade London had most likely supplanted Amsterdam as the world’s foremost commercial entrepôt. 180 “Great-Britain is acknowledged by all the world to be Queen of the Isles,” boasted Carew Reynell in 1685, “…if we be but industrious no Nation can exceed us.” “Metropolis London, so great and glorious,” he added, “seems designed for all manner of riches, and the seat of Empire.” 181

Later English writers commonly reminisced on the great prosperity of the 1680s, knowing in hindsight that the decade preceded two exhaustive and expensive wars with the French. “England was in Possession of the greatest Quantity of Wealth she ever did enjoy,” one author remarked in 1725, “...enriched with the Treasures she had been

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accumulating for about one hundred and fifty Years.” “Holland, after two naval Wars,” he added, “yielded us up the Dominion of the Ocean, and our Trade extended itself every where.”182 “We had at the year 1688 no considerable national Debts,” another remarked in 1734, “nor Paper Effects operating as Money,” but rather a “vast Increase of real Specie circulating.”183

The East India Company, in the 1680s, enjoyed spectacular, record-setting profits as calicoes exploded even further in popularity. The lightweight, cotton-based fabrics were cheap enough for lower classes to wear – Indian wages were only a halfpenny a day – yet so extremely fashionable that the upper classes too incorporated them into nearly every form of dress.184 English imports of calicoes more than doubled between 1670 and 1685, from over half a million pieces to over a million. The EIC, by the latter date, re-exported over half a million pieces, up from only 100,000 pieces in 1670. The company, too, re-exported nearly all of the pepper. Put together, the total value of re-exported East Indian goods approximately equaled the value of all re-exported American goods.185 From calicoes alone, the Crown earned nearly half a million pounds sterling in annual customs revenue.186

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185 Clay, Economic Expansion, 2:165-7; Davis, Commercial Revolution, 12.
Equally dynamic was the American trade. Despite the many violations of the Navigation Acts, the number of ships clearing London for North America and the Caribbean nearly tripled between 1664 and 1686, from 88 vessels to 257. Transatlantic trade, at 120,000 tons, now made up roughly 35 percent of all English overseas shipping tonnage, and presently matched the entire English tonnage from half-a-century prior. Of the goods imported by English merchants for English consumption, one-third now came from the American colonies and only one-half came from Continental Europe, a drastic change that helped reduce English dependence on rival powers. Forty percent of all English-made exports, meanwhile, went straight for the colonial settlements, more than quadruple the midcentury percentage. London exporters now annually shipped over 40,000 hats to the colonies, up sixfold from midcentury, as well as many thousands of nails, ironwares, copper, books, paper, looking glasses, spectacles, playing cards, curtains, and carriages.


188 The high percentage was partially owing to the bulkiness of colonial commodities. Total tonnage of English merchant shipping in 1686 was 340,000, up from only 115,000 in 1629, see Davis, Rise of the English Shipping Industry, 10; Zahedieh, Capital and the Colonies, pp. 137-8, 184; Coleman, Economy of England, 146; E[phraim] Lipson, The Economic History of England, 3 vols., 6th ed. (1931; London, A&C Black, 1956), 3:91; Clay, Economic Expansion, pp. 1:202, 2:191; Ormrod, Commercial Empires, 63.

189 At midcentury, only ten percent of the goods imported for consumption in England came from the colonies, and three-quarters came from Europe, see McCusker and Menard, Economy of British America, 40; Zahedieh, Capital and the Colonies, 267-75; Newell, Dependency to Independence, 94-6. Colonial commerce, especially with the Caribbean, now made up a significant part of the average merchant’s portfolio, and by the end of the century at least 1,000 London merchants traded with America, often earning spectacularly high returns, see Zahedieh, Capital and the Colonies, pp. 31, 60-2; Davis, Commercial Revolution, 13-4; Elliott, Empires of the Atlantic World, 223.
Best of all, the plantations drew enormous sums of money into England, without drawing any out. “They never draw from England Gold or Silver,” Dalby Thomas wrote of the colonies in 1690, “but on the contrary” – through the re-export trade – do “either occasion the Enriching of England by monies brought from Foreign parts, for the sales of their product, or by Bartering for other Goods which must have been purchased by monies.” That is, when English merchants re-exported colonial goods to Continental Europe, England either received coin in return, or no longer exported as much coin as previously when purchasing European goods (linens, naval stores, silks, wines), all “to the great Enriching of England, and to the lessening of the Riches and Strength of all other European Nations.”

The Caribbean was still the most profitable part of the Atlantic empire, with sugar accounting for roughly 70 percent of the total value of colonial exports to England. Barbadian sugar alone exceeded the value of all mainland North American exports to England, and Jamaican exports exceeded those from Massachusetts by nearly ten times. Per capita consumption of sugar in England had more than doubled since 1660, with average intake now close to two teaspoons a day. Sugar imports into London

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exceeded half a million pounds sterling, and well over 200 English ships annually fitted out for the Caribbean.\textsuperscript{194}

More importantly, English merchants re-exported roughly one-third of the sugar to the European Continent.\textsuperscript{195} The figure would have been higher had it not been for the growth of the French and Dutch plantations, though English output still more than doubled that of the French Caribbean.\textsuperscript{196} “Heretofore we had all our Sugars from Portugal,” a planter recalled, formerly costing the kingdom “yearly about £400,000.” “Now that great Leak is stopp’d,” and the re-export of sugar “brings us in yearly near the same Summe.”\textsuperscript{197} Secondary Jamaican staples – indigo, cotton, ginger, logwood, pimento and other exotic goods – further freed England from foreign dependency, and a few of these commodities the English too re-exported to Europe.\textsuperscript{198}

Equally impressive, the contraband trade of English manufactures and African slaves to Spanish America reaped incredible profits for the RAC, of which James II was president and chief stockholder.\textsuperscript{199} Between 1673 and 1688 the company sent nearly

\begin{footnotesize}
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\item\textsuperscript{195} Clay, \textit{Economic Expansion}, 2:169.
\item\textsuperscript{197} Edward Littleton, \textit{The Groans of the Plantations} (London, 1689), 29-30.
\item\textsuperscript{198} English merchants annually imported 1,000 tons of Caribbean cotton, 4,000 tons of ginger, and indigo amounting to a value of £50,000, see Thomas, \textit{West-India Collonies}, pp. 9, 21-3; Zahedieh, \textit{Capital and the Colonies}, 189; Davis, \textit{Commercial Revolution}, 11.
\item\textsuperscript{199} Between 1673 and 1688, the RAC delivered 55,526 surviving slaves to the West Indies, at least a third of which went to Spanish America, see Zahedieh, \textit{Capital and the Colonies}, 248.
\end{enumerate}
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20,000 slaves to Spanish America, chiefly Puerto Rico. At £20 a slave this amounted to nearly half a million pounds sterling over fifteen years. When including the export of English textiles and metalwares, the annual importation of silver and gold into England from Jamaica amounted to nearly £200,000 annually in the 1680s – almost half the annual output at the royal mint – leading mercantilists to praise the “great quantity of the Gold and Silver we have of the Spaniards for Negroes and English Manufactory.”

Carew Reynell, in 1685, labeled Jamaica, the main base of the trade, “the Key of the Indies, and naturally the seat of Riches and Empire... lying in the very Belly of all Commerce... facing to the South and West, the richest Continent in the World.”

The Virginia and Maryland plantations had also proven abundantly profitable for the mercantilist system, though the value of Caribbean sugar exceeded that of Chesapeake tobacco by nearly four times. Chesapeake tobacco exports had nearly doubled since 1670, now amounting to 28 million pounds, with English merchants re-exporting well over half of that amount, earned them an estimated £200,000 annually.

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203 Zahedieh, Capital and the Colonies, 210.
204 Thomas, West-India Colonies, 27; Price, Capital and Credit, 158; Jacob M. Price, “The Economic Growth of the Chesapeake and the European Market, 1697-1775,” Journal of Economic History 24 (1964): 497-500; Zahedieh, Capital and the Colonies, 207-8; Clay, Economic Expansion, 2:168; Enthoven and Klooster, “Virginia-Dutch Connection,” 90-1; Davis, Commercial Revolution, 10; Thomas, West-India Colonies, 26. The number of tobacco importers nevertheless halved in the same period, and the re-export trade was centralized into even fewer hands, see Zahedieh, Capital and the Colonies, pp. 57, 209. Some mercantilists still regretted the lack of silks, wines, oils, or naval stores from Virginia, see Reynell, Necessary Companion, 34.
New England, of course, remained a serious question mark. The region’s export of pine-tree masts had no doubt aided English shipping, and New England shipbuilders even received orders for as many as 30 ships a year from English merchants. The cost of ship construction in New England was roughly 40 percent less than in England: adjacent timber supplies offset the higher wages. Whether this was beneficial or harmful was up for debate. Josiah Child, the preeminent Tory economist, maintained that “there is nothing more prejudicial, and in prospect more dangerous to any Mother Kingdom, than the encrease of Shipping in the Colonies.” New England was the “most prejudicial Plantation to the Kingdom of England,” he argued; their “Liberty of Trading” amounting to the “total exclusion of the old English merchant.” Carey Reynell, the prominent Whig economist, agreed. New England settlements, he argued, “breed no good Commerce” and “are rather a disadvantage, than advantage to us.” The entire settlement was regrettable from the start. “If they had been at first planted near the Bay of Mexico, they would by this time have run down as far as the Silver Mines.”

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206 Charles Davenant criticized those who wished to encourage New England shipbuilding in *Discourses on the Publick Revenues, and on the Trade of England*, 2 vols. (London, 1698), 2:207. Increase Mather, however, celebrated the shipbuilding industry and the “great Numbers built and sold into England” as a mercantilist benefit of New England, see [Increase Mather], *A Brief Relation of the State of New England, From the Beginning of that Plantation to this Present Year, 1689* (London, 1689), 9; [Increase Mather], *New-England Vindicated* (London, 1689), 2.


Yet even in these non-staple producing, northern settlements – New England, New York, and Pennsylvania – colonial demand for imported goods, and its growing consumer market, clearly benefited mercantilist interests. Northern colonists were even starting to demand finer English goods: clothing and furnishing not simply for utilitarian purposes, but rather for style and fashion, especially calicoes and silk.209 Northern colonists imported an “infinite Quantity of Iron Wares”; “all sorts of Tin-ware”; plough-shares and axes; “Saddles and Bridles”; “many Barrels of Nails” (six- to ten-inch spikes to hold wooden houses together), all to the benefit of English industry, the export sector, and the coveted balance of trade.210

The internal English economy, after 1675, diversified and expanded like never before. As late as 1640, woollens still made up roughly 90 percent of all exports from England – including re-exports – but they now made up only half.211 The percentage drop was not entirely owing to the re-export trade, but also to the diversification of English-made goods, though woollens still made up a majority of this category. Miscellaneous manufactures included hats, glassware, paper, leather, clocks, anchors, guns, nails, and ironwares. Annual imports of semi-processed pig and bar iron had more than quintupled in the last half-century, from 3,000 tons to over 16,000, boosting the iron fabricating

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210 Quotations from Littleton, *Groans of the Plantations*, 24; also see Davis, *Commercial Revolution*, 19; Davis, “English Foreign Trade, 1700-1774,” 290.
Trade. 212 English textiles themselves had diversified away from heavy woollen broadcloths to now also include lighter woollen draperies. 213 Parliament’s 1678 importation ban on French linens and silks, moreover, gave rise to a native linen and silk industry, employing tens of thousands of people, and an emergent printing industry also impressed English designs onto plain East Indian fabrics. 214

And yet – all the while – something was terribly wrong. In the midst of near-euphoric commercial expansion, the silver currency in England had utterly collapsed. The only silver in English circulation was severely clipped, far worse than had been the case in the 1670s. The kingdom even resorted to a tin currency in the early 1680s to supply the demand for small change. 215

More gold entered English circulation in the 1680s than at in any time in the kingdom’s history. In the 1670s, the royal mint coined £1.76 million of gold and £1.94 million of silver, the latter of which was almost all hoarded or melted down for export. In the 1680s, the mint coined £3.95 million of gold and £1.16 million of silver, and again virtually none of the new silver coins entered circulation (Figures 21, 22). 216 William

213 Pincus, 1688, pp. 54, 59; Zahedieh, Capital and the Colonies, 4.
214 The silk industry in London alone employed around 40,000 people in 1686, see Davis, Commercial Revolution, 17-8; Zahedieh, Capital and the Colonies, 267-8; Clay, Economic Expansion, 2:42; Ormrod, Commercial Empires, 142; Lipson, Economic History of England, 3:104.
Petty, in 1682, urged an immediate recoinage of the old clipped, hammered silver, so that English men and women might finally again use “weighty, fine and beautiful money.”

But the sheer logistics in executing such a gargantuan endeavor remained far too baffling. Recoinage would have to wait until 1696; the silver currency, in the meantime, decayed further.

With the coinage in such terrible shape, paper currency was becoming an increasingly attractive alternative in the minds of English merchants and economic thinkers. The question remained as to the character and kind. Goldsmiths’ Notes expanded greatly in number in the 1680s, redeemable on demand at the counter of the goldsmith for silver or gold coin. Robert Verney, a London merchant, in 1682, proposed a very different type of redeemable note, wherein the bank accepted durable goods and valuables for storage in a warehouse, with transferable certificates issued to the depositor, representing the value of the goods deposited. The plan was very similar to the storehouse-currency proposed shortly after by Thomas Budd of Pennsylvania. This new currency, Verney argued, was “as intrinsically valueable as Money in Specie... for the Goods deposited gives it an Intrinsick Worth... a superiour species of Money... superiour

*Publick Revenues*, 2:33; *A Review of the Universal Remedy for all Diseases Incident to Coin* (London, 1696), 6; *John Pollexfen, A Discourse of Trade, Coyn, and Paper Credit* (London, 1697), 83; *Philips, State of the Nation*, 18. Erasmus Philips had this to say half a century later: “The great Scarcity of this [silver] Commodity we labored under a few Years since, was owing to the too great Value we put on Gold in proportion to Silver… the great Coinage of Gold about that time makes it apparent that Foreigners gain’d by the Exchange of Gold for Silver,” *Philips, State of the Nation*, 49.

*Petty, Quantulumcunque*, pp. 157-8, 162
to Gold, or Silver.” But like so many of the other alternative currency propositions, not enough merchants participated and the plan came to nothing.218

Banking was evermore on the minds of English economic thinkers in the 1680s. The overseas trade boom had vastly increased the volume of savings in England, stoking mercantile hunger for banks. Goldsmiths seemed insufficient. Practically all of the commercial nations of Europe had already founded banking corporations, with the glaring exception of Louis XIV’s France. “The Usefulness of Banks in Trade is known and approved by all versed in Commerce,” affirmed one merchant promoter in 1682.219 “We must erect a Bank,” Petty insisted the same year. “We have in England Materials for a Bank,” he predicted, “which shall furnish Stock enough to drive the Trade of the whole Commercial World.”220

James II, who upheld bank-less France and Spain as the paragon of governance, was most unlikely to incorporate the kind of bank so desired by commercial men in London. Conventional wisdom taught that private, incorporated banks endangered and rivaled monarchy. Indeed, it was still “very scandalous to countenance or espouse any thing of a Proposal relating to a Bank.”221 Better to borrow from dozens of decentralized, competing goldsmiths than from the “Common-wealth trick” of one centralized financial


220 Petty, *Quantulumcunque*, 165.

institution. Like the recoinage, a bank in England would have to wait until the country was in a more desperate situation.

Such was the state of the English economy and currency when Charles II died in February 1685. His passing closed two and a half decades of relative stability in the kingdom, though two hostile political factions, the Whigs and Tories, unsettled Parliamentary politics in the latter 1670s. Charles’s younger brother, the Duke of York, now took the throne. James II was a controversial figure. A convert to Catholicism in the late 1660s, he openly envied the French absolutist state, and as late as 1681 had almost been excluded from the royal succession by the Whigs in Parliament. Nevertheless, by 1685, the generality of English people seemed willing to give him a chance, and following a speech in which he swore to uphold the present constitution of church and state, most politically-minded English men and women evidently trusted the new King would stand by his word.

English mercantilist opposition to overseas settlements had all but vanished by the 1680s. No longer was there any question on whether plantations increased or decreased the wealth of England. Overseas plantations, rather, were “highly beneficial, and of vast advantage.” “By a kind of Magnetick Force,” one author wrote, “England draws to it all

222 Thomas Violet, An Appeal to Caesar: Wherein Gold and Silver is Proved to be the Kings Majesties Royal Commodity (London, 1660), 10. Also see pp. 11, 19, 28. For more on this argument, see Cunningham, Growth of English Industry, 146-7
223 Pincus, 1688, pp. 92, 96, 99-101, 104.
that is good in the Plantations: it is the Center to which all things tend.”

The failure to end smuggling, however, and to guarantee that English merchants monopolized most colonial trade with the outside world, frustrated the royal bureaucracy perhaps more than any other economic issue.

The commercial prospects of the English nation had never been higher, but some believed that there was still much room for improvement. “Though we are a Nation already pretty substantial, yet it’s easie for us to be ten times riches,” Reynell stated in 1685. Colonial economic obedience was among the Crown’s highest objectives, and James II was thoroughly convinced that only a drastic reshaping of colonial political economy could enforce such obedience.

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224 Littleton, *Groans of the Plantations*, pp. 23, 30. For more on this shift in English thought on the American colonies, see Andrews, *Colonial Period*, 4:338. The lone remaining criticism of colonial expansion was that the English ought to only plant settlements “in the chiefest and most considerable” parts in America, “and not to waste men in large and unprofitable Territories, which hath ruin’d the Spaniard,” see Reynell, *Necessary Companion*, 88.

CHAPTER EIGHT: THE MERCANTILIST REVOLUTION

When James II ascended the throne in February 1685, the economic pessimism of the early to mid-1670s was little more than a distant memory. Unprecedented sums of gold flooded royal and private coffers in the 1680s. Two great monopolistic companies, the East India Company and Royal African Company – both intensely loyal to the Stuart court and emerging Tory faction – lorded over the most profitable branches of English overseas trade, earning spectacular returns.

Two distinct brands of mercantilism now competed for power in England. The Tories enjoyed the favor of the king, and endorsed a program of monopoly mercantilism. Monopoly mercantilists emphasized the East Indian trade, Spanish American trade, territorial expansion, maritime commerce, and state-protected ventures like the EIC and RAC. Holland, in their view, was England’s foremost economic competitor. The Whigs endorsed a program of industrial-capital mercantilism, stressing the importance of state-protected manufacturing, banking, capital, and labor. Whigs opposed state-sanctioned monopolies, but not an activist state, and believed France to be the nation’s foremost economic and political competitor. Much to the Whigs’ frustration, the monopoly mercantilists also enjoyed a near-monopoly of power in the 1680s.

Shortly after his coronation, James proceeded briskly with a radical agenda for colonial reform. Money was the prime mover for the king and his advisors. James began
first with the Chesapeake and Caribbean, and then later attempted a total restructuring of the northern continental settlements. His efforts to extract further wealth from the staple plantations excited a fury of backlash from the money-starved tobacco and sugar planters, and Andros’s incredible rebuff of the Massachusetts land speculators – with their accompanying land-bank currency – alienated the most important class of commercial men in New England. Overall, the king’s new policies contributed to a noticeable decline in colonial wealth in the latter 1680s, in sharp contrast to the prosperous years from earlier in the decade. Money, of course, was not the only reason why colonists greeted the ouster of James II with near-universal joy in 1689, but it was certainly a significant one, as well as a factor that historians have overlooked, despite its crucial role in helping to unite disparate colonial factions behind the king’s ouster.

James II spent his young adulthood an exile in France, serving first in the French and then Spanish armies before returning to England after the crowning of his older brother in 1660. The siren theme of Catholic absolutism deeply enchanted the prince. Louis XIV was amassing near-unimaginable sums of wealth and power; the English and Dutch political models, by comparison, seemed quaint and outdated. Centralization of power, James believed, was the mode of the future, harnessed by an aggressive monarchy jealous of its prerogatives and relentless in enforcing the will of the state. Louis and Colbert had demonstrated most magnificently the natural, reciprocal partnership between economic
mercantilism and political hegemony. Money begot power; power begot money. James pursued both with unqualified vigor.¹

The elections of 1685 turned out an overwhelmingly Tory Parliament, nicknamed the Loyal Parliament, though most of the Tories were men of moderate views and quite unlike the king’s more radically absolutist advisors. So long as the basic constitution of church and state remained intact, as James promised it would, the average man and woman was willing to grant him a fair opportunity, and James enjoyed a reasonable amount of support at the outset of his reign. The factious years of 1678-81 – most particularly the Exclusion Crisis – rendered most of the country uneasy with further political disruptions, still mindful of the civil war of only a generation prior.²

James II first embarked upon a radical expansion of the English army. On the eve of his coronation, the army amounted to a mere 9,000 troops, compared to 120,000 in France, 110,000 in the Netherlands, 70,000 in Spain, and 63,000 in Sweden. Within three years, James quadrupled the size to 40,000, and more than tripled annual military expenditures.³ Shortly into his reign, James ordered the quartering of troops in public houses – taverns, coffeehouses, inns – and exempted soldiers from being tried according

to English common law. In nearly facet of English political life – especially in the counties, hitherto the sphere of local elites – the new King placed royalty at the center, purging local offices and accomplishing what historian Steve Pincus calls a “total reshaping of English government.” James even created a separate Catholic Cabinet Council, whose members publicly espoused French absolutist theory.

The new program required additional revenue for the Royal Exchequer, of which the customs were especially important. Once Parliament established a duty, the Crown collected this revenue independent of any act of Parliament, freeing the royal purse from parliamentary interference. A steady stream of royal income, for instance – in the midst of the trade boom – enabled Charles to dissolve Parliament in 1679. In early 1685, the Tory Parliament gifted James with an additional imposition on all sugar and tobacco imported into the country, so that the Crown now collected over £50,000 annually from sugar and over £300,000 from tobacco.

English merchants passed the new expense of the new duty onto the planter, offering a lower price for the commodity than previously, effectively turning the duty

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5 Ibid., pp. 158-62, 178.
6 Ibid., pp. 125-6, 132-4.
into a tax on the staple plantations. Caribbean planters fiercely protested that the “burden of these heavy Impositions” would soon devastate the “once flourishing English Colonies.” The “vast discouragement” would “ruine all the plantations,” Jamaican Governor Hender Molesworth predicted, causing foreign sugar producers to outbid the English “at forraigne Markets,” thus destroying the re-export trade. Chesapeake planters were also upset with the new duty – someone in Maryland even murdered the customs collector – but were still more apt to blame their economic woes on the “abundant quantitie of tobacco.” Nevertheless, by the new duty, wrote Governor Molesworth, “Virginia receives a mortall Stabb, Barbados and the Islands fall into a Hectick fevour, and Jamaica into a Consumption... in 7 yeares the revenue will be much lesse then it was before this additional duty.”

Sugar fell to its lowest price ever in 1686, fetching only half the price it did in the 1660s, which itself was only half the price from the 1640s. The duty was only one

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9 The Barbadian government explained this principle in a letter to the Lords of Trade on 14 Sept. 1685, see The National Archives-Public Records Office (Kew, England) [TNA]: CO 1/58, no. 56, p. 153. Also see Dunn, “Imperial Pressures,” 61; Dunn, Sugar and slaves, 206.

10 Edward Littleton, The Groans of the Plantations (London, 1689), pp. 1, 12. Littleton also blamed the duty for cruel treatment of slaves on the island, who “groan under the burden of these heavy Impositions.” “They know that by reason of them, they must fare and work the harder,” he wrote absurdly, “and that their Masters cannot now allow them, and provide for them, as they should and would.” Also see Petition of Lieutenant-Governor, Council, and Assembly of Barbados to James II, 14 Dec. 1685, in TNA: CO 1/58, no. 116, p. 347; Report of the Privy Council, 18 June 1687, in Acts of the Privy Council of England, Colonial Series [APCC], eds. W.L. Grant and James Munroe, 6 vols. (Hereford, UK: 1908-12), 2:101.

11 Lieutenant-Governor Hender Molesworth to William Blathwayt, 29 Aug. 1685, in TNA: CO 1/58, no. 44, pp. 102-3


13 Lieutenant-Governor Hender Molesworth to William Blathwayt, 29 Aug. 1685, in TNA: CO 1/58, no. 44, pp. 102-3.

factor in the price dip: French sugar production, especially on Martinique, expanded very rapidly in the mid-1680s, as did Leeward and Jamaican production.\textsuperscript{15} Sugar “became such a drugg, as not to answere the charges of makeing of it.”\textsuperscript{16} Slave prices, moreover, rose some 20 percent in the mid- to late 1680s.\textsuperscript{17} An RAC agent was now governor on both Jamaica and Barbados, causing an immediate decline in interloping activity.\textsuperscript{18} James II, just weeks after his coronation, had issued a proclamation declaring his intent to fully enforce the RAC monopoly, for which he was the largest shareholder.\textsuperscript{19} Between low sugar prices, higher slave prices, and the stubborn refusal to cut back on extravagant styles of living, the sugar islands, in short time, saw the trade balance turn sharply against them, bringing them to a “most deplorable Condition.”\textsuperscript{20}

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\textsuperscript{15} The simultaneous fall in the price of sugar at Amsterdam also tells us that it was not the duty alone, see Philip P. Boucher, \textit{France and the American Tropics to 1700: Tropics of Discontent} (Baltimore: The Johns Hopkins University Press, 2008), pp. 234, 241.

\textsuperscript{16} Petition of Lieutenant-Governor, Council, and Assembly of Barbados to James II, 14 Dec. 1685, in TNA: CO 1/58, no. 116, p. 347.

\textsuperscript{17} Petition of Lieutenant-Governor, Council, and Assembly of Barbados to the Lords of Trade, 14 Sept. 1685, in TNA: CO 1/58, no. 56, p. 153.

\textsuperscript{18} Proclamation of James II, 1 Apr. 1685, in \textit{British Royal Proclamations Relating to America, 1603-1783} [BRPA], ed. Clarence S. Brigham (Worcester, MA: American Antiquarian Society, 1911), 137-8.


Silver was now far scarcer on Barbados than it had been just a few years earlier, both debtors and creditors at their wits end: “Money being soe Scarce here,” the governor wrote in 1687, “…that unless the European marketts will afforde a better Price... this once flourishing Island will soone Decay.”21 The islanders’ experience with a common silver currency in the early 1680s made the situation seem that much more desperate. “Wee are in miserable Condition,” he added, “not findeing Money in the Island in any reasonable portion to Supply the Wants of it, nor any meanes to bring Money to us.”22

To make matters worse, in 1687, planters learned of a design by James II to incorporate an English West India Company to monopolize the sugar trade, with a guaranteed annual dividend sent directly to the king.23 If this project of “Indigent and other persons” goes through, the Barbadian governor protested, “by them onely are wee to be supplyed with Money and Creditt and all necessarie.”24 “What have we done, or wherein have we offended, that we should be used in this manner?” the Barbadian agent to London asked, “…These Men seem to be trying Conclusions, whether they can so far provoke us, as to make us desperate... They would make the very Name of England hateful to us. They would make our Great and Dear Mother, England, to be so cruel and unnatural, as to destroy and devour her own Children.”25

21 Lieutenant-Governor Edwyn Stede to the Lords of Trade, 19 Sept. 1687, in TNA: CO 1/63, no. 38, p. 220.
22 Lieutenant-Governor Edwyn Stede to the Lords of Trade, 19 Oct. 1687, in TNA: CO 1/63, no. 45, p. 211.
23 Dunn, “Imperial Pressures,” 61; Zahedieh, Capital and the Colonies, pp. 41, 50; Cathy Matson, Merchants and Empire: Trading in New York (Baltimore, The Johns Hopkins Press, 1998), 186.
24 Lieutenant-Governor Edwyn Stede to the Lords of Trade, 19 Oct. 1687, in TNA: CO 1/63, no. 45, p. 211.
25 Littleton, Groans of the Plantations, pp. 12, 18.
Yet another revenue measure involving currency soon brought Virginians to an uproar. Ever since 1662, royal quitrents on colonial landholdings could be paid in tobacco at 2d a pound. The king’s quitrents amounted to 1s per annum for every 50 acres of land. The holder of a 200 acre plot, then, owed the king either 4s in silver or 24 pounds of tobacco. Tobacco had long fallen to only half of the 2d valuation, and sometimes sold below 1d a pound, yet the Crown continued to collect the quitrents at the higher 2d price.

In 1685, James suddenly decreed that quitrents could now be paid in silver money only. For the next year and a half, the Burgesses and governor pleaded for a reversal, the inhabitants “not being possible able so to doe, there being noe Specificall monie in this Country.” The king’s plan, they urged, was “not only ruinous but utterly impossible.”

Late in 1686, after realizing the true impossibility of obtaining payment in silver, the Crown backed off its demand and agreed to accept quitrents in tobacco currency at 1d a pound.

The new King moved far more carefully with the northern settlements, most of which were either charter or proprietary colonies. Like the Lords of Trade, James II was deeply suspicious of all private colonies, preferring instead the Spanish colonial model of large, consolidated vice-royalties without representative assemblies. Because James

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26 JHB, 2:267. The governor too agreed of the great “difficulty of paying them in Specie,” see JHB, 2:274.
27 Nettels, Money Supply, 216; Sosin, English America, 13. Also see Journal of the Assembly of Virginia, 19 Nov. 1685, in TNA: CO 5/1407, pp. 279-81; Secretary of Virginia to the Lords of Trade, Mar. 1686, in TNA: CO 1/59, no. 46, pp. 153-4; James II to Governor Lord Howard of Effingham, 22 Aug. 1686, in TNA: CO 5/1357, pp. 112-3.
himself was proprietor of New York, the province became a royal colony immediately upon his accession, with plans to combine New York, the Jerseys, and Pennsylvania into a single dominion.\textsuperscript{29} Also, three months into his reign, he ordered articles of indictment against Rhode Island and Connecticut – the former for violating the Navigation Acts, the latter for not permitting Anglican worship – and a writ was soon out against the Jersey proprietors.\textsuperscript{30} Action hereafter was painstakingly slow. Internal problems within England – namely Monmouth’s Rebellion, the revolt led by Charles II’s illegitimate son – made such issues seem extremely paltry by comparison. What little attention the king could afford was better spent on the Caribbean or Chesapeake colonies.\textsuperscript{31}

The future of Massachusetts Bay, for a long period, was stuck in a lull, an over two-year period of general malaise since the vacating of their charter in October 1684. Until midway through 1686, the General Court – still dominated by the independent faction – continued to sit as if nothing had happened, making no official acknowledgement of the charter’s nullification.\textsuperscript{32}

Like the government itself, the Boston mint – inanimate since June 1682 – was also in a highly precarious state, with no details on whether the Crown would resurrect the mint in altered form. In November 1684, one month after revoking the charter, the Lords of Trade took up that very question, asking the Commissioners of the Royal Mint to report on whether the king shall “continue or set aside the further exercise of such a

\textsuperscript{29} Haffenden, “Colonial Charters, Part II,” 461; Sosin, \textit{English America}, 15.
\textsuperscript{32} Hall, \textit{Edward Randolph}, 97-9; Dunn, “Imperial Pressures,” 65.
Predictably, the royal commissioners advised that the mint either be kept closed or its coins brought to the same standard weight as the English shilling. The former 1652 stamp authenticated their suspicions. “It may also be observed,” the commissioners noted, “that though they have continued this unwarrantable way of Coyneing of Money ever since the year 1652, yet there is noe alteration of date appears upon their Coynes.”

A Boston mint under royal direction would not retain the old stamp, of course, but even so, they argued, the association between New England sovereignty and coining money persisted. The Lords of Trade, uncertain of what to do, delayed their recommendation.

Massachusetts moderates began lining up in support of the new government, with a disquieting mixture of enthusiasm and anxiousness. One of the leading moderates, Joseph Dudley, urged Randolph in December 1684 that the Crown “betrust the Government wholly to persons among us.” Charles died in February and the Bay colonists nervously awaited for what would come next. Finally, seven months later, James announced the commission of a grand council to temporarily preside over all four New England colonies, with Dudley as council president and no elected assembly.

34 Commissioners of the Mint to the Lords of the Treasury, 15 Jan. 1685, TNA: CO 1/60, no. 88iii, pp. 262-3.
Beyond this, however, details remained highly tentative and the commission did not even arrive in Boston until May 1686.\textsuperscript{36}

The Dudley Council was to preside over Massachusetts Bay, New Plymouth, and New Hampshire until the arrival of Sir Edmund Andros, whom the Crown belatedly appointed governor of the forthcoming Dominion of New England. In May 1686 Randolph returned to Boston with the commission for Dudley and his councilors, together with the writs against Rhode Island and Connecticut. To his delight, the bitter and defeated General Court adjourned shortly after, declining to publicly resist the move, though the highly-venerated moderate and former governor Simon Bradstreet refused his nomination as councilor, protesting the lack of an assembly.\textsuperscript{37} The same summer, James ordered the Attorney General to proceed against the proprietary governments of Carolina and Pennsylvania, with no specific charges of malfeasance brought at all against either province, only the sheer act of royal will.\textsuperscript{38}

The Dudley Council took their oaths of office on 25 May 1686. Just four days later, in one of the most remarkable turnabouts in the colony’s history, Randolph changed his mind altogether about the Boston mint. Once the mint’s foremost enemy, Randolph

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\item \textsuperscript{38} Haffenden, “Colonial Charters, Part II,” 457.
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now insisted that there was an absolutely “necessity” for a Boston coinage, “for since they have Ceased coining, their money is every day shipd off for England... Tis a hard matter to gett £100 in silver.”\textsuperscript{39} The reason for the switch however, was almost purely political. For ten years Randolph had frantically, if not obsessively, railed against the dangers of the mint, but now that his allies were in power, a Boston mint under royal direction was not only desirable, it was indispens able. The Spanish operated mints in Mexico and Peru; the royal government in New England should do the same. The Dudley Council agreed, petitioning the king a few days later that “our Trade for want of money is much perplexed and decayed,” humbly beseeching “his Majestys Licence, direction and Impress... for establishing a Mint in this his Dominion.”\textsuperscript{40}

With Randolph and Dudley now pleading a return of the mint, the Commissioners of the Royal Mint reiterated their opposition, issuing a second report in July 1686. Reminding the Lords of Trade that the 1678 proposal for a Jamaican mint had been “found impracticable,” the commissioners insisted that a Boston coinage of any sort remained inadvisable. Nevertheless, the mint commissioners agreed to come up with “some other Inscriptions more agreeable to the Kings Prerogative to be Stampt upon the Coyne of New England, if a Mint be settled there.”\textsuperscript{41}

Andros, still in London, weighed in on the matter, siding with Randolph and Dudley. Foreign “Peices of Eight,” he noted, are of “unequal weight and value,” and the Dominion would clearly benefit from greater regularity in the currency. Andros even

\textsuperscript{39} Edward Randolph to Secretary William Blathwayt, 29 May 1686, in \textit{Randolph Letters}, 6:172. 
\textsuperscript{40} Dudley Council, 2 June 1686, in \textit{Proceedings of the Massachusetts Historical Society}, 2nd ser., vol. 13 (Boston, 1899-1900), 244. 
\textsuperscript{41} Commissioners of the Mint to the Lord Treasurer, 15 July 1686, TNA: CO 1/60, no. 88ii, p. 260.
defended the initial decision by the Massachusetts government to found a mint in 1652, though this time the mint would “be performed by his Majesty’s Officers, and the profit that shall arise by the Coinage, applied to his Majesty’s use.”

For Andros, however, political considerations were almost certainly an additional factor in his endorsement. Andros understood that a mint at the seat of his North American empire would surely enhance the prestige and power of his position, and the prospective coinage might even bear his image. Nevertheless, finally, in late October 1686, the Lords of Trade advised against the idea, which counsel the king followed. In order to fully vanquish the vestiges of an independent Bay colony, the symbol of that independence, the Boston shilling, had to fully disappear along with it.

For the short duration of the Dudley government, the interim regime commanded only a token of control over New England. The government failed to collect any tax revenue, hovered near total bankruptcy, and did very little to reshape Massachusetts society, merely reappointing local officeholders and meeting only sparsely.

Randolph, disheartened, soon turned against the Council. “The independent faction still prevails,” he reported in August, three months into the Dudley regime. The

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42 [Sir Edmund Andros], “Reasons for a Mint in New-England,” 23 Oct. 1686, TNA: CO 1/60, no. 88v, p. 266. For the official response from the Commissioners of the Royal Mint to Andros, delivered on the same day, see CO 1/60, no. 88vii, p. 269.
44 Hall, Edward Randolph, 104-7; Richard S. Dunn, Puritans and Yankees: The Winthrop Dynasty of New England, 1630-1717 (Princeton: Princeton University Press, 1962), 231-3; Dunn, “Imperial Pressures,” 65. Thomas Hutchinson later wrote, “Mr. Dudley’s short administration was not very grievous. The house of deputies [assembly], indeed, was entirely laid aside; but the people, the time being short, felt little or no effect from the change,” Thomas Hutchinson, The History of Massachusetts, from the First Settlement thereof in 1628, until the Year 1750, 2 vols., 3rd ed. (Boston, 1764/7; Salem, MA, 1795), 1:314.
Council withstood all efforts “to prevent the irregular trade of this place,” he reported, for “some of the Council are traders, and others by marriage or otherwise so nearly related.”

His seizure of six vessels that summer “inflames the people’s malice against me,” he wrote, and the councilors “openly refused” to assist the prosecution. Some councilors “look upon me as the onely enemy of their Country,” and “the independent ministers and others... have spoken treasonable words in their pulpits.” Randolph believed the councilors were holding “private cabals with these factious ministers” in a conspiracy to undermine the interim government. “The Great favour of liberty of Conscience granted this people may in a short tyme be of ill consequence,” he urged; there must be “some limitation to their extravagant use of it.”

The Dudley government was not entirely disengaged from governance that summer of 1686. On the contrary, the councilors were quite active in promoting an issue of great imperative, at least to their own pocketbooks. Land acquisition was foremost on the mind of the Dudley Council, together with a related paper-currency proposal.

King Philip’s War had opened up vast acreage of land for settlement, across most of central Massachusetts and northeastern Connecticut. Speculators awaited incredible riches. “Land! Land! hath been the Idol of many in New-England,” Increase Mather boomed from his pulpit only months after war’s ending. Absentee proprietorship was the most abhorrent part of this new mania, according to Reverend Mather. “Twenty Acres for

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a family” once satisfied the first generation, he exhorted his congregation, but now single persons engrossed “many hundred, nay thousands of Acres.”

Merchants and landowners near-manically positioned themselves for the speculative craze in the years after 1676. One major obstacle stood in their way: confirmation of land title. Massachusetts land titles were notoriously the subject of great dispute. Conflicting political jurisdictions, Indian claims, and competing titles placed the entire ordeal on shaky ground. The still-theocratic government was hardly the proper venue for the land interest to validate their claims. Royal government was the answer, and from 1676 onward, the speculators closely allied with Randolph and the moderate faction.

Anticipating the inevitability of royal government, one prominent group within the speculative interest established the Atherton Company, an association of shareholders who invested money in purchasing land formerly belonging to the Narragansett Indians. Other syndicates also sprung up, and each association hoped to later sell the land at £20 sterling per hundred acres, a spectacular profit. Beyond the syndicates, other moderate leaders invested great sums of money in individual purchases. This was especially true after 1683, when the death of the charter was most evident. Of the nominees by Randolph for the forthcoming Dudley Council, they together laid claim to 397,733 acres of land. At

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[Increase Mather], *An Earnest Exhortation to the Inhabitants of New-England* (Boston, 1676), 9.


£20 per hundred acres, the price they later hoped to sell it for, the claims together amounted to nearly £80,000.\textsuperscript{50}

The king’s delays in establishing a new Massachusetts government must have greatly aggravated the speculators, but when the commission for the Dudley Council arrived in May 1686, the land interest had every reason to be enthusiastic. Nine of the thirteen councilors were members of one or more of the land syndicates, and all but one of the councilors were involved in speculation individually.\textsuperscript{51} Randolph also carried news that Connecticut and New Hampshire were to also be included in the new government, both of which had long been favorite targets for speculation. One set of merchants soon after purchased 250 square miles in Connecticut for the paltry price of £120 sterling.\textsuperscript{52}

Richard Wharton, the leading associate of the Atherton Company, was one of the councilors, and laid claim to over 200,000 acres. Dudley himself claimed nearly 10,000 acres. The two former Massachusetts agents, William Stoughton and Peter Bulkeley, were also on the Council, and between the two of them claimed nearly 20,000 acres. It was Stoughton and Bulkeley who begged pardon for the Boston mint back in 1677. With Andros expected shortly, a few of the councilors hedged their bets and made additional

\textsuperscript{50} Lewis, “Land Speculation,” 270. Most of the nominees for the Council were directly involved in land speculation, and the others had indirect ties to family; see Lewis, “Land Speculation,” 261.
\textsuperscript{51} Ibid. pp. 260, 264-6, 269, 271; Sosin, English America, pp. 60, 65. Even the exception, John Hinkes, claimed 1,280 acres. Benjamin Blackman, a nominee for the Council who claimed over 18,000, was dropped from the list.
\textsuperscript{52} Lewis, “Land Speculation,” pp. 264, 270. The three partners to buy up this land were Wait Winthrop, William Stoughton, and Samuel Shrimpton.
purchases. 53 The success or failure of their schemes,” writes one historian, “meant the difference between being lords of great estates and going bankrupt.” 54

Randolph roundly criticized the domineering influence of “the Great Landed men” on the Council, most of whom “amassd great quantityes of this Country.” This gripe, of course, came after his disillusionment with the Dudley government: Randolph was certainly aware when he initially compiled his list of nominees that most of them were speculators. Wharton and the Atherton associates, in particular, he wrote, profess a “strong perswasion of a right to all the Narragansett Country.” “In our whole Councill,” he added, “not one man but either by private Interest or faction is touch’d, the Generallity are possessd of Great Tracts and Land by Indian purchase... and these will sticke hard when their titles of Land are questioned.” 55

Although several historians have written of land speculation within the Dudley government, they strangely omit any mention of perhaps the most significant aspect of the speculative project: the Massachusetts land bank. 56 The “Bank of Credit” received the Council’s approval in September 1686, but the project itself was the brainchild of a

53 Ibid., 271. Also on the Council was Edward Tyng, claiming 72,320 acres, and Bartholomew Gedney, claiming 20,000 acres. Randolph himself claimed 6,200 acres.
54 Ibid., 265.
56 The two most glaring examples are Theodore Lewis and Viola Florence Barnes, both of whom wrote extensively on the land-tenure controversy, but made no mention at all about the land bank, see Lewis, “Land Speculation”; Barnes, Dominion of New England. Such may reflect the overall hesitation by many historians to touch anything related to currency, money, or banking. That the land-bank and land-tenure controversies were intimately connected, however, is so readily apparent, it’s a wonder how so many have managed to miss it.
peculiar newcomer to Boston. Captain John Blackwell was the former treasurer of war under Oliver Cromwell, a former Member of Parliament under the Commonwealth government, and the man who built the very scaffold upon which Charles I had been beheaded. After receiving a remarkably gracious pardon from Charles II, Blackwell worked as a financial administrator in Ireland, and was one of the twenty-six original proprietors for the Bahama Islands. Now an aging merchant, Blackwell, a devoted Puritan, left Ireland for Boston in 1684. Nathaniel Mather, writing from Dublin shortly after, assured his brother Increase that Blackwell was “a gentleman of much piety and worth.” A month later, upon petition, the General Court granted Blackwell permission to found an eight-square mile township, “in any free place lying within this colony where he shall judge convenient.” The captain quickly built up a positive rapport within the community, even running for local office, and by 1686 owned extensive tracts of land in Connecticut, New Hampshire, and central Massachusetts.

Blackwell also happened to be intensely interested in paper money. Before leaving for Boston, the captain had already drawn up a scheme for a Massachusetts land bank. Reverend John Woodbridge, in 1671, and again in 1681, had briefly, and extra-

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59 *Records of Massachusetts*, pp. 5:467, 472.
legally, begun preparations for a private land bank, but Blackwell’s proposal was far more detailed than any submitted by Woodbridge. The captain outlined very precisely an administrative team of managers, deputy managers, trustees, clerks, treasurers, and assessors to calculate the value of mortgaged land and real estate. The clientele of the bank would pay four percent interest on their loan, with profits going directly to the officers and staff. Blackwell expected the bank to initially emit £10,500 in paper bills, with further emissions later, in denominations of 20s and upwards.61

Blackwell, to demonstrate, instanced a “countrey Chapman” owning a plot of land worth £400, perhaps a couple thousand acres. Because the bank lent bills amounting to half of the assessed value of the mortgaged property, the landowner received £200 in paper notes, and “with these Bills, he buyes such goods as he pleases, or payes his debts for what he formerly bought of the wholesale shopkeeper.” In another instance,

Blackwell described a “Weaver of Cloth” looking to expand his craft. The weaver need only mortgage his “Work-house or materials,” and with the paper notes purchase wool, yarn, hemp, flax, iron, lumber, or any other requisite supplies.  

Blackwell, much like currency forerunners Potter and Woodbridge, declared, enthusiastically, the superiority of irredeemable paper notes. “Bank-bills of Credit will not only answer the Ends of Gold and Silver moneys, but are Preferrable to both,” he urged. Paper currency enjoyed such advantages as “ease of Compting and Carriage,” as well as “safety in Travelling,” and the notes were far securer than the fractional-reserve model used in Europe, “liable to many casualties and hazards,” including bank runs. Besides, the global supply of silver and gold was simply too “insufficient in this age of the world.” This was the seventeenth century, a time of unparalleled commercial and scientific progress. Paper, not coin, was the mode of the future.  

Blackwell first submitted his application for the bank to the Massachusetts General Court in 1684, before the charter’s revocation. Despite support from the upper house of the legislature – consisting mostly of commercial men of the moderate faction – opposition in the lower house kept the plan from moving forward. Two years later, the assembly was no more and the way now cleared for legal sanction.  

On 11 June 1686 the Dudley Council laid preparations for a legal sanction of the bank, just weeks after taking their oaths of office, and nine days after seeking permission

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63 Ibid., 1:122-3; [John Blackwell], A Model for Erecting a Bank of Credit: With a Discourse in Explanation Thereof (London, 1688), 22. This latter pamphlet was a London reprint (with only slight modifications) of a lost edition printed in Boston in 1684, see Davis, “Currency Discussion in Massachusetts,” 71-2; Davis, CCR, 1:16-7.  
for a Dominion mint. The Council announced the formation of a special committee – headed by Blackwell – to “determine upon the late present discouragements and obstructions in Trade and Navigation,” as well as the “methods needfull to recover and advance the same.” With Blackwell as chair, it was obvious to everyone which “methods needfull” the committee would decide upon.65 Included on the panel was the wealthiest merchant in Boston, Samuel Shrimpton, who had also helped finance several large land purchases following the abrogation of the colony’s charter.66 A week later, the Council also appointed Blackwell commissioner and Justice of the Peace in Narragansett County, the chief hub for land speculation in central Massachusetts.67

Randolph blasted the rising influence of this curious new figure. That August he addressed the issue in two separate London correspondences, calling Blackwell “a violent Commonwealth’s man,” a “Treasurer to the Army in Cromwells tyme,” now being “consulted with in all public affairs.” Randolph was particularly irritated with the Blackwell’s friendship with Dudley. The captain and his associates were “making all the land in this Government sure to themselves... large tracts of Land they have bestowed upon each other.”68 The diary of Judge Samuel Sewall affirms that Blackwell dined

regularly with Dudley, Stoughton, Shrimpton, and Elisha Hutchinson, the latter of whom was also a leading member of the Atherton Company.  

On 27 September, a week after dining with Dudley and Stoughton, Blackwell and his committee presented to the Council their proposal for a “Bank of Credit.” The councilors, having read it, noted that “Persons of approved integrity, prudence and Estates in this Country” supported the project. After citing the “great decay of trade... occasioned by the present Scarcity of Coyne,” the Council endorsed the bank “as a publique and usefull invention,” and “thinke fitt in his Majesties Name to Declare an Approbation, Allowance and Recommendation thereof.” With this pronouncement, Blackwell’s loan office became the first state-endorsed financial institution in the history of the Americas.

Why, exactly, did the Council endorse it? Should we take them at their word that it was truly out of concern for the “Scarcity of Coyne”? The present “Scarcity of Coyne,” according to the Council, caused “obstructions to Manufactures and Comerce in this Countrey, and Multiplicity of Debts and Suits.” The Council insisted that they had no other choice. “It is not visible,” they wrote, “how the same may be remedied, unless some other secure Medium be approved than the Species of Silver, which very injuriously hath been transported into other parts.” The Boston mint had vanished, the trade deficit with

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England was still intolerably high, and country pay alone was clearly out of the question. Blackwell’s notes seemed the best alternative.

No colony had yet jumped wholesale into paper currency, but the idea was unquestionably gaining traction. Dudley was the brother-in-law of John Woodbridge, and so Dudley was no doubt familiar with land banks long before Blackwell arrived on the scene.⁷² Land seemed a great way to back a currency; perhaps the Council was truly acting out of good measure. Some estimated that in Massachusetts alone there were “hundreds of Inhabitants who have above 1000 acres of Land in their possession.”⁷³ And yet, with all but one of the councilors actively involved in land speculation, it would be naive for historians to dismiss self-interested motives. Money was likely on the Council’s mind in more than one way. The bank would inject new currency into the Dominion, yes, but the landholding interest would inevitably monopolize a great deal of the new money.

The answer may lie in the names of those directly involved in the organization of the bank. Twelve names are available, all of whom, as expected, were highly prominent persons. Four of the twelve – Dudley, Stoughton, Wharton, and Wait Winthrop – were members of the Council. At least four of the twelve were also members of the Atherton Company: Wharton, Hutchinson, Wait Winthrop, and John Saffin. One of the organizers, Adam Winthrop, had also mortgaged property under Woodbridge’s 1681 proposal. Out of the twelve organizers, Richard Wharton, with over 200,000 acres, stood to gain the most.

⁷² Newell, Dependency to Independence, 123; Dorfman, Economic Mind in American Civilization, 1:98; Trumbull, First Essays at Banking, 5.
And yet four of the twelve had little to no speculative interests at all. At least two of them were politically opposed to the moderate faction. Isaac Addington was secretary of the independent General Court for a quarter of a century, Simon Lynde was a sergeant in King Philip’s War, and James Russell had previously served as colony treasurer. None of these three had significant land interests. But most surprising of all among the organizers is Elisha Cooke, Sr. Though one of the wealthiest men in Boston, Cooke – a middle-aged politician and medical practitioner – was also the most outspoken enthusiast for the old Massachusetts charter, and a leading critic of the new royal charter in 1691. After the fall of the Dominion, Cooke played a major role in the arrest of Dudley, and later assumed the mantle of animated founder and leader of the opposition party to the royal governor.74

Clearly, then, rationale for supporting the bank must have varied. For some, namely Cooke, and possibly Blackwell himself, the belief that it would help the larger public most likely drove their support. Cooke’s endorsement tells us that the project was not exclusive to the moderate, commercial faction, though the group no doubt constituted its greatest base of support. For others, perhaps most, personal profit was simply an added bonus accompanying the greater public benefit. And then for others, for which it is impossible to speculate, personal profit alone drove their support. For speculators looking to validate their sometimes dubious claims, a successful land bank, with its

74 For more on the twelve persons mentioned as involved in the organization of the bank, see Davis, CCR, 1:148; Newell, Dependency to Independence, 123-4. For the persons mentioned as also being involved in the Atherton Company, see Lewis, “Land Speculation,” pp. 258, 261. For more on Elisha Cooke, see Richard L. Bushman, King and People in Provincial Massachusetts (Chapel Hill: University of North Carolina Press, 1985), 104.
accompanying land registry, would further secure the legality of their otherwise doubtful titles.

Now that the Council had officially endorsed his private land-banking scheme, Blackwell purchased the printing press, plates, and necessary rolls of paper. Both he and the Council understood that the bills would serve merely as a subsidiary currency: notes were no smaller than 20s, the rough equivalent of a gold guinea or three full-weight Spanish dollars (themselves inadequate for small change). Only a merchant, landowner or tradesmen of considerable worth would make regular use of notes of such a high denomination.\(^75\)

The bank’s ultimate success or failure hinged entirely upon whether non-subscribers would have enough confidence in the notes to give it a regular currency across the whole trading community. To begin the project and inject the first round of notes, each of the 21 principal managers were to mortgage at least £500 of land or real estate, amounting to an initial emission of £10,500. Further sums would soon be emitted for each additional subscriber.\(^76\) Blackwell seemed poised to finally accomplish what no other projector had yet pulled off since William Potter’s scheme of thirty-six years ago. The captain nervously awaited Andros’s arrival.

As Blackwell and the Dudley Council paved the way for New England’s first paper currency, Jamaican and Chesapeake planters waged an exceedingly more familiar battle over the valuation of foreign coin. Since 1683 the Jamaican planter-assembly sought

\(^75\) Blackwell, *Discourse in Explanation*, 126.
\(^76\) Ibid., 135; Davis, *Currency and Banking*, 78.
earnestly to raise Spanish dollars from 5s to 6s. Governor Thomas Lynch shot down their first attempt, and the RAC succeeded in having its island agent, Hender Molesworth, appointed governor the following year in 1684. Molesworth faithfully clung to his instructions from London not to authorize any alterations in the value of coin, disparaging proponents of the measure as “enemyes of the Spanish Trade” who simply wished to “advance the price of sugar.” The governor also vetoed a bill that would have taxed all money exported from the island.\footnote{Lieutenant-Governor Hender Molesworth to the Earl of Sunderland, 28 Apr. 1686, in TNA: CO 1/59, no. 63, p. 230; Minutes of the Council of Jamaica, 1 July 1686, in TNA: CO 140/4, pp. 117-23.}

When Molesworth returned to England in 1687, his temporary replacement proved sympathetic to the planters’ currency demands. Governor Christopher Monck, the Duke of Albemarle, petitioned the Crown that summer for the “power to Coyne small mony – viz pence, half pence and Farthings of Tynn or Copper.”\footnote{Memorandum of the Lords of Trade and Plantations 3 June 1687, in TNA: CO 1/62, no. 68, p. 250; Memorandum of the Duke of Albemarle, 1 July 1687, in TNA: CO 1/62, no. 82, p. 281; APCC, 2:102. John Taylor, in 1687, confirmed that though “Spanish mony” abounded, the “least mony found here is ye Spanish royalls, here commonly called a bitt (because nothing less can be bought than this will purchas),” see John Taylor, \textit{Present State of Jamaica} (1687), in \textit{Jamaica in 1687: The Taylor Manuscript at the National Library of Jamaica}, ed. David Buisseret (Kingston: University of the West Indies Press, 2008), 241.}

Small change remained highly scarce on the island; one resident in 1687 affirmed that the Spanish bitt, worth 7.5 pence, was the smallest denomination, and even this coin was uncommon.\footnote{Minutes of the Council of Jamaica, 29 Mar. 1688, in TNA: CO 140/4, pp. 216-8; McCusker, \textit{Money and Exchange}, 246; Nettels, \textit{Money Supply}, 234-5.}

Before the Crown replied, Governor Monck, in March 1688, signed a bill from the Jamaican assembly advancing the piece-of-eight to 6s. The RAC erupted in protest. The act was “much detrimentall to trade, especially to such as have debts owing them,”
effectively reducing the island’s near £170,000 collective debt by 20 percent.\textsuperscript{81} Molesworth, now in London, lobbied strongly against the bill, calling it an act “against Common Justice” that would cheat “all Creditors,” “lessen his Majesties Revenue,” encourage “Clippers,” and be a “vast discouragement unto Trade from the uncertainty that the Merchants must be at.”\textsuperscript{82} A revolution back home in England, of course, stalled imperial action on the subject, but finally, in October 1689, the newly-crowned William III disallowed the act, returning the coin to 5s, evincing continuity in the midst of political revolution.\textsuperscript{83}

In Maryland, the proprietor, in 1676, already repealed legislation raising the piece-of-eight from 4s6d to 6s. Ten years later, in October 1686, the assembly tried again. Maryland, by this point in time, was the only private English colony to still value dollars below 6s. The “want of ready money in this province,” the assembly argued, “is a very great hindrance... Without ready money noe Encouragement can be given to handicrafts and tradesmen.” The new valuation lasted until the proprietor repealed the bill in 1688, perhaps out of fear that his assent would grant the king all the more reason to seize his proprietorship.\textsuperscript{84}


\textsuperscript{82} Hender Molewsorth, “Reasons against the bill entitled ‘A supplemental Act for the current passing of coin,’” 9 Mar. 1688, in TNA: CO 1/64, no. 32, p. 142.

\textsuperscript{83} APCC, 2:834; McCusker, Money and Exchange, 246; Nettels, Money Supply, 234-5.

\textsuperscript{84} Archives of Maryland: Proceedings and Acts of the General Assembly of Maryland, eds. William Hand Browne, Clayton Colman Hall, and Bernard Christian Steiner, 72 vols. (Baltimore: Maryland Historical Society, 1883-1972), 13:142-4; McCusker, Money and Exchange, 189; Sylvester S. Crosby, The Early Coins of America, and the Laws Governing their Issue (Boston, 1875), 132. The same bill had banned the
Virginia Governor Lord Effingham, in 1686, also petitioned James for a 6s valuation, calling it “a ready means and way of causing considerable quantities of money to be brought in hither by merchants and Traders.” The Virginia Council even promised the king that they would proportionally advance his customs dues. Predictably, the Commissioners of Customs protested the move, calling it a “great hindrance and Obstruction to Trade” that will “Conduce only to the advantage of some particular persons.” “Noe Rate ought to be sett upon Money other than according to the reall intrinseick Value and Worth,” the commissioners argued. James agreed, commanding the governor that “you shall not upon any pretence whatsoever permit any alteration.”

The staple plantations were the final bastions of the older 5s rate. Though consistent in this regard, the empire’s apparent inconsistency in allowing devaluation in other colonies infuriated Chesapeake and Jamaican officials. The newly-royal colony of New York, for instance, maintained its 6s9d rate – 35 percent higher than the Chesapeake

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85 *Executive Journals of the Council of Colonial Virginia*, eds. H.R. McIlwaine and Wilmer L. Hall, 5 vols. (Richmond, 1925-1945), 1:79. The governor repeated the request a few months later, in April 1687, see Memorandum of Lord Howard of Effingham, 3 Apr. 1687, in TNA: 1/62, no. 18, p. 83.
86 Address of the Council of Virginia to the King, 2 July 1686, in TNA: CO 1/59, no. 113, p. 356.
87 Commissioners of the Customs to the Lords of the Treasury, 30 Apr. 1687, in TNA: CO 1/62, no. 31, p. 127. In response to the argument that the King's dues would advance proportionately, the commissioners retorted that “if Money be frequently changed or altered in Value after this Manor his Majesties Dutys will be thereby Subjected to Various frauds and great difficulties occasioned in the Collection thereof.”
88 *Executive Journals of Virginia*, 1:518.
– though James also strictly instructed the governor to refrain from any further alterations.  

Even more inconsistently, in October 1686, Andros won the freedom to set any rate he so desired in the Dominion of New England, with no guidelines or recommendations whatsoever. The Crown’s decision preempted the announcement that a Dominion mint would not be permitted. Though Andros was disappointed that his lobbying efforts for a Dominion coinage had failed, he gladly accepted the power to freely “regulate the Peices of 8”: a grant by the Crown of limited monetary privilege for political loyalty.  

Sir Edmund Andros arrived in Boston with great ceremony on 20 December 1686. A man of vast military training, social position, title, and colonial executive experience, the new governor – boasting a lavish coat of scarlet lace – paraded through the streets of Boston in typical aristocratic Stuart style. Accompanying him were two companies of royal soldiers and a commission from the king.

Andros betrayed the moderate, commercial faction in Boston very early into his administration, both with regard to political and currency matters. From the beginning, the new governor all but shunned the Dudley Council, favoring instead a band of

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91 Dunn, “Imperial Pressures,” 65; Sosin, English America, 71; Barnes, Dominion of New England, 46; Mary Lou Lustig, The Imperial Executive in America: Sir Edmund Andros, 1637-1714 (Madison: Fairleigh Dickinson University Press, 2002).
sycophant New Yorkers who had proven loyal advisors during his seven-year stint as
governor there. From December onward, neither Randolph nor the Council exerted any
real political power or influence. Just as important, in late January 1687, one month
after arrival, Andros informed the Council of a matter of “high Import”: his freedom to
raise the value of Spanish coin. Several weeks later, on 23 February, merchant,
councilor and land speculator Richard Wharton read Andros a paper advising an
elaborate plan for currency devaluation, supported also by other leading members of the
Council.

Bay shillings and pieces-of-eight currently passed at an equal rate of 6s8d per
ounce, thereby placing an unclipped piece-of-eight at 5s10d and six Bay shillings at 6s.
Wharton wished to change this. Bay shillings, he advised, should be raised by over 16
percent, so that six Bay shillings would now make 7s legal tender. Hull and Dudley, just
a few years prior, recommended instead that the silver content in the Bay shilling be
reduced by 16 percent – no longer an option because the mint had shut down. Wharton’s
proposal essentially affected the same thing.

But Wharton’s proposal did not stop with Boston coin. The Spanish piece-of-

eight, he advised, should be raised by 12.5 percent, so that a full-weight Spanish dollar

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Yankees*, pp. 229, 239, 244; Sosin, *English America*, 72; McConville, *King’s Three Faces*, 33-7; Thomas J.
Pressures,” 64-5.

93 Minutes of the Dominion Council, 22 Jan. 1687, in *Proceedings of the American Antiquarian Society*
[PAAS], vol. 13 (Worcester, MA, 1899-1900), 247-8. The Council debated the question a week later, see

94 “Mr. Wharton’s paper about raising of money,” 23 Feb. 1687, in *Massachusetts Archives*, vol. 100, no.
162, repr. in Crosby, *Early Coins*, 106-7. For Hull and Dudley’s propositions, discussed also in the sixth
would now pass at 6s9d. This was the same rate that dollars passed for in New York. Yet because the advancement of Spanish coin was not quite as high as the advancement of Boston coin, Bay shillings would once again, for the first time since 1672, be the overvalued coin in New England.

Wharton and his allies hoped the plan would accomplish two things. First that it would usher a new wave of Spanish coin into New England (in competition with New York). But second, and most importantly, his plan sought to keep Bay shillings alive despite the death of the mint. The overvaluation of Boston coin would cause merchants to export Spanish money, not Boston money, when settling balances overseas, because it was now more profitable to use Bay shillings, not dollars, to settle internal transactions. The old pine-tree shilling, then, according to plan, would still actively circulate.

After Wharton’s currency presentation, the Council partook in “a long debate about mony.” According to the Council minutes, “Great Complaints were made that unless both the Coyne of New England and pieces of Eight were raised all the money would go out of the Country.” “Many of the Councill,” the minutes stated, “were very zealous for raising the Value of mony, saying t’would make mony plenty in the Country and quicken Trade.” Other merchants petitioned that, regarding the “New England money... all possible restriction be made that none may be transported or melted downe upon penalty.”

Andros utterly disagreed. “Raiseing mony would help only the Merchants,” he argued, at the expense of the “Country Inhabitants.” The price of imported goods, he

reasoned, would increase, but the price increase for domestic produce would lag behind, causing a “great Inequality in Trade and Suddainly the Country would be ruined.” After a few weeks consideration, Andros rejected Wharton’s request for a 6s9d piece-of-eight, opting instead that a full-weight dollar pass for 6s. The valuation for Bay shillings remained the same as before.

There was more, of course, to the governor’s decision than an honest concern for the “Country Inhabitants.” First, Andros still had deep connections to New York. His closest cadre of advisors all hailed from New York, which was not yet part of the Dominion of New England. Andros was very unlikely to approve a currency order that might temporarily drain silver from New York to Boston. A later testimony of Boston merchants recalled that Andros did “quickly neglect the great number of the Council,” relying primarily on the advice of a few “Strangers to the Countrey... persons of known and declared Prejudices against us.”

But the issue of the Boston coinage was even more important. When Wharton proposed raising the Bay shilling by over 16 percent, Andros “wholy declared against Setting any value upon the New England mony farther than the Intrinsick Value.”

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96 Minutes of the Dominion Council, 23 Feb. 1687, in Ibid., 13:252. Andros’s full quotation, given in the minutes, is that “Raiseing mony would help only the Merchants, and the Country Inhabitants not be the better for they would not advance upon their goods and So would be a great Inequality in Trade.”

97 Minutes of the Dominion Council, 10 Mar. 1687, in Ibid., 13:263. The Council had also debated the measure two days after Wharton’s presentation, see Minutes of the Dominion Council, 25 Feb. 1687, in Ibid., 13:254.

98 William Stoughton, Thomas Hinckley, Wait Winthrop, Bartholomew Gedney, and Samuel Shrimpton, A Narrative of the Proceedings of Sir Edmond Androsse and his Complices (London, 1691), 4. Increase Mather also lambasted Andros’s attempt to have “meer Strangers” run the country, see [Increase Mather], A Narrative of the Miseries of New-England, By Reason of an Arbitrary Government Erected There Under Sir Edmond Andros (London, 1688), 2.

Massachusetts coin thus kept their same value as before. For the piece-of-eight, however, the new 6s valuation was slightly higher – by 3 percent – than the previous 5s10d rate. This was not to the merchants’ liking. There was a reason why the General Court in 1682 lowered the Spanish dollar from 6s to 5s10: they did so, so that Bay shillings would no longer be undervalued and exported out of the country. Now, with Andros’s order, Bay shillings were once again undervalued relative to Spanish coin. With the mint now closed and the coin undervalued, the pine-tree shilling would almost certainly become extinct within a few short years.

Andros, then, had not only rejected the merchants’ request to overvalue Bay shillings, he did the precise opposite. The move was a slap to the face of the merchant interest. The continued use of Bay shillings threatened the new political order. The coin was seditious; the attempt to overvalue, a final, desperate gasp of rebellion. Viewed in this light, Wharton should not have been surprised at all that Andros rejected a currency plan promoting and protecting the future use of the money.

It may seem strange that Wharton and the merchant interest now sided with the Bay shilling. After all, they were the faction that so urgently demanded the General Court apologize for the mint. Why would they now wish to protect it? Was this a nostalgic longing for the old charter government? Not likely. February 1687 was still far too early in the Dominion period; Andros had only been in the colony two months; the merchant faction still believed that royal government might benefit their own interests. The merchants, however, had always supported a mint of some sort or another. Unlike Mather, they grounded their reasoning entirely in the economic, and not in the political.
Hence the Dudley Council’s petition for a Dominion mint the previous summer. Whether the stamp had a pine-tree or the royal arms of England made no difference to them. They simply wanted regularity in the currency, and therefore wished to see Bay shillings remain the standard money of Massachusetts. Andros, too, had wanted a mint. But for Andros, the coin’s stamp absolutely mattered. He wanted a Dominion coinage bearing the symbols of empire, much like Randolph wanted. And also like Randolph, he refused to countenance a politically-incendiary coinage. This at once put him at odds with the merchants. The fact that he allowed the Bay shilling to circulate at all was surprising; he would certainly never sign an order promoting them.  

Andros’s decision on the currency issue represented the opening salvo in the governor’s all-out rejection of the goals of the Council and merchant interest. The next battle concerned the all-important land issue. Andros had already begun reviewing the claims prior to leaving London, and was fully aware of the tremendous power that now lay in his hands. At stake were hundreds of thousands of acres, many thousands of pounds sterling, and the first legally-authorized paper currency in the colony’s history.

In the month or two preceding Andros’s arrival, the “Great Landed men” were already apprehensive, if not doubtful, of whether the governor would approve of their claims.  

The uncertainty caused a sudden stalling in the setting up of Blackwell’s bank in the latter months of 1686. The titles were of doubtful legality, but still more dubious


was the right of the Dudley Council to authorize a comprehensive banking scheme. Many of the speculators who had backed the plan that summer now hesitated to mortgage their property with the bank until they received some assurance that their title was safe and that Andros would approve of the currency project.

By Andros’s arrival in December, Blackwell had already been forced to reduce the number of staff, hoping the reduction to be but a temporary measure until confidence returned. It never did. Boston merchants were fully “prejudiced by mistaken apprehensions,” he regretted a few months later. By the spring of 1687 all hopes for the bank had collapsed.

On 24 February 1687, one day after Wharton presented his case for raising the coin, Andros presided over a hearing for the land claims of the great Atherton Company, of which Wharton was the most interested member. It was difficult to imagine any other scenario than Andros ruling in their favor. To rule against the company would mean alienating some of the most influential people in all of New England. At least £10,000 sterling was at stake in the case of the Atherton Company alone, not to mention the other syndicates and individual claims.

Andros patiently heeded the company’s arguments and then shockingly insisted upon a second hearing. The associates presented their case again in May, but to no success. Andros rebuffed the other syndicates as well. Wharton’s bid for large tracts of land in Maine met swift rejection, as did similar bids from Stoughton and Dudley. Most


appalling of all, Andros recommended to the Lords of Trade that all absentee land claims
be dismissed entirely, *de facto*, without any further hearings. That summer, Wharton
hurried to London to lobby for Andros’s removal.\(^\text{104}\)

Blackwell’s banking scheme – the Bank of 1686 – seemed but a distant memory.
Dudley reaffirmed his support for the project in December 1687, but the bank, by now,
was most clearly impossible.\(^\text{105}\) In July 1688 Blackwell indicated that he had already sold
the rolling press and reams of paper.\(^\text{106}\) The sudden and inglorious crumbling of the bank
paralleled the like implosion of the land claims. Colossal profits awaited the
Massachusetts speculators in the summer of 1686, and the bank was to be the crowing
jewel atop of the whole ordeal. Andros believed the bank to be little more than a
chimerical fraud, propagated by an uppity class of greedy speculators with questionable
titles to near-infinite acreage of land. Once the claims collapsed, the “expression in vogue
was that ‘the calf died in the cow’s belly.’”\(^\text{107}\)

\(^\text{104}\) Lewis, “Land Speculation,” 258, 266-7, 269; Sosin, *English America*, pp. 72, 75-8; Dunn, *Puritans and
Yankees*, 245-6. Randolph wrote the Lords of Trade in advance of Wharton’s arrival, stating that Wharton
“is coming for England with full expectation that his Majestie will grant or rather confirm
to them what they can produce no title for: and seem uneasy that his Excellence can not agree them to have a just right
to all that Country when as they produce no Evidence for that tract of land,” see Edward Randolph to


and Official Papers Issued During the Period Between the Overthrow of the Andros Government and the
Society, 1868-1874), 3:84-6. Notwithstanding this anticlimactic ending to what had once been such a
promising story, the Bank of 1686 left enough of an impression on the colony that later currency writers
referred back to the project when debate erupted in Massachusetts over the founding of a private land bank
in 1714, see A Letter from one in Boston, to his Friend in the Country (Boston, 1714), 25. “Our Fathers
about Twenty eight years ago,” he wrote, “entered into a Partnership to Circulate their Notes founded on
Land Security, stamped on Paper, as our Province Bills, which gave no offence to the Government then,
and that at a time, when the Prerogative of the Crown was extended further than ever has been since.”
Thomas Hutchinson also mentioned the event in his 1767 *History of Massachusetts*, 2:188.

In this sense, ironically, Andros shared something in common with the likes of Increase Mather, who too abhorred the land-grabbers and denied the ultimate legality of their claims. Any similarities ended here, for unlike Mather, Andros targeted all landowners, including ordinary farmers, asserting “his Majesties Right to the soile.”

All land in New England, he believed, reverted to the Crown after the charter’s abrogation. Having already swept aside the speculators, then, the governor, the spring of 1688, challenged all land titles whatsoever, including indisputable ones issued under the former charter. Every New England landowner, he ordered, must petition for an entirely new land patent, attendant with exorbitant patent fees. Once patented, the landowner must pay, in silver coin, an annual quitrent to the Crown of 2s6d per 100 acres. In a society where most middling freeholders owned at least 100 acres of land, and usually more, the new patent policy would amount to a debilitating drain of money from New England, at least £1,000 annually: more than three thousand pieces-of-eight sent yearly to the Crown. “All the money in the Countrey wou’d not suffice to patent the Lands,” one petition read.

The new land policy united small and large landowners alike in opposition to Andros, bringing together the disparate factions of independent yeomen and moderate

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108 Edward Randolph to William Blathwayt, 21 May 1687, in Randolph Letters, 6:221.
109 Dunn, Puritans and Yankees, 248; Lewis, “Land Speculation,” 267-8; Sosin, English America, 72. The £1,000 prediction comes from Randolph, and is the sum if the Crown collected quitrents from 800,000 acres, see Edward Randolph to William Blathwayt, 14 and 31 Mar. 1687, in Randolph Letters, pp. 6:215, 218-9. “As to quitt rent they are unwilling to think of it,” Randolph wrote the Lords of Trade in February 1687, see Randolph Letters, 6:212. For more on the land system under Andros’s Dominion, see Barnes, Dominion of New England, 174-211.
110 Stoughton, Hinckley, Winthrop, Gedney, and Shrimpton, Narrative of the Proceedings, 9. Nevertheless, about 200 persons in the Dominion, including many of the councilors, applied for patents, though the procedure proved far too expensive for the land syndicates, see Minutes of the Dominion Council, 29 June 1687, in PAAS, 13:470; Dunn, Puritans and Yankees, 248; Lewis, “Land Speculation,” 268.
merchant-speculators. The loudest critics of the new policy were those of the independent faction, including Mather and Elisha Cooke, who later blasted the effort to turn New Englanders into mere “tennants to the Late King James... pretending all to be the Kings.”¹¹¹ The New England settlers “had at Vast Charges of their own conquered a Wilderness, and been in possession of their Estates Forty, nay Sixty years,” but now “a parcel of Strangers” had stripped them of all that “their Fathers before them had laboured for!”¹¹²

The land issue was the boiling point at which the Dominion lost nearly all support. Many other grievances, of course – the loss of representative government and the establishment of a Church of England congregation in Boston – also made the Dominion extremely unpopular. But many of the leading moderates would have acquiesced in the loss of representative government if it meant they could still wield influence as councilors, and religious toleration was just fine to many in this group. But as several of the moderate-speculators petitioned later in 1691, Andros’s government imperiled the “great matter of Properties and Titles to our Lands.”¹¹³ It was the land issue that brought together men so deeply estranged as Wharton and Mather, allowing them a meaningful degree of common ground. A paradigm shift had taken place; the former

¹¹² The Revolution in New-England Justified, and the People There Vindicated (Boston, 1691), 12. For more on the colonists’ objections to patenting unquestionable land titles, see Randolph Letters, pp. 4:202-6, 211-6, 218-20.
¹¹³ Stoughton, Hinckley, Winthrop, Gedney, and Shrimpton, Narrative of the Proceedings, 8.
discord between independent and moderate evaporated. In May 1688, Mather joined Wharton in London to lobby for Andros’s removal.\textsuperscript{114}

Andros’s assault on civil liberties further exasperated the colonists. Andros prohibited town meetings for all but once a year, denied habeas corpus, banned the printing of “unlicensed papers, books or Pamphlets,” and jailed and fined any subject who dared protest the levying of taxes without an elected assembly.\textsuperscript{115} The most famous jailing was that of Reverend John Wise – later the colony’s most zealous paper-currency promoter – whom Andros fined an astounding £50 for making a public speech wherein he charged that “taxation without representation is tyranny.”\textsuperscript{116} Debates within the Council, as well, were “not so free as they ought to have been,” some of the councilors later claimed, with a “great deal of harshness continually expressed against Persons and Opinions that did not please.” “Bills of the greatest concernment,” they wrote, “were usually first consulted and framed in private, and so unexpectedly brought into Council at any time,” refusing them enough time to properly read and consider the bill. “In effect four or five persons... bear the Rule over, and gave Law to a Territory the largest and

\textsuperscript{114} Dunn, Puritans and Yankees, pp. 229, 239, 245, 249-50; Sosin, English America, pp. 61, 72, 75-8; Lewis, “Land Speculation,” 269-70; Baily, New England Merchants, pp. 170, 175-6; Hall, Edward Randolph, 107-10. For Mather’s own account on his lobbying efforts that summer, see [Increase Mather], A Brief Account Concerning Several of the Agents of New-England (London, 1691), in Andros Tracts, 2:274.

\textsuperscript{115} Quotation from Minutes of the Dominion Council, 28 Jan. 1687, in PAAS, 13:249.

\textsuperscript{116} Proceedings against John Wise and others of Ipswich for Misdemeanors, Oct. 1687, in Randolph Letters, 4:171-82. At his trial, Reverend Wise pleaded privileges under Magna Charta. The jury consisted primarily of non-resident aliens, suspending Wise from the ministry and ordering that he furnish bond of £1,000, in addition to the £50 fine. The town of Ipswich, where he made the speech, ultimately came together to pay the fine. See J.M. Mackaye, “The Founder of American Democracy,” New England Magazine 29, no. 1 (Sept. 1903): 76-8; Revolution in New-England Justified, 6-8; Sosin, English America, 73; McConville, King’s Three Faces, 42; Dunn, Puritans and Yankees, 239-40; Hall, Edward Randolph, 110; Dunn, “Imperial Pressures,” 65. For more on taxation and legislation under Andros’s Dominion, see Barnes, Dominion of New England, 71-100.
most considerable of any belonging to the Crown,” which by the spring of 1688 also included New York and New Jersey.117

The Boston money supply contracted noticeably under Andros. Randolph himself testified to the dramatic change in New England fortune. “Money grows very scarce and no trade to bring it in,” he wrote in May 1687. “Our money goes all away,” he noted again in January 1688, with “little or none to supply ordinary occasions.”118 A great deal of the money exported was presumably the undervalued pine-tree shilling, though foreign money too escaped the province. The shortage led one councilor to press “very much to raise the money,” but Andros would not consent.119 A few merchants and tradesmen took matters into their own hands and accepted clipped dollars at 6s face value, despite the order that money go by weight.120 The “Country Inhabitants” in particular, Randolph noted, have no silver money, “...they pay all in oates.” Country pay, indeed, was so prolific, the Dominion treasury became known as “the Great Grainary.”121

The dip in the money supply under Andros was partly, if not mostly, the result of a general decline in illegal trade. Andros had strict orders to seize all incoming vessels carrying European goods from Newfoundland, and the governor indeed made good on his promise to follow royal instruction, with the records showing a steady capture of

117 Stoughton, Hinckley, Winthrop, Gedney, and Shrimpton, Narrative of the Proceedings, pp. 4, 6-7.
118 Edward Randolph to John Povey, 21 May 1687 and 24 Jan. 1688, in Randolph Letters, pp. 4:163, 199.
119 “Our money for want of goods to make returns is sent to London, he wrote in November 1687, see Randolph Letters, 6:236.
120 The councilor was Robert Mason, see Edward Randolph to William Blathwayt, 23 Nov. 1687, in Ibid., 6:235-6.
121 Randolph wrote this in January 1688: “We cannot yet agree upon the prizes [prices] of money: Some would have all peeces of 8, tho’ of 15 pennyweight, go at 6s. New England, others at 17; but they stand at 17 ½,” see Edward Randolph to John Povey, 24 January 1688, in Ibid., 4:199
122 Edward Randolph to William Blathwayt, 23 Nov. 1687, in Ibid., 6:235
interloping vessels. Shortly after arrival, Andros commanded that only six ports in all of New England permit the entry of incoming vessels, and further assigned an armed coasting vessel to survey up and down the seaboard. Randolph later recalled that the “Illegal Trade, so Notoriously carried on by the People of New-England, was then stopt,” especially the former commerce “with the French at Newfoundland,” which “very much enraged those merchants who traded in great quantityes of brandy and other French goods.” The “very considerable increase” in the customs revenue, another account argued, over 50 percent, “doth sufficiently demonstrate that the regular and lawful Trade of this Territory was exceedingly improved.”

Randolph himself conceded a connection between the monetary contraction and the drop in smuggling. A little later, in May 1689, in a private letter from jail, he worried of potential mistreatment from the recent New England rebels, given the general perception of his guilt in committing economic and monetary sabotage against the colony. “This country is poor,” he wrote, “the exact execution of the acts of trade hath much impoverished them; all the blame lyes upon me, who first attacked and overthrew their charter, and was made the officer to continue their Egyptian servitude, by my office

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124 Edward Randolph to Parliament, 1689, in Randolph Letters, 5:14; Edward Randolph to the Lords of Trade, 29 May 1689, in Randolph Letters, 4:279. Also see Edward Randolph to Dr. William Sancroft, 28 May 1687, in Randolph Letters, 4:269.
125 John Palmer, An Impartial Account of the State of New-England, the Late Government There, Vindicated (London, 1690), 41. Judge Palmer was a close friend and advisor of Andros. For more on the decline in smuggling under the Dominion, see Barnes, Dominion of New England, 169-71; Hall, Edward Randolph, 111; Dunn, Puritans and Yankees, 239; Dunn, “Imperial Pressures,” 65.
of collector.” Enforcement of the law even seemed to break a few merchants and shopkeepers. “The Country is very poor and fatally declining,” he stated in 1687, “...our shopkeepers break every day... not twenty Shopps will long be open in Boston.” “The Country hath mightily declined, and gone to ruin daily,” Mather likewise declared, “not being now like the place it was Five Years ago.” “Before these Changes happened, New-England was, of all the Forreign Plantations... the most flourishing and desireable.”

Smuggling declined all across the Atlantic empire in the late 1680s. One month after his coronation, James II directed that English commanders and captains aggressively “seize all foreign vessels” trading illegally in North America. All governors, he further commanded, were to intensely “study the Acts themselves,” and to strictly observe all rules regarding bonds and certificates, keeping detailed lists of all ships arriving to and from each colony.

The effort largely seemed to work, or at least improved the matter from the Crown’s perspective. New York Governor Thomas Dongan took an especially active role in prosecuting illegal traders, seizing a large number of Dutch ships on the eve of the colony’s merger with the Dominion of New England. Virginia Governor Lord Effingham also curtailed Dutch interloping activity, commissioning naval vessels to

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126 Edward Randolph to Governor Edwyn Stede, 16 May 1689, in Randolph Letters, 4:266.
128 [Increase Mather], A Brief Relation of the State of New England, From the Beginning of that Plantation to this Present Year, 1689 (London, 1689), 6; Mather, Narrative of the Miseries, 2.
129 Order of the King in Council, 1 Apr. 1685, in TNA: CO 1/57, no. 83, p. 208; Commissioners of Customs to the Governors of the Plantations, 10 Aug. 1685, in TNA: CO 324/4, pp. 151-67; James II to Governor Thomas Dongan, 20 June 1686, in DRNY, 3:385. James included “this exception onely, that such Spanish vessells and ships imployed by Spaniards as shall come to Buy Negros at Jamaica... may have free admission and liberty of bringing either money or Goods of the product of the Spanish Dominions,” see APCC, 2:81.
130 Koot, Empire at the Periphery, 171-2.
constantly patrol the waters of the Chesapeake.\textsuperscript{131} “The Virginians are very angry that I stay here,” Commander Thomas Allen wrote, “because I won’t lett them cheat the King, they say I spoile their trade, and the best words I can get from them is old rogue and old dog.” A few of the planters, he wrote, hired “small vessels to come when I am gone to one end of the country,” shipping tobacco to Newfoundland or “away for Holland,” but overall, the activity waned.\textsuperscript{132} On Barbados, a general fall in illegal slave dealing contributed to a 20 percent rise in the price of slaves, leaving the slaveholders in a most “miserable and ruinous Condition” (the irony of which seemed entirely lost on them).\textsuperscript{133}

Piracy was more difficult to combat, but this too abated in 1687-88. Jamaican Governor and RAC agent Hender Molesworth, of course, faithfully continued Lynch’s anti-piracy campaign.\textsuperscript{134} In January 1688 James II deployed a large “Squadron of Ships” to quell the “great numbers of Pirates,” something his older brother had never found fit to do. “Full and Ample Pardon” awaited any who surrendered within the space of twelve months. The king further instructed colonial governors to keep all captured pirates in jail until the Crown appointed a time and place for trial, circumventing autonomous colonial juries\textsuperscript{135}

\textsuperscript{131} Enthoven and Klooster, “Virginia-Dutch Connection,” 113-4.
\textsuperscript{133} Quotation in Littleton, Groans of the Plantations, 31. Also see Pettigrew, “Free to Enslave,” pp. 5, 11; Dunn, Sugar and Slaves, 160; Wood, Black Majority, 49; Eltis, Lewis and Richardson, “Slave Prices,” 679; Nettels, Money Supply, 19; Galenson, “Atlantic Slave Trade,” 497-503; Proclamation of James II, 1 Apr. 1685, in BRPA, 137-8.
\textsuperscript{134} Lieutenant-Governor Hender Molesworth to William Blathwayt, 15 Sept. 1686 and 9 Feb. 1687, in TNA: CO 138/5, pp. 196-7, 323-5.
Boston ceased to be a common receptacle for pirates under the Dominion regime, as was generally the case for all colonies under royal control. As of August 1688, Andros had effectively jailed eight suspected pirates, some of them having traded with Boston inhabitants prior to capture. One of the suspected pirates brought with him “about nine hundred pieces of eight”; another had “great treasure” of roughly “£1000 or £1500 a man.” Neither was Charlestown the haven it formerly once was, the proprietors hoping to stave off the writ against the Carolina government.

All in all, the evidence points to a considerable worsening of the economic condition of the colonies during the brief reign of James II. Some attributed this to the new duties on sugar and tobacco, others to the suppression of smuggling and piracy, still others on the inability for colonial governments to devalue the currency. The new Stuart regime played a direct role in each of these factors. The only one completely out of the hands of the Crown was the perpetual overproduction of tobacco and sugar. When news arrived that James had been overthrown, there was no economic basis, at least, for the average colonist to do anything less than celebrate.

136 Francis Nicholson to Thomas Povey, 31 August 1688, in DRNY, 3:552.
137 Minutes of the Dominion Council, 10 and 24 Aug. 1687, in PAAS, 13:475; Edward Randolph to William Blathwayt, 19 Oct. 1688, in Randolph Letters, 6:275-6. Also see Barnes, Dominion of New England, 166-8; Minutes of the Dominion Council, 4 Mar. 1687, in PAAS, 13:259; Edward Randolph to Dr. William Sancroft, 28 May 1687, in Randolph Letters, 4:269-70; Edward Randolph to the Lords of Trade, 29 May 1689, in Randolph Letters, 4:279-80; Palmer, Impartial Account, 41; Edward Randolph to the Lords of Trade, 23 Aug. 1686, in Randolph Letters, 4:117; [Increase Mather], A Vindication of New-England, from the Vile Aspersions Cast upon that Country (Boston, 1690), 16; Governor Robert Treat to Governor Thomas Dongan, 5 Aug. 1686, in DRNY, 3:387. Piracy also evidently remained a minor problem in New York, see APCC, 2:82; James II to Governor Thomas Dongan, 29 May 1686, in DRNY, 3:374.
Back in England, partisan animosities between Whig and Tory had fully rekindled, closing the brief truce that had followed James’s accession. The Whigs pursued an economic program of industrial-capital mercantilism; the Tories a program of monopoly mercantilism. Whiggish mercantilists opposed royal monopolies, urged government protection for English manufacturing, and emphasized the importance of capital and labor. Tory mercantilists applauded the great monopoly companies, prioritized the East Indian trade over domestic industry, and emphasized the centrality of land and sea. Tory mercantilists feared Dutch economic power; Whiggish mercantilists, generally speaking, did not, regarding France to be the greatest and perhaps only economic enemy.

Both factions still enshrined the balance of trade as the key to wealth. “It is agreed by all that pretend to understand Trade,” one Tory writer remarked in 1688, “that a Country doth grow rich, and then only, when the Commodities exported out of it are more in value, then those that are imported into it.” When imports exceed exports, Carew Reynell, a leading Whig, insisted, the kingdom “must needs come to ruine; Coin there going out in Specie for the over ballance.” Strategical differences over the means to this end, however, broke the foundational consensus and put the Whigs and Tories at severe, if not irreconcilable odds. The partisan dispute was already evident by the mid-1670s, but James’s absolutist temperament enflamed the passions to a heightened degree.

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139 Littleton, Groans of the Plantations, 29. Carew Reynell, in 1685, likewise wrote that “where a Nation Imports by its voluptuousness more than it Exports, it must needs come to ruine; Coin there going out in Specie for the over ballance... Exportation is gain, but all Commodities imported is loss,” Reynell, Necessary Companion, 10.
According to James and a shrinking band of radical Tories, the foremost political-economic rival to England remained the United Provinces of the Netherlands. Dutch merchants retained their dominance over the extremely-profitable East Indian trade, and Dutch-Levantine still barely outstripped that of England, and greatly exceeded that of France. Dutch merchants won the *asiento* in 1679, gaining the exclusive right to sell slaves to Spanish American buyers, and Dutch Curaçao was Jamaica’s only real competition for the illegal, though tolerated contraband trade with Spanish America.141 James II was the director and largest shareholder of the RAC; his chief economic advisor, Sir Josiah Child, was the leading merchant of the East India Company.142 From their perspective, it was obvious that the Dutch were the greater threat: France neither traded with Spanish America nor established any real foothold in the East Indies.143

The Tory economic program was one of monopoly mercantilism, united under the rule of a dynamic and enterprising monarch, with a special emphasis on territorial expansion, maritime commerce, and cooperative ventures. Large overseas trading monopolies, they argued, provided the requisite order and regularity for the commercial ambitions of the kingdom to thrive. The EIC, RAC, and Spanish contraband trade were key to maintaining a positive balance of trade, deserving the utmost encouragement. Both companies were at “great Charge and Expense in Fortifying and Settling divers

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142 Pincus, *1688*, pp. 372-5, 381.
Garrisons.” Those trading outside of the great monopoly companies, James argued, “prefer their private profit before the Publick Good... to the apparent danger of the Decay and Destruction of the said Trade, and in manifest Contempt and Violation of the undoubted Prerogative of the Crown.”

In a highly competitive world order, the English could not afford to compete internally within the most profitable branches of trade. Even the laissez-faire Dutch had long ago granted monopoly rights to the Dutch East India Company, after a brief and seemingly failed experimentation in free trade. James, by the end of his reign, considered the incorporation of a West India Company to monopolize the sugar trade, as well as an additional company to monopolize the New England export trade of naval stores and timber.

Child went so far as to urge James II and the French king, Louis XIV, organize a coordinated assault upon the Dutch East India Company. The Whiggish “Clamours, Aspersions, and Objections made against the present East-India Company, are sinister, selfish, or groundless,” he argued. “If we should throw off the East-India Trade, the Dutch would soon treble their strength and power in India, and would become sole Masters of all those rich and necessary Commodities of the East; and make the European

144 Proclamation of James II, 1 Apr. 1685, in BRPA, 137-8.
145 Zahedieh, *Capital and the Colonies*, pp. 41, 50; Matson, *Merchants and Empire*, 186; Dunn, “Imperial Pressures,” 61. For more on the logic of trade monopolies, see Zahedieh, *Capital and the Colonies*, pp. 41-2, 55.
world pay five times more for them, than now they do, which would so vastly increase their Riches, as to render them irresistible."

The logic was certainly compelling.

Whigs answered with industrial-capital mercantilism, driven by an activist Parliament under the influence of a capitalist class of merchants, bankers, and manufacturers. Overwhelmingly critical of the East Indian trade, the Whigs enthusiastically supported protective measures for English manufacturing, particularly with respect to the textile industry. Whigs did not oppose corporations in general, but only those with legal monopolies, almost all of which were Tory-leaning in nature. Ideological principle drove much of the anti-monopolist rhetoric, but for merchants or capitalists outside of the great monopoly companies, self-interest, of course, was a prime mover behind their political support for the Whigs.

Though deeply sympathetic to the Dutch political model of Protestantism fused with civil liberty, Whigs also highly regarded Colbertian mercantilism – particularly its manufacturing protections – only guided by a robust Parliament, not an absolute monarch. This admiration was one of the several causes for why war with France had become so necessary. Louis’s economic and military aggression, they feared, would soon close European markets off to English textiles. The United Provinces, they believed, was little more than a waning power that had long passed its prime.

Money, not manufacturing was the end of Whiggish mercantilism. Manufacturing was simply the means. Whigs continually sold their manufacturing program as being the

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surest means to draw gold and silver money into England. Of course, many of the Whigs also had a financial stake in protecting English industry, and so here, like antimonopolism, principle joined with self-interest, or perhaps, for some, self-interest hid behind principle. Either way, the balance of trade was the ultimate selling point, followed by domestic employment and other reasons for supporting manufacturing protection. From the Whig perspective, commerce with Spanish America and East Indies, so encouraged by the Tories, was entirely insufficient to secure the mercantilist end.

Carew Reynell, the premier Whig economist in the 1680s, also emphasized that manufacturing was a means, not the end. In advocating for tripling the tariff against foreign manufactures, he added that the boost in domestic industry will not only “set at work millions of people... it saves likewise mony in our purses by lessening importation, and brings mony in by exportation.” “Exportation is gain,” he wrote, “but all Commodities imported is loss.” The Tory emphasis on East Indian commerce and free trade with the French, he argued, was about the worst thing for the money supply. “They tempt us with all sort of French Toyes, Indy and Japan trifles, stain’d Callicoes, Silks and such pleasant things, and fetch away our Money and solid wealth. But I say let us make store of all new Manufactures to tempt them with, and not send Money.”

Nearly everything about James’s rule horrified the Whigs. The Tories won a majority of Parliamentary seats in the most recent elections, and in 1685 lifted the previous ban on French imports, which Parliament had put in place since 1678. In the forthcoming years, 1686-88, English merchants imported roughly £700,000 worth of

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149 Reynell, *Necessary Companion*, pp. preface, 8, 10.
French linen fabrics, resulting in a stream of silver across the Channel to settle the balance.\textsuperscript{150} Tory mercantilism, it seemed, imperiled what little silver money remained in England, while simultaneously endangering the infant linen industry. Politically speaking, his attempts to rule independently of Parliament, just as Louis ruled independently of the Estates-General, flew in the face of the ever-evolving Whiggish conception of an English constitution. Just as alarming, by early 1688, James made it clear that he was now seriously considering war with the Dutch.\textsuperscript{151}

James lost support from most moderate Tories for two reasons. First it was more evident than ever that Holland was no longer the foremost geopolitical threat.\textsuperscript{152} Louis seemed poised to conquer Europe, militarily and economically, and possibly even the Caribbean.\textsuperscript{153} James seemed entirely unconcerned. England’s survival as a commercial and political superpower – not to mention the European peace – was utterly incompatible with the seemingly unbounded ambition and zeal of the Sun King. James II, steeped in French absolutism, wedded to a Catholic, and trained in the French army, was hardly the proper ruler to suitably combat the pride and energy of Louis XIV.\textsuperscript{154}

Second, the king’s chilling attack on English civil liberty, and his seeming attack on Protestantism – which many saw as inextricably linked – further dismayed the moderate Tories. James relentlessly targeted all public-sphere opposition to his reign, waging war on adversarial presses and employing an internal network of covert spies to


\textsuperscript{151} Pincus, \textit{1688}, 323-7.

\textsuperscript{152} For moderate Tory opposition to James II, ever more apparent by 1687-88, see \textit{Ibid.}, 314-5.


\textsuperscript{154} Pincus, \textit{1688}, pp. 305-7, 313-23, 380

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snoop out Whig and Tory opposition.\textsuperscript{155} His quadrupling of the size of the English army – in time of peace no less – frightened many observers.\textsuperscript{156} His program of religious tolerance disaffected Anglican Tories, and was too insincere for Protestant dissenters.\textsuperscript{157} Many English Catholics, too, turned against the king, unwilling to exchange civil liberty for Catholic monarchy.\textsuperscript{158} Civil liberty was desirable not simply for its own sake, but as the bedrock of a political-economic order that best served the mercantilist interests of England. “The chief things that promote Trade and make it flourish,” Reynell insisted, “are that it be free,” with “certainty of property and freedom from Arbitrary power.”\textsuperscript{159}

By early 1688, a cadre of Whigs and moderate Tories began conspiring to topple the Stuart King, or to at least militarily force James to acquiesce to Parliamentary demands. Nevertheless, as late as that summer, there was little to no sign that a revolution was pending. James commanded a powerful army and navy, with loyal supporters in top bureaucratic positions and an amiable relationship with the godlike monarch of France. The Stuart Crown, in other words, was in a strong position. In August, James learned of the aforesaid conspiracy. The plotters, he learned, had contacted William of Orange: a Dutch prince, nephew of James, and husband of Mary Stuart, the eldest, Protestant daughter of James. In November, William boldly invaded southwest England, with the financial backing of Whiggish merchants. To James’s shock, the English army and navy completely stood down and dissolved within a month. By December James had fled for

\textsuperscript{155} Ibid., 150-2.
\textsuperscript{156} Ibid., 180-2; Schwoerer, No Standing Armies.
\textsuperscript{157} Pincus, 1688, pp. 199-201, 208-9.
\textsuperscript{158} Ibid., 210-1.
\textsuperscript{159} Reynell, Necessary Companion, 6.
France, and on 13 February 1689 Parliament declared William and Mary joint sovereigns of England (Figure 23).\textsuperscript{160}

Following several weeks of unsubstantiated rumors, word finally reached Boston on 18 April that James had indeed been overthrown. Andros was finished. “The Action was now begun,” a first-hand account detailed, “and the Rumour of it running like Lightning through the Town, all sorts of people were presently inspired with the most unanimous Resolution, I believe, that was ever seen. Drums were beaten, and the whole Town was immediately up in Arms.”\textsuperscript{161} Guided carefully by a coalition of moderate and independent elites, the rebels arrested Andros, Randolph, Dudley, and several military and civil officers. Andros, in total humiliation, attempted “an Escape in Womans Apparel, and pass’d two Guards, but was stopped at the third, being discovered by his Shoes, not having changed them.”\textsuperscript{162} By now, thousands from “all the Country round,” on both “Horse and Foot,” flooded into Boston, expressing their “unanimous content” for the peaceful action. “There was no Bloodshed, nor so much as any Plunder committed... setting aside the intemperate Speeches of some inconsiderate men.”\textsuperscript{163}

\textsuperscript{160} Pincus, 1688, pp. 180-2, 224-6; McConville, King’s Three Faces, 16.
\textsuperscript{161} A.B. An Account of the Late Revolutions in New-England (London, 1689), 4.
\textsuperscript{162} Nathanael Byfield, An Account of the Late Revolution in New-England (Boston, 1689), in Andros Tracts, 1:8.
\textsuperscript{163} A.B., Late Revolutions, 5. For primary accounts of the April rebellion, see Edward Randolph to the Lords of Trade, 29 May 1689, in Randolph Letters, 4:271; Edward Randolph to Governor Edwyn Stede, 16 May 1689, in Randolph Letters, 4:264; A.B., Late Revolutions, 1-5; Byfield, Late Revolution, 1:1-8; Edward Randolph to William Blathwayt, 20 July 1689, in Randolph Letters, 6:289-90. For secondary sources, see Barnes, Dominion of New England, 231-61; Sosin, English America, 88-101; Dunn, Puritans and Yankees, 251-7; Lustig, Imperial Executive, 183-226; Bailyn, New England Merchants, pp. 170, 176; Hall, Edward Randolph, 122; Dunn, “Imperial Pressures,” 66-7; Hutchinson, History of Massachusetts, 1:332-51; Pincus, 1688, 246; McConville, King’s Three Faces, 37.
Colonial insurgency thereafter spread southward into New York and Maryland, the former of which had also been part of the Dominion. Andros’s deputy in New York, Francis Nicholson, managed to flee for England after a rebel group, on 31 May, seized the town fort and assumed the reins of government. The rebels consisted primarily of moderately-successful, anti-elitist tradesmen, led by Jacob Leisler, an eccentric German merchant, militant anti-Catholic, and captain in the militia. In Maryland, a group of insurgents, led by radical Protestant John Coode, deposed of the governor as well as the proprietor, Lord Baltimore, both of whom refused to recognize William and Mary.

In Pennsylvania there was no like revolt, though political turbulence here too plagued the colony in 1688-89. Capt. John Blackwell was at the center of the controversy. Under James II, Penn had barely survived a royal challenge to his proprietorship while his northerly neighbors consolidated into the Dominion of New England. In July 1688, Penn commissioned Blackwell, his distant kinsmen, Deputy Governor of Pennsylvania. Penn deeply admired Blackwell, calling him a man “independent in Judgement,” believing that it might be useful to have a Pennsylvania governor outside of the Quaker fold.

Though never stating it explicitly, Penn may have also enlisted Blackwell for his banking scheme. Blackwell, in 1688, published in London a new version of his earlier

165 McConville, King’s Three Faces, 38; Pincus, 1688, 247; Hall, Edward Randolph, 136-7.
166 Sosin, English America, 45; Dorfman, Economic Mind, 1:103; Letter from Capt. John Blackwell, 16 July 1688, in Andros Tracts, 3:84-6. For more on Penn’s struggles during the 1685-88 period of consolidation, see Sosin, English America, 42-7.
Boston pamphlet promoting a land-bank currency, hoping to keep the idea alive despite its failure in Massachusetts. Blackwell initially planned to dedicate the treatise to Penn, but as the tract was finally ready for publication after James’s ouster, and because Penn had been a supporter of James, Blackwell thought it ill-advised. Penn, moreover, was likely intrigued by Thomas Budd’s currency proposal of 1685, and William Petty had also advised him to found a paper currency. The former Commonwealth captain was the ideal candidate.

Blackwell arrived in Philadelphia in December 1688, having left England just after the invasion of William of Orange. Three months later a group of Philadelphia merchants, including Budd and two members of the Council, petitioned Blackwell that they might set forth a “designe in setting up a bank for money,” requesting “Incouragement from the Governor and Councill.” Blackwell, who had obviously already been in talks with the merchants, acquainted the Council that “some things of that nature had been proposed and Dedicated to the proprietor, by himself, some months since, out of New England.”

Governor Blackwell happily informed the petitioners that they would receive an answer from Penn shortly. In the meantime, however, he encouraged them to pursue the project privately. There was “no reason,” he stated, “why they might not give their personall bills to such as would take them as money to pass.” Nevertheless, he cautioned

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170 Sosin, English America, 46.
171 Minutes of Pennsylvania, 1:236.
them of counterfeiters. Those who habitually clipped coin might “be apt to Counterfitt their bills, unless more than Ordinary Care were taken to Prevent it, which might be their Ruine.”

February 1689 was the last mention of the land bank in the Pennsylvania records. Blackwell’s luck and reputation quickly spiraled, though not owing to anything related to the currency. Political factionalism plagued the Council, and the Quaker elite, by and large, opposed his governorship, particularly after Blackwell responded to war with France by seeking to organize a provincial military establishment. Frustrated by the “unexpected opposition,” Blackwell, in the coming months, sought repeatedly to resign from the governorship. “I Sought not to Rule over you,” he admonished the assembly in May 1689, signaling a new low in his administration. A land-bank currency, by this point, was untenable.

Penn was devastated. Finally in September 1689 he permitted Blackwell to resign, though Penn maintained that he was still the most “honest, virtuous and able officer in government,” victim of the “sharpest animosity imaginable.” “I see all my hopes frustrated,” he wrote, offering Blackwell a position as supervisor of his entire estate in England. Penn further offered to make him Register-General of Pennsylvania, “and it will be the foundation for thy desirable bank.” Clearly, then, Penn supported Blackwell’s currency ambitions, explaining partly the “Grief that has afflicted me, by reason of the

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172 Ibid.
174 Governor John Blackwell to the Pennsylvania Assembly, 14 May 1689, in Minutes of Pennsylvania, 1:287.
Misunderstanding between thee and my friends.” “Thou art a man of repute with those that know thee,” he wrote, “...I love thee much.”

Blackwell, worn out by a governing position “burthensome to myselfe and my Spiritt,” declined the invitation and left Philadelphia in January 1690. The old captain now returned to Boston, where he lived a short time before traveling home to England to carry out his final years. A Pennsylvania land bank would have to wait until 1723.

The Revolution of 1688 was a major turning point in English history, not just politically, of course, but also economically. “Early modern England did not come to an end in 1688, nor did modern England begin then,” historian Steve Pincus writes, “it would, however, be fair to say that the character of English state and society relations was fundamentally transformed.”

Mercantilism was changing in England, from a Tory-endorsed system of monopoly mercantilism to a Whig-endorsed system of industrial-capital mercantilism. The shift did not happen overnight, nor was it inevitable, but the Revolution was a watershed moment in the transition. Between 1685 and 1688, James II and his closest advisors tried to implement a radical Tory brand of mercantilism, one that made even moderate Tories feel uncomfortable. The program backfired and contributed to the

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176 Governor John Blackwell to the Pennsylvania Assembly, 1 Nov. 1689, in Minutes of Pennsylvania, 1:312-4; Sosin, English America, 118.

177 Hassam, “Bahama Islands,” 27.

178 Pincus, 1688, 8. Also see Greene, Peripheries and Center, 57; J.H. Elliott, Empires of the Atlantic World: Britain and Spain in America, 1492-1830 (New Haven: Yale University Press, 2006), 221.
overthrow of radical Toryism late in 1688. It would still be several years before the Whiggish triumph was evident – up through the mid-1690s, there was still a chance that Tory mercantilism would win out – but Whigs unmistakably enjoyed the greater political momentum. Industrial-capital mercantilism would guide the English state into the early-eighteenth century.

As the colonists would soon discover, however, mercantilism itself – the broader theory – had not been overthrown in 1688. Indeed, mercantilism doubled down, and was practically sacrosanct in the minds of nearly all imperial thinkers by the early-eighteenth century, even more so than had been the case in the preceding century. The revolutionary settlement of the 1690s reinforced the principle that overseas settlements were economically, monetarily, politically, and culturally subordinate to England. But there was now a fundamental difference. Empire, after 1688, was far more tolerable from the colonial perspective.
EPILOGUE: THE GRAND SETTLEMENT

The Revolution of 1688 was a triumph of nearly a century worth of tense and often violent bargaining between the Parliament and Crown over fundamental issues of law, sovereignty and power. Yet in the early to mid-1690s, the implication and meaning of this Revolution was still very nebulous. At least in terms of imperial and economic policies, England remained much divided between Whig and Tory. Tories still anticipated a victory for monopoly mercantilism, with its crowning jewel of an English land bank. Whigs equally lobbied for a system of industrial-capital mercantilism, with its crowning jewel of a Bank of England. Only by 1696-97 was it evident that the Whiggish brand of political economy would lead the nation into the eighteenth century.

The Whigs’ triumph in 1696 did nothing to reverse the pre-1688 notion of colonial subordination to imperial aims. The highly chaotic monetary situation in mid-1690s England rather reinforced and strengthened the idea, helping to spawn the Board of Trade and Navigation Act of 1696. What the Revolution altered was in rendering this system more acceptable to the colonial world. Colonial economic and monetary sacrifice, after 1688, was no longer so repulsive as it once had been. James II failed because he tried to force economic obedience upon a reluctant colonial populace, but a limited, Protestant monarchy, as well as a new paradigm of protection from the French, ensured a much greater degree of voluntary compliance within the system.

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In April 1689 a committee of the House of Commons formally urged the newly-crowned William and Mary to declare war against Louis XIV, to which the former Dutch prince happily agreed. The upcoming Nine Years’ War was primarily a war to safeguard the Revolution, avert the return of James II, protect English interests overseas, and defend the Continent from an “arbitrary and universal monarchy.”

It was not yet evident in 1689 how the new regime planned to handle its American colonies. Rebel, provisional governments presided over Massachusetts, New York, and Maryland. War, delays in communication, and administrative defects made the post-revolutionary transition in English America a difficult task, trickier, in some respects, than even the transition from James II to William III. Still, the pressing need for imperial revenue made colonial subordination a principle that nearly all mercantilists agreed upon, Whig and Tory. An all-out return to the Dominion of New England was neither feasible nor necessarily desirable, but neither was the pre-1676 way of doing things. A new, third way must be found out, one that satisfied the monetary aims of the emerging fiscal-military state in London, while simultaneously relaxing the political-economic jealousies of the empire’s colonial dependencies.

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On 29 May 1689, thousands of men and women across Massachusetts Bay joyously gathered in Boston to celebrate the joint monarchy of William and Mary. Providence had answered their most urgent of prayers, and graciously delivered both New and Old England from the malevolent throes of tyranny, securing the throne for English liberty and the Protestant faith. Surely the former rights and privileges of the most Protestant of colonies would soon be restored.

Many wished to reestablish the old charter government immediately, but other more prominent persons in Boston – men of “estates and shipping,” according to Randolph, now in prison – argued successfully that the best course was to establish a Committee of Safety and to patiently await further orders from England. The ninety-year-old, partially-senile Simon Bradstreet assumed the office of provisional governor, a figurehead position ensuring a degree of stability in the midst of great political uncertainty. Respected, known men throughout the colony filled the several offices within the interim government and, for now, the “World mov’d on in its old orderly pace.”

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Increase Mather, who had been in London since May 1688, now hastily lobbied William III for a restoration of the former government. Land speculator Richard Wharton, who had also come to London, died in May 1689 at the age of 53, leaving Mather the colony’s chief representative. James II had wrested the old charter illegally and “violently... by a mere Rape,” Mather argued. In its place, the former king purposed “to erect a French Government” of “Despotick and Absolute Power.” Restoring the Boston mint was also central to Mather’s agenda. “You are to solicithe that the liberty of coinage may be allowed us,” Governor Simon Bradstreet instructed him. The still-extant Lords of Trade, hoping to retain many of their former administrative controls, urged the drafting of a new charter. William, for now, recognized the legality of the provisional government and ordered the return of the imprisoned Andros, Randolph, and Dudley to England.

All summer of 1689 Mather lobbied Parliament for a reversal of the 1684 revocation of the old charter. The Commons indeed passed such a bill later that year, but Parliament unexpectedly dissolved in January 1690 and so the bill never came to a vote in the House of Lords. The political mood in London was shifting. The English

5 [Increase Mather], A Brief Relation of the State of New England, From the Beginning of that Plantation to this Present Year, 1689 (London, 1689), 6. For more on Mather’s lobbying efforts, see J.M. Sosin, English America and the Revolution of 1688: Royal Administration and the Structure of Provincial Government (Lincoln: University of Nebraska Press, 1982), pp. 75-8, 83-4; Hall, Edward Randolph, 124.
9 PDBP, pp. 2:1-2, 8-9; Hall, Edward Randolph, pp. 125, 129, 155.
government was having great difficulty in raising enough money to fund the Continental side of the war, and the moderate Tory faction was presently enjoying an upswing in popularity. William was increasingly turning to his Tory ministers for general advice, and the new Parliamentary elections in February 1690 awarded the Tories a slight majority.\(^{10}\)

The Massachusetts agents in London – including Elisha Cooke, a wealthy medical practitioner and politician in Boston who joined Mather in 1690 – suddenly faced a vicious round of criticism. The charter opponents, in their appeals to Parliament, employed mercantilist rhetoric. The former government abused their “Unlimited Authority” to pursue an “Abominable, Illegal way of Trade,” they argued. The true intent of the April 1689 rebellion – indeed, the “chief cause of the Revolution” – was to “break all the Laws made for the encouragement and increase of the Navigation.”\(^{11}\) To the Crown, the charter’s opponents denounced the April rebellion as a “Subversion of Monarchy,” the “setting up a Republick Government,” the rebels “accounting themselves his Majesties Nominall and not reall Subjects.”\(^{12}\)

Randolph, now back in London, reminded imperial officials that the charter had been revoked for “destroying not only the Woollen and other Manufactures, but also the very Laws and Navigation of England, and making themselves as it were Independent to this Crown.” Indeed, “if these People be not prevented of their old way of Trade,” it “must necessarily in a short time destroy the Trade of England.” The people of

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\(^{10}\) Pincus, 1688, 296-300; Hall, Edward Randolph, pp. 131-2, 155-6.

\(^{11}\) A Short Discourse Shewing the Great Inconveniences of Joyning the Plantation Charters with those of England in the General Act of Restoration (London, 1689), 1-2; C.D., New England’s Faction Discovered, or, A Brief and True Account of their Persecution of the Church (London, 1690), 3.

Massachusetts also hoped to again become a “common receptacle of pyratts” who, before
Andros, “brought great bootyes to Boston... money, plate, and rich commodityes.” All of
the “cryes of oppression” and “pretensions of grievances” against the Andros regime was
merely a facade, he argued, to “Restore to themselves a free Trade.”

Charter renewal, just as dangerously, implied a resurrection of the Boston mint.
Randolph even listed the loss of the mint as a chief reason for the April revolt. “Their
liberty of coining money is taken away,” he explained, “which encouraged pyratts to
bring their plate hither, because it could be coined and conveyed in great parcels
undiscovered to be such.” The colonial government’s “assuming the Regal Power of
Coyning,” he reminded them, was a “weighty consideration” in the vacating of the
charter. One anonymous writer listed the mint as the first reason to not renew the
charter. “They Act as a Free and Independent Commonwealth… Now to show the
unlimited Authority they pretend to… 1. They took upon them to coyn Money in the
Name of the Commonwealth as they call it.”

Taken aback by the intensity of the opposition, Mather charged Randolph with
“Scandalous Libel,” having a long history of “many false Informations and
misrepresentations.” “The government and Inhabitants in generall have no advantage by
any Irregular trade,” he insisted, and “if any Pirats have been entertained, it hath been

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13 Edward Randolph to Parliament, 1689, in Randolph Letters, pp. 5:10-3, 15; Edward Randolph to the
Lords of Trade, 29 May 1689, in Randolph Letters, 4:278-80; Report of Edward Randolph to the Privy
Council, 1690, in Randolph Letters, 5:37. Also see C.D., New England’s Faction, 3; Short Discourse, 2.
14 Edward Randolph to the Lords of Trade, 29 May 1689, in Randolph Letters, 4:280; Edward Randolph to
the Parliament, 1689, in Ibid., 5:12.
15 Short Discourse, 2.
because they were not known to be such.”  

All smuggling would dissipate upon a return of the old charter, he promised; “the whole body of the people would rejoice in the severest Execution of those Acts, and lend their utmost help.”

In defending the Boston mint, Mather underscored the economic benefits of the institution, leaving out all mention whatsoever of its political or cultural side of the coinage. Currency irregularity alone made the mint necessary. There was no treason at all in its initial establishment, for “the Mint was set up in 1652, when there was no King in England.” Lord Baltimore of Maryland had also coined money during the Commonwealth period, Mather recalled, and “many Goldsmiths in London can testifie, that the Money coyned in New-England is as good as that of England.” The New England shilling was lighter than the English shilling, yes, but “was not the Value of Coyn altered in Pensilvania?... Why then should New-England be esteemed more criminal”?

The charter opponents, however, in appealing to mercantilism, had presented a far more convincing case, and it was already clear by 1690 that Mather had lost the debate. Some even called for reinstating Andros. Yet this too was untenable, for it was generally conceded after 1688 that the Andros regime contradicted the very “fundamentals of the English Government.”

*A new system must be settled upon: one

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17 [Increase Mather], *A Vindication of New-England, from the Vile Aspersions Cast upon that Country* (Boston, 1690), 16-7.


20 Quotation from Mather, *Brief Relation*, 7. For similar statements see William Stoughton, Thomas Hinckley, Wait Winthrop, Bartholomew Gedney, and Samuel Shrimpton, *A Narrative of the Proceedings of*
that credibly safeguarded mercantilism, yet under a framework agreeable to the basic rights of the empire’s periphery. In April 1691, the Lords of Trade began drafting a new charter for Massachusetts Bay, after which Mather and Cooke “resolved to get as much Good, and prevent as much Hurt to the Countrey as possible.”

The Tory-led government could just as well have rejected the April rebellion as treasonous, as they treated the rebellion in New York, led in May 1689 by Jacob Leisler and a band of middling merchants. Leisler and his allies, however, lacked the same contacts in London that the Massachusetts rebels enjoyed. Anti-Leislerian New Yorkers, consisting generally of landed and commercial elites, decried the rebels as “bold usurpers... a rabble of the worst men.” Leisler’s lieutenant, Jacob Milborne, was a man previously “convicted of a crime which deserved death... clipping and defacing the Kings coine,” pardoned just prior to the rebellion. In early 1691, Joseph Dudley, now in New York as Chief Justice, precided over the court that convicted Leisler and Milborne of treason, and hanged them in May with royal approval, setting off a generation-long factional dispute between Leislerians and anti-Leislerians. The Crown also condemned the provisional government in Maryland, assuming direct control of the colony from

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21 Mather, Brief Account, 2:279-83.
1690-96, and only restoring the proprietorship on condition of the addition of a royally-appointed governorship. Mather knew well of these developments, and treaded very carefully in negotiating with the Crown.

Just as the Lords Committee was drafting a new charter for Massachusetts, the Bay colony embarked upon a currency experiment that would soon alter the course of monetary history. In December 1690 the provisional government in Boston emitted the very first colonial paper currency. The so-called “bills of credit” were the result of a failed land and naval expedition against the French at Quebec, led by Sir William Phips. The provisional government initially expected to finance the mission with plunder won from a victorious attack, but news of the intended invasion leaked to the French in advance, and French reinforcements from Montreal delivered Phips a crushing defeat. Phips returned to Boston in mid-November with the soldiers “upon the point of Mutiny,” demanding wages. Unable to timely borrow enough money, the Massachusetts treasurer desperately issued forth paper bills of credit to pay the soldiers.

The December 1690 paper emission amounted to a face value of £7,000. The smallest denomination was 5s, the largest £5, and the bills were 4x5½ inches. The face of the bill stated that the shilling-amount was “due from the Massachusetts Colony to the Possessor” and “shall be in value equal to money” (Figure 24). In other words, the possessor used the paper bill instead of coin or country pay to settle taxes. In this manner,

25 Quotation from [Cotton Mather], Pietas in Patriam: The Life of His Excellency Sir William Phips (London, 1697), 44.
the government “redeemed” the bill and thus retired that portion of the government’s debt. The noteholder was the creditor to the government, hence the term “bills of credit.” Because the colony’s debts far surpassed £7,000, the government, three months later, allowed the treasurer to print as many bills as necessary, and in May 1691 established a £40,000 limit. In 1692 the bills became legal tender for private debts, and further emissions soon followed. For the next 60 years, paper currency became the most politically-charged issue in the colony’s history.

Imperial officials initially tolerated bills of credit – and not colonial mints – for several reasons. First, according to the conventional view, bills of credit were entirely distinct from money. Though the paper currency passed from hand to hand just as all other money did, convention saw them as mere certificates: promissory notes wherein the government stood in debt to the noteholder. Bills of credit were “in value equal to money,” but money itself remained silver and gold. Second, colonial bills of credit financed wartime expeditions, and so the currency supported imperial interests. Also, imperial officials initially tolerated bills of credit – and not colonial mints – for several reasons. First, according to the conventional view, bills of credit were entirely distinct from money. Though the paper currency passed from hand to hand just as all other money did, convention saw them as mere certificates: promissory notes wherein the government stood in debt to the noteholder. Bills of credit were “in value equal to money,” but money itself remained silver and gold. Second, colonial bills of credit financed wartime expeditions, and so the currency supported imperial interests. Also,


28 As Reverend Cotton Mather put it, “These Bills... did confess the Massachuset-Colony, to be Endebted unto the Person, in whose Hands they were... the Sailors and Souldiers put off their Bills, instead of Money, to those, with whom they had any Dealing, and they circulated through all the Hands in the Colony, pretty Comfortably,” see Mather, Pietas in Patriam, 43-4.
unlike the pine-tree shilling, the new paper money acknowledged English authority by showcasing the royal arms on the lower left-hand corner of the bill. And finally, few in England at the time could have possibly imagined that the 1690 emission would usher in a whole new era of American currency. Not until the 1720s, following a second war with the French, would the Crown finally exert pressure on colonial governments to curtail its use.

The new charter arrived in Boston in May 1692, following many strenuous months of negotiation. A popularly-elected legislature returned to Massachusetts, and the province enjoyed greater political privileges than any of the royal colonies. Yet the new frame of government afforded the settlement far less autonomy than any of the other charter governments. The king now had the right to veto Massachusetts laws, and both the governor and lieutenant-governor were royally-appointed instead of popularly-elected. Smugglers would now be tried in vice-admiralty courts without juries. The Council, once popularly-elected, was now elected by the General Court, and the royal governor could veto any of their selections. The General Court nevertheless retained the ability to withhold a salary from the governor, and though the governor had the power to dissolve assemblies at will, the assembly also had to meet at least once a year. If the king failed to repeal a law within three years, the law was permanent unless repealed by the General Court, no matter how offensive to the Crown.29

The former Massachusetts mint was also absent from the new charter, though Mather and Phips made a last-minute appeal in November 1691 for the inclusion of a

29 Acts and Resolves of Massachusetts, 1:1-20; Bailyn, New England Merchants, 176.
“liberty of coinage.” “There is practically only Spanish money in New England,” they reasoned, “and many of the people have been cheated by bad money.” “There can be no quick trade without money, nor money without liberty of coinage”; only a mint could “remove the difficulties of shopkeepers for want of small change.” Mather and Phips now also offered a political rationale for reinstating the mint. “It will satisfy the people that they are not losers but gainers by the new settlement of Government.”

The Commissioners of the Royal Mint reported on the question of the Boston mint in January 1692, and to no surprise, reported negatively. “It is very probable,” they argued without evidence, “that most of the Monies which have been coined in New England from the year 1652... may still remain there,” supplying the need for small change. The clipped “Lightness of those Coines from Jamaica” should also provide “Smaller Pieces,” and if not, then “farthings of Tinn” will suffice. “Priveleges of Coynage has not been granted to any of the English Plantations,” they added, but if necessary, the New England shilling ought to be of the same weight as the shilling in England – the same advice given when Governor Carlisle wanted a Jamaican mint in 1679. William declined and Mather returned to Boston with a mint-less charter.

After three decades of championing the mint, why did Bostonians so easily capitulate to the lack of a coining provision? And why did the generality in

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30 Memorial of Sir William Phips and Increase Mather, 9 Nov. 1691, in CSPC, 1689-92, no. 1893. In December, the memorial was forwarded for consideration by the Lords of the Treasury, see William Blathwayt to Henry Guy, 30 Dec. 1691, in CSPC, 1689-92, no. 1967.
31 Royal Mint to the Lords Commissioners of the Treasury, 19 Jan. 1692, repr. in Sylvester S. Crosby, The Early Coins of America, and the Laws Governing their Issue (Boston, 1875), 96-7.
Massachusetts – excepting Elisha Cooke – accept a form of government which eradicated so much of their former political autonomy?

Massachusetts Bay, in May 1692, was in a desperate situation. War had recently erupted with nearby French Canada, and Massachusetts troops suffered a humiliating loss at Quebec just a year and a half earlier. A loss of faith in the provisional government led some inhabitants to refuse to pay taxes altogether or to recognize the authority of provincial courts and laws. Witch trials in Salem and its environs sent the colony into hysteria. A paper currency, for the first time in the colony’s history – £40,000 worth – entered circulation, and a lack of confidence in the provisional government was currently undermining the currency’s value. In almost every way, then – economically, politically, culturally, monetarily – 1692 Massachusetts Bay was in an utterly chaotic state. The generality were desperate for stability.

Most important of all, a new imperial reality was in place after the 1688 Revolution. A constitutionally limited Protestant monarch was now on the throne, one that New Englanders could readily accept. There were no suspicions of William and Mary being closet Papists, and colonials found common bond with Parliament’s constitutional resistance to James II’s arbitrary government, interpreting the Revolution as a common struggle for the rights of all Englishmen, rhetorically at least. A representative assembly had finally returned to Massachusetts, something few could take for granted with the memory of Andros still fresh on their minds. Finally, war against the Catholic French introduced a new paradigm into the English imperial world, one that
made it easier for New Englanders to unite behind a Protestant throne promising protection in exchange for allegiance.

In the era after 1688, the former political rationale for a pine-tree coinage and sovereign mint entirely vanished, and with the advent of a paper currency after 1690, the economic rationale was likewise disappearing. One Boston merchant in 1691 even spoke of “a new mint raised here of paper money.” Yet it was the political more than any other factor that had changed. At the height of the mint controversy, in 1678, the General Court had once feared “his Majesty’s signall ouning of us,” but there was no longer any real reason for such alarm. Formerly, under the Stuarts, radical independents believed allegiance belonged to God first, New England second, England third. Not so after 1689. Now, even the most radical among them agreed that the Protestant monarchy deserved allegiance above New England, though the exact particulars of the meaning of this allegiance remained hotly contested in the years after.

A pine-tree coinage returned later, but only much later. In 1776 the Massachusetts government issued a new coin, a copper coin, one that looked very familiar. On the reverse of the money was the goddess of liberty, seated upon a globe. Stamped proudly on the front of the coin, however, was a pine tree (Figure 25).

Empire was more agreeable across most of the Atlantic colonies after 1688. Caribbean sugar planters, in particular, benefited greatly from the changes. 1689, indeed,

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32 Letter from Boston merchants, 2 Feb. 1691, in CSPC, 1689-92, no. 1313.
34 Bushman, King and People, pp. 16, 24; McConville, King’s Three Faces, pp. 7, 29-30, 40-1.
marked the beginning of a very tight relationship between sugar planters and London officials, though their relation in the past had been every bit as turbulent as anywhere else. After 1689, a small clique of wealthy absentee Caribbean landowners, residing in London, formed an extraordinarily powerful political lobby, and in 1693 Parliament even dropped the former sugar duty of 1685.\textsuperscript{35}

The greatest victory of all for the sugar lobby was the death of the RAC monopoly. In the years following the Revolution, Whigs in Parliament ruthlessly attacked both the RAC and the monopoly mercantilism of the Tories in general. English courts now refused to uphold the company’s seizures of interloping ships, causing a wave of illegal slave dealers to enter the market, amounting to a \textit{de facto} opening of the slave trade and plunging the share price of RAC stock.\textsuperscript{36} Colonial petitions poured into London accusing the company of “extravagant rates” and undersupplying the planters, especially in the Chesapeake.\textsuperscript{37} Parliament formerly ended the monopoly in 1698. The African trade was now free to anyone who paid a 10 percent duty to the RAC to upkeep fortifications off the African coast. After 1713, slavers outside of the company would no longer have to pay the duty, after which year the RAC all but folded.\textsuperscript{38}

\textsuperscript{37} \textit{PDBP}, pp. 2:160, 183, 217.
The RAC debate was an extension of the larger contest in England between monopoly mercantilism and industrial-capital mercantilism. John Cary, a prominent Whig, argued that supplying colonists “with Negroes on easie Terms” would “render these Plantations more profitable to this Kingdom.” “This Trade indeed is our Silver Mines,” he wrote of the triangular commerce. By “opening the African Trade,” he further argued, the English government properly compensated colonial planters for confining their exports solely to England.39

Mercantilism, in other words, became more tolerable to Chesapeake and Caribbean planters with the end of the RAC. Formerly, Chesapeake planters could only acquire slaves through the provisioning trade with the Caribbean or, less commonly, through illegal trade with Dutch slavers. Now, for the first time, Chesapeake planters could buy most of their slaves directly from Africa. In the fifteen years after the monopoly ended, the number transported from Africa to mainland North America (including Carolina) jumped by over 300 percent.40 In the ten years after 1698, private traders shipped almost quadruple the number of slaves to English America than the RAC did – 87,000 versus 25,000 – and the volume of slave traffic to the Caribbean rose to such heights that by 1713 there were four slaves every freeman in the sugar islands.41

The 1690s also taught the staple plantations the value of having an English convoy system to guard the transport of sugar and tobacco across a militarized Atlantic. The Nine Years War proved terribly disruptive for the tobacco and sugar trades. French privateers recurrently raided English vessels laden with colonial produce, spiking insurance rates. The English government replied with a system of armed convoys, spending tens of thousands of pounds annually – out of the Royal Exchequer – to ensure the safe passage of tobacco and sugar fleets. Between 1690 and 1715, in the Chesapeake alone, the system involved more than 85 English ships of 40-60 guns and 200 men each, with two to four convoy ships escorting every tobacco ship. And because the system was so expensive, the English government necessarily limited the trade to a certain quota of ships, greatly advantaging planter-elites with political connections in London.


Chesapeake dependency on London was not only more acceptable after 1689, it was very necessary. Virginia elites, especially, demanded it, and profited greatly from it. There was little to no reason at all, then, to fight or resist the implementation of other mercantilist controls over tobacco, knowing that on the whole, the Chesapeake region benefited greatly from its imperial membership. For the Caribbean, too, imperial protection was a major factor in its acceptance of the post-1688 system: protection not only from the military threat, but also from economic competition. France acquired Hispaniola from Spain in 1697, immediately raising massive sugar works, and the English sugar lobby soon mastered the wielding of mercantilist arguments to their own private advantage and profit.\(^{45}\)

Empire was now an asset, not a handicap: a money-maker for well-connected colonial elites, and no longer the money-taker that leading colonists had once perceived it. Edward Littleton, a Barbadian planter-turned-agent demonstrated the colonial transition very well. In the 1690s, Littleton successfully led the lobbying effort to abolish the RAC monopoly and sugar duty of 1685. But on the eve of the Revolution, he was not so pleased with the island’s place within the empire. In *The Groans of the Plantations*, Littleton asked why the Crown seemed so desperate to “make the very Name of England hateful to us... so cruel and unnatural, as to destroy and devour her own Children.”\(^{46}\) Such


rhetoric, however, belonged exclusively to the pre-1689 era, utterly disappearing from the Caribbean thereafter. Empire became a positive good: something to be desired.

Few Englishmen in 1689 could have foreseen the incredible changes ushered in by the upcoming Nine Years War. The unparalleled monetary demands of the conflict forever altered the nature and functioning of the English government. As Dudley North so tersely remarked in 1691, “War time calls for more Money than time of Peace.”47 That being so, England, after 1689, transformed into what historian John Brewer calls a “fiscal-military state.”48 During the war, annual military expenditures averaged nearly £5.5 million, representing 74 percent of the annual English budget. Just a decade earlier, in the 1680s, total public expenditures averaged a mere £1.7 million. The English army more than doubled in size, spanning over large sections of the European continent; the Royal Navy ballooned from 25 to 234 ships, and the English national debt rose from near-zero to £16.7 million.49

Whigs and Tories differed radically on how to handle the Nine Years War (known in the colonies as King William’s War). Whigs saw the conflict as an extension of the Glorious Revolution itself: a war on absolutist ideology, waged until France no longer imperiled the peace of Europe, not simply the British Isles. For the industrial-capital mercantilist – who so despised France, but so admired Colbertian economics – the European continent was especially important because Europe was the largest market for

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English manufactures. Tories, on the other end, supported a war mainly to safeguard the throne for William and Mary and to guarantee the safety of English colonial possessions and English control of the seas. Tories cared little for the Continental side of the war, which they generally believed to be a distraction. The war for the Tories was geopolitical; for the Whigs, ideological. William III, in early to mid-1689, surrounded himself mostly with Whigs enthusiastic for carrying on a policy of full-scale commitment to Continental war, but in 1690-93 the Tories enjoyed the bulk of William’s favor, as well as a majority in Parliament.  

A sudden decay of English money and trade in the early 1690s rendered unpopular the Whiggish commitment to a Continental war. The monetary contraction followed a decade-long commercial boom from the 1680s, emphasizing the dire straits the nation now suffered comparatively. English overseas trade took a huge hit; commercial shipping slashed by more than half. Woolen exports and the re-export trade nearly collapsed, the French navy closed off English and Dutch access to Mediterranean markets, and French privateers captured as many as 4,000 English merchant vessels. 

A colossal trade deficit with Sweden and the Baltic states for naval stores caused £200,000

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of silver to annually flee England.\textsuperscript{52} The entire war, one author remarked in 1697, caused “a greater Scarcity of Money, and ever greater Decay of Trade and Credit than ever England knew, since they were a trading Nation.”\textsuperscript{53}

The Continental war commitment drained enormous sums of money from England. From 1689 to 1697 an estimated £5 million of silver and gold left London for Europe to maintain the thousands of troops stationed abroad.\textsuperscript{54} “Nothing dreins a Country so much as a Foreign War, where the Troops must be paid abroad,” Charles Davenant, a leading Tory wrote, “it bears off the Species of Mony (the very Life of Trade)... which Treasure is partly dispersed about in Germany.”\textsuperscript{55} England’s European allies – the so-called Grand Alliance – seemed totally dependent on the English government assuming nearly all of the costs in fighting the French.\textsuperscript{56} A near-universal war-weariness set in by the mid-1690s. Even John Cary, a top Whig, feared in 1695 that continued warfare “may


\textsuperscript{54} Erasmus Philips, The State of the Nation, in Respect to her Commerce, Debts, and Money (London, 1725), 23-4.

\textsuperscript{55} Davenant, Discourses on the Publick Revenues, pp. 1:12, 2:11, 101. Also see pp. 2:12, 36, 84, 88, 95-7, 162-3; [John Locke], Some Considerations of the Consequences of the Lowering of Interest, and Raising the Value of Money (London, 1692), 29; PDBP, 2:70; Some Remarks on a Report Containing an Essay for the Amendment of Silver Coins (London, 1695), 5; [William Lowndes], A Further Essay for the Amendment of the Gold and Silver Coins (London, 1695), 3-4.

\textsuperscript{56} Pincus, 1688, pp. 350-2, 357-8.
strain the Nerves and Sinews of our Treasure before it be ended.”

“War annihilates your Money,” a Tory remarked in 1696.

An ever-bulging administrative apparatus made the need for money even more desperate. The size and scope of the central government ironically expanded with greater rapidity in the years after the Revolution than in any period before, including during James II’s brief tenure. Taxes more than doubled, and even then total revenue was still far below annual expenditures, forcing the government to resort to unprecedented levels of borrowing. The number of government employees skyrocketed, most of them filling bureaucratic positions in newly-created departments of revenue. “War made the state, and the state made war,” historian Charles Tilly says of this period.

The extreme difficulty in financing such a “long and expensive War” seemed to affirm the mercantilist fixation on money. Mercantilists did not simply want money for money’s sake. They wanted money because money meant power, especially in wartime. “‘Tis the longest Purse that conquers now, not the Sword,” Defoe wrote several years later, “…if they have but more Money than their Neighbours, they shall soon be superior to them in Strength, for Money is Power.” But though mercantilists agreed on the government’s need for money, money itself was enormously controversial, as seen in the

58 Briscoe, Discourse of Money, 155.
59 Brewer, Sinews of Power, pp. 89-92, 95, 120; Pincus, 1688, pp. 351, 384..

The ultimate triumph of Whiggish political economy was not yet evident in the years following the Glorious Revolution. The Tories, after 1690, enjoyed a three-year period of political ascendency, and once political momentum swung back to the Whigs in 1694, both sides engaged in an epic battle over England’s economic and monetary trajectory. By war’s end in 1697, the victory of industrial-capital was manifest, and the decisive moment was in the victory of the Bank of England over the National Land Bank.

Tories and proto-Tories were long attracted to William Potter’s midcentury idea for a land-bank currency. Why must silver and gold back the credit system? Why not land? So far, the closest anyone had gotten to implementing a land bank was Capt. John Blackwell in Boston in 1686. Two years later, Blackwell reprinted his proposal in London. With the Tories enjoying the bulk of political power in 1690-93, it seemed as though Potter’s decades-old plan for “Coined Land” would finally, belatedly come to fruition.

Hugh Chamberlain, a leading Tory, began organizing an English land bank in 1693, with plans to issue £1.5 million in paper bills to lend to anyone offering security in

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64 William Potter, _The Key of Wealth, Or, A New Way, for Improving of Trade_ (London, 1650); Francis Cradock, _Wealth Discovered, Or, An Essay upon a Late Expedient for Taking Away All Impositions, and Raising a Revenue Without Taxes_ (London, 1661); Edward Ford, _Experimented Proposals how the King may have Money to Pay and Maintain His Fleets with Ease to His People_ (London, 1666), 1-2; Richard Haines, _The Prevention of Poverty, or, New Proposals Humbly Offered, For Enriching the Nation_, 2nd rev. ed. (1674; London, 1677), 5; Robert Verney, _Englands Interest, or, The Great Benefit to Trade by Banks or Offices of Credit in London_ (London, 1682).

65 [John Blackwell], _A Model for Erecting a Bank of Credit: With a Discourse in Explanation Thereof_ (London, 1688).

land or real estate. Borrowers would repay the loan in 33 years, at 5 percent interest. A committee of the House of Commons reported favorably on the plan in February 1694, but a few months later, in July, Parliament favored the Bank of England, refusing to sanction Chamberlain’s project.\textsuperscript{67}

The Bank of England was a radical departure from the vision laid forth by the Tory land-bank proponents. The BOE received its charter in exchange for extending a £1.2 million loan to the government at 8 percent interest – a fairly moderate rate considering the terrible straits the English government was presently in, and the incredible difficulty it had in borrowing money from disparate goldsmiths in London. The Bank, after raising the necessary subscriptions, delivered one-fourth of the sum into the Exchequer in August, paying the rest by installments. Of the £1.2 million lent to the government, £720,000 was in silver coin and the rest were in bank notes, redeemable on demand at the bank counter for coin.\textsuperscript{68} As security for the loan, Parliament passed an additional tonnage tax on ships, with an expected £140,000 of annual revenue, of which sum, £100,000 would go straight to the Bank to settle the annual interest on the debt.\textsuperscript{69}

The organization and functionality of the BOE shared much in common with the Continental banks in Holland, Italy, Sweden and Germany. The Bank accepted deposits


of coin and issued redeemable bank notes on a fractional-reserve basis, just as the
goldsmiths had since the 1660s. Until 1759, the denomination of BOE notes did not fall
under £20 – nearly twenty gold guineas – and almost all of the notes circulated within a
60-mile radius of London.70

The Bank of England was the crowning achievement of the industrial-capital
mercantilists. Smith later called the Bank “a great engine of state”; Marx labeled it the
“highest and ultimate form” of the “capitalist mode of production... the centralization of
money-capital.”71 From the Tory perspective, of course, the institution, from the very
start, reeked of prejudice, corruption, and private interest. Parliament exempted the Bank
from all taxes, and exempted BOE shareholders from any taxes whatsoever on their
capital gains. Nearly half of all state revenue, meanwhile, came from taxes on land. The

no. 3 (May 1927): pp. 380-2, 397-400; Agnes F. Dodd, History of Money in the British Empire and the
United States (London: Longmans, Green and Co., 1911), 78; Cunningham, Growth of English Industry,
71 Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations (1776; repr., New York:
Random House, 1937), Bk. II, Ch. II, p. 304; Karl Marx, Capital: A Critique of Political Economy, Volume
III: The Process of Capitalist Production as a Whole, ed. Frederick Engels, trans. Ernest Untermann (1894;

For further secondary literature on the founding of the Bank of England, see Charles P. Kindleberger,
A Financial History of Western Europe (London: George Allen & Unwin, 1984), pp. 52-3, 75; Sir John
24; Pincus, 1688, pp. 366-9, 388-99; C.G.A. Clay, Economic Expansion and Social Change: England,
Trade and Traders: Essays on Some Commercial, Financial and Political Challenges Facing British
2 (1954): pp. 170, 175; Peter Mathias, The First Industrial Nation: An Economic History of Britain, 1700-
1914, 2nd ed., (1969; London: Methuen & Co., 1983), 148-9; Richards, Early History of Banking, pp. 136-
9, 145-6; Feavearyear, Pound Sterling, 125-8; Nettels, Money Supply, 169.
landed interest, in other words, financed the bulk of the war, while the tax-free “monied
Men are enrich’d.”

But the Bank of England, in the Tory view, was also far more than prejudicial. It
was also highly dangerous. Indeed, the directors of the privately-owned Bank, some
argued, had “Avaricious, Narrow, and Sinister Designs” – “contrived for and bottom’d
upon the private Interest of a few.” The “Money’d-Directors” were “making Merchandise
of the Government,” forming “a Monopoly of Money” – “engrossing the Money and
Business of the Kingdom in great and few hands,” more particularly in the City of
London, which will now “swell beyond its natural growth” and become the “Owner and
Mistress of almost the whole Species of Silver.” The rest of the country shall be “pressed
with Taxes” to pay interest on the debt. “Where the Treasure is, there will be the Power,”
another warned; the bankers will hold “considerable Sway in the Government,” and the
government “forced to yield and submit to the private Interests of a few particular
Persons.”

The Tories, by 1695, were getting desperate, seeming to understand, correctly so,
that the Bank implied the total annihilation of their political-economic vision. Industrial-
capitalists, the Tories saw it, were hijacking the nation, and not even through the
marketplace, but through the coercive apparatus of a massively-growing, anti-
monarchical state. Flustered, the Tories threw all of their cards onto the table: anything

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72 Quotation from Briscoe, Discourse on the Late Funds, 19. Also see Brewer, Sinews of Power, 95; Pincus, 1688, 384; Broughton, Remarks upon the Bank, pp. 10, 13.
to stop the Bank – including, of course, all of the high-flying rhetoric they could possibly muster about the “Fraud and Oppression of Mony’d Men.”

Unable to get Parliament on board in 1694, the Tories determined to go ahead with a land bank privately, absent statutory approval. The problem with the upcoming effort, however, was there were simply too many land banks attempted by rival Tory merchants, and financiers unable to agree upon a single institution. Hugh Chamberlain opened subscriptions to his aforementioned project in September 1695, but the opening failed. Dalby Thomas, a major investor in the Caribbean and African trades, attempted yet another bank the same year, claiming the project would be “capable of doing (at least) as much good as any other Banks can pretend to.” This, too, failed. Still another, organized by John Asgill and Nicholas Barbon, a real-estate developer, issued £45,000 in bills in October 1695, quarreling very publicly with the other competing land banks. Not surprisingly, this bank too was unable to continue operations.

The Tories had their final chance in the early half of 1696. In April, a war-weary Parliament, with royal assent, awarded statutory approval to the National Land Bank, headed up by Tory financier John Briscoe. Briscoe, in securing Parliament’s endorsement, promised to advance £2.5 million to the government at 7 percent interest.

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74 Davenant, Discourses on the Publick Revenues, 1:45.
75 Horsefield, British Monetary Experiments, 156-78; Pincus, 1688, 389; Cunningham, Growth of English Industry, 452-3n. Chamberlain’s biggest blunder was in his calculation of the value of the landed property used as security. Rather than calculating the land at its present value, Chamberlain calculated the value it would accrue by setting aside 100 years of rent, thereby way overvaluing the actual value of the mortgaged property.
76 Thomas, Propositions, 2. For more on Thomas’s banking attempt, see Horsefield, British Monetary Experiments, 211-7; Zahedieh, Capital and the Colonies, 122.
77 John Asgill, Several Assertions Proved, In Order to Create Another Species of Money than Gold and Silver London, 1696), 46-8. Also see Horsefield, British Monetary Experiments, 196-210.
That same month, BOE stock plunged from £107 to £83. Briscoe’s proposal came at an extremely desperate time for the government: the nation was at the very end of a money-draining war and suffering through the beginning stages of the Great Recoinage, at which time all of the clipped silver was entirely out of circulation, waiting to be freshly minted. Now was the Tories’ chance. One month after Parliament’s approval, Briscoe opened the subscription lists for his National Land Bank, but to his shock, the total subscribed was only £2,100. The project instantly fell apart, so badly, that another Tory the following year remarked that “the Disappointment of the Land-Bank is known to all.”

The directors of the Bank of England, obviously upset that Parliament approved at all of the National Land Bank, secured a new statute in 1697 that enlarged the Bank’s capital to £2.2 million, extended the charter to 1710, and established that Parliament could authorize no other banking institution in the interim period.

The Bank’s victory in 1696-97 was the decisive lynchpin that ensured the triumph of industrial-capital and the Whiggish political-economic agenda. The Bank charter and Great Recoinage, together, signaled – ensured – that gold money, not land, would be the chief commodity of the two upcoming British centuries, the basis for a fantastically advanced, if not intensely complicated, paper credit system, supported and backed by a


79 Richards, Early History of Banking, 146; Nettels, Money Supply, 169; Dodd, History of Money, 112-3; Cunningham, Growth of English Industry, 441.
highly bureaucratic, ultra-powerful fiscal-military state. No wonder so many later American statesmen so warily, if not frantically, warned of the so-called “Money Power” in the several controversies over the Bank of the United States in the first fifty years of the early Republic, mirroring much of the same language used over a century before in the debates over the Bank of England.

Rather than so ingloriously dying in 1696, however – as it undoubtedly seemed at the moment – the land-bank alternative finally came to a realization, not in England, but in the American colonies, adopted by nearly every mainland colonial government by the second decade of the eighteenth century. Land banks would soon prove one of the most wildly popular and violently controversial of all American colonial institutions. Land was more commonly held in North America than most places in England, and silver and gold was far scarcer in North America than most places in England. Land banks evidently suited eighteenth-century British colonials far greater than the English “money-banks” would have.

1696 was a watershed year in the development of English political economy for the upcoming century, but it was also an equally pivotal year for imperial-colonial relations. The establishment of the Board of Trade and the passage of a new Navigation Act portended the next half-century of imperial rule, entrenching the Atlantic settlements more deeply within the empire than at any time preceding 1688.

The Nine Years War devastated English overseas trade, exhausted the imperial treasury, and drained much of the country of silver and gold. The English currency, in late 1695, even bordered on the bizarre, with multiple private land banks promising to
issue thousands of pounds of paper notes, and Goldsmiths’ Notes still actively in circulation. The Bank of England was in its infancy, and in the summer of 1696 temporarily suspended redeeming its notes for coin. The Great Recoinage was also fully underway, with an estimated £4 million of clipped money abruptly rejected from circulation. The diary of one Englishman in 1696 bemoaned that money was “exceedingly scarce” – so much so, “that tumults are every day feared, nobody paying or receiving money.” A “universal want both of Coin and Credit” plagued the nation, “...Trade is sunk by the Deficiency of Money.”

The monetary uncertainty of the 1670s paled in comparison to the near-calamity in the English currency in the mid-1690s. The former crisis kickstarted the first round of imperial-colonial reform in 1675, and in like manner, the new, greater crisis spawned a second round of reform in 1696. “The great Losses we have had by Sea in these Seven Years War with France, will not be recovered without more than ordinary Care,” John Pollexfen, Whig leader and member of the Board of Trade, insisted, requiring the utmost “Prudence, Industry, and good Husbandry.” The second round of imperial-colonial

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81 Diary of John Evelyn, 1 May and 11 June 1696, cited in Dodd, History of Money, 90.
83 Pollexfen, Discourse of Trade, 151.
reform proved vastly more successful than the first, lasting over half a century before finally crumbling.

Parliament moved first to revamp the imperial administrative apparatus. In January 1696 a committee of the House of Commons resolved that a new “council of trade be established, by act of Parliament,” charged with “settling the balance of trade, for the benefit of this kingdom.” The Lords of Trade was still technically extant, but had waned so much in significance that the executive committee had long fallen into near-total obscurity. The Lords of Trade met only a couple dozen times a year after 1689, at irregular intervals, with a constantly fluctuating membership crippled with incompetence, lethargy and faction. Parliament’s motion for a new council of trade, however, sparked a great constitutional question. If Parliament established a new council, the monarchy would lose control of an entire administrative department overseeing all of colonial and overseas trade.

William, already wary of the powers hitherto surrendered by the Crown, swooped ahead of the Parliament and in May 1696 commissioned a new Board of Trade and Plantations, “for promoting the trade of this our kingdom, and for inspecting and improving our plantations in America.” The Board was responsible for all English overseas trade, but the commission also expressly singled out the colonies, commanding

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84 PDBP, 2:156-7.
the Board to take special note of any colonial trades, particularly manufacturing, which “may prove prejudicial to England... diverting them from such trades.”

Weeks prior to William’s commissioning the Board, Parliament passed the Navigation Act of 1696, “for preventing frauds and regulating abuses in the plantation trade.” The purpose of this final Navigation Act was to strengthen enforcement of preexisting statutes and to clarify previously ambiguous language. Jury-less, vice-admiralty courts – already in place in Massachusetts – would now prosecute smugglers in all of the colonies, eliminating the ability for colonial magistrates and juries to simply nullify the law. All shipowners involved in colonial trade, moreover, must register and obtain a license for their vessel by 1698.

The Navigation Act of 1696, like the commissioning of the Board of Trade, clearly signaled that the Atlantic colonies remained in a state of economic dependency. There was no question, after 1696, that the imperial government – through the workings of a highly modern, bureaucratic system – demanded strict economic obedience from its

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87 PDBP, 2:213-6.
88 Ibid., 2:171.
colonies, and would in fact pursue this agenda more efficiently and stringently than the Stuarts ever had.

For all of their many disagreements, Whig and Tory mercantilists still agreed on basic tenants. Regarding silver and gold, John Cary, a leading Whig, commented that “nothing but the Ballance of our Trade brings it in... [and] nothing but the Ballance of our Trade with particular places carries it out.” Charles Davenant, a leading Tory and member of the Board of Trade, likewise argued that “whatever we export Yearly, is a certain Wealth to the Kingdom... the Foundation of all our Trade.” “Silver is brought in only by an over-ballance of Trade,” Locke stated in 1695, and even Locke’s most famous rival, Tory MP William Lowndes, agreed the same year, writing that England must never suffer “an over-ballancing of Foreign Commodities with our Home Commodities... for thereby our Treasure will be exhausted, which is the Life of Trade and Sinews of War.”

Though the mercantilist emphasis on colonial plantations was nothing new, mercantilist talk in England of the connection between the balance of trade and colonial plantations was at a new apex after 1696. One author, that same year, called England’s “Fruitful Plantations” as good as “many Mines of Treasure.” Davenant, in 1698, praised the colonies as “a main Branch of our Wealth... they work for us... their Treasure centers all here... the Laws have ty’d them fast enough to us.”

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91 Davenant, Discourses on the Publick Revenues, pp. 2:3, 66.
92 John Locke, Further Considerations Concerning Raising the Value of Money (London, 1695), 16; Lowndes, Further Essay, 2:3.
Mother Kingdom, while they are under good Discipline,” he wrote, “...and while they are kept dependant on it.”94 Cary, a Whig, also insisted upon the “better securing our Plantation Trade, so as it may more absolutely depend on this Kingdom.” “This was the first Design of settling Plantations abroad,” he wrote in 1695, “that the People of England might better maintain a Commerce and Trade among themselves, the chief Profit whereof was to redound to the Center... by which means England would become the Centre of Trade, and standing like the Sun in the midst of its Plantations would not only refresh them, but also draw Profits from them.”95

Why should colonists embrace such a system of economic and monetary subordination? Cary gladly answered.“Standing like the Sun in the midst of its Plantations,” he continued, England “would not only refresh them, but also draw Profits from them, and indeed it’s a matter of exact Justice it should be so, for from hence Fleets of ships and Regiments of Soldiers are frequently sent for their Defence, at the Charge of the Inhabitants of [England].” The empire’s defense of the Atlantic settlements, he argued, ensured, for the colonists, “the Security of Religion, Liberty, and Property, towards the Charge whereof they contribute little.”96 By no means was this system exploitive. Though necessarily hierarchical – England, after all, was the “Mother Kingdom” – the imperial system was one of mutuality: mutual obligation and mutual benefit.

96 Ibid., 70-1.
The first round of imperial reform, after 1675, failed because the Stuarts promised the colonists very little in return for their allegiance. Not so after 1688. Now, the empire promised the colonists a great deal more protection than previously. Protection, first, from the common French foe, or as Cary phrased it, “the Issue of this War.” But empire also promised “Security of Religion, Liberty, and Property.” James II, a Catholic, could not have possibly offered colonists the same sense of “Security of Religion,” and without representative assemblies, how could the Stuart Crown be said to have secured the colonists liberty? Following the Andros fiasco especially, New England landowners could surely appreciate the promise of security of property. All the empire asked in return was allegiance: political, cultural, economic and monetary allegiance. As Cary and many others pointed out, this was quite a good deal for the colonists.

Another equally important factor would soon render monetary subordination in the colonies more tolerable than previously. A tidal wave of colonial paper money was fast approaching. Though no one in London quite planned it this way, paper money, in the early-eighteenth century, was a major ingredient in the glue that kept the imperial-colonial arrangement together. Ironically, paper money was also a major reason for its later falling apart.

But such was not yet known in 1696. It simply seemed enough that colonists willfully exchanged allegiance for protection. Within this larger framework, of course, colonial leaders still negotiated and bargained over the details, but the framework itself, for now, was sacrosanct, precisely because the empire’s promise of protection after 1688 was so much more convincing than previously.
It was because of the inherent “Justice” of the imperial-colonial arrangement that “the Product of our Plantations shall necessarily be center’d here,” Cary argued. The more economically obedient the colonists, “the more Treasure they bring to the Nation,” and hence the more protection received: a grand, near-ingenious model of mutuality – a transatlantic bulwark of English liberty, religion, and property. “These are our Golden Mines,” he beamed, “and have helpt to support the Ballance of our Trade.”

97 Ibid., 72-3; Cary, Essay on the Coyn. 37.
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BIOGRAPHY

Jonathan Barth received his Bachelor of Arts in Secondary Education from Appalachian State University in 2005. After teaching high school for two years in the Charlotte-Mecklenburg School System, he received his Master of Arts in History at the University of North Carolina at Charlotte in 2009. In 2010 he published an article with the *North Carolina Historical Review* entitled “‘The Sinke of America’: Society in the Albemarle Borderlands of North Carolina, 1663-1729.” In September 2014 he will publish an article with *The New England Quarterly* entitled, “The Massachusetts Mint: A Seventeenth-Century Contest between Periphery and Century.”