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“The Social Basis of English Commercial Expansion,  
1550-1650”

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## *The Social Basis of English Commercial Expansion, 1550-1650*

. . . for each period into which our economic history may be divided, there is a distinct and separate class of capitalists. In other words, the group of capitalists of a given epoch does not spring from the capitalist group of the preceding epoch. At every change in economic organization we find a breach of continuity. It is as if the capitalists who have up to that time been active, recognize that they are incapable of adapting . . . They withdraw from the struggle and become an aristocracy, which if it again plays a part in the course of affairs does so in a passive manner only, assuming the role of silent partners. In their place arise new men. . . .

—Henri Pirenne<sup>1</sup>

PIRENNE'S generalization, though full of insight, will not hold up because it rests on oversimplified assumptions about both the behavior of "capitalists" and the nature of economic development. For example, as we shall show, the commercial breakthroughs which highlighted the expansion of English trade between 1550 and 1650 were not all the work of "new men" and did not always require an entrepreneurial outlook. Nevertheless, Pirenne did try to understand economic change in terms of the men who actually carried it out. In this respect, his approach can provide a necessary corrective to the economic determinism which has characterized many more recent explanations of economic development.

English commercial expansion between 1550 and 1650 is often understood simply by reference to the changing structure of economic costs and opportunities facing English merchants. Mercantile activity is thus explained as a more or less automatic response to market conditions—crisis in overseas demand, the disruption of outlets, and the rise and fall of foreign economic and political competitors. Factors such as these must obviously be considered in any discussion of late Tudor-early Stuart commercial de-

I wish to express my thanks to Dr. David Fischer of the University of South Carolina for allowing me to make use of results from his Ph.D. dissertation on the Levant trade. The section of this paper on the eastern expansion owes much to his work, as I have tried to indicate. I wish also to thank Professors Lutz Berkner and Geoffrey Symcox of U.C.L.A. for reading this paper and offering their critiques.

<sup>1</sup> "The Stages in the Social History of Capitalism," *American Historical Review*, XIX (1914), 494-495.

velopment. Nevertheless, they cannot explain that process for the same reasons that no challenge can be said to determine or explain a following response. The reaction to commercial opportunity (or cost), if indeed there is one, will tend to vary with the social, political, and economic character of the mercantile group. What is a promising enterprise to one group of business men might be unattractive or irrelevant to others because they occupy different positions or have had different experiences and, therefore, possess different interests, preferences, or capabilities. At the same time, an opportunity can not be treated as simply "given" in the situation. Its very character and profit potential must be seen as partially alterable depending on the entrepreneur and his resources; in this sense it may be defined and created in the very process of being exploited. In short, while different kinds of commercial projects tend to attract (or repel) different types of entrepreneurial groups, different entrepreneurs are able to shape their projects in different ways.

It is thus the object of this paper to show the value of treating commercial activities as social and political, as well as economic, processes, by focusing on the different groups of merchants who undertook the Elizabethan and early Stuart commercial expansion. In particular, we shall compare the new eastward drive of the Elizabethan era, which was accomplished by elite merchants under controlled conditions designed to minimize the need for risk and innovation, with the more typically "entrepreneurial" thrust by "new men" which characterized the emergent colonial commerce under the early Stuarts. The analysis of these contrasting developments will point up the inadequacies of Pirenne's schema. It should also allow us to reassess the causal significance of the oft-cited economic "determinants" of sixteenth-century commercial development by establishing their real effect on the particular merchant groups who actually carried out commercial change. This discussion could open the way for a more precise account of the changing dynamic of commercial expansion over the period and thus for a sharper delineation of its stages.

## I

It has become an historical commonplace that the Elizabethan commercial expansion was a response to the cloth export crisis of the 1550's and the consequent need for new cloth markets.<sup>2</sup> This argu-

<sup>2</sup> See, especially, F. J. Fisher, "Commercial Trends and Policy in Sixteenth

ment contains some validity. Nevertheless, it has tended to impart a misleading impression of the motive force of Elizabethan commercial change and of its relationship to previous commercial trends. The trades that emerged from the expansionary thrust which extended from Russia to the Levant to the East Indies during the second half of the sixteenth century did not begin to solve the problems of the cloth export trade, nor were they by and large intended for this purpose. They were not set in motion primarily by the Company of Merchant Adventurers, the chief cloth exporters of the period. They were organized, instead, by import merchants aiming to obtain at their source eastern products which had formerly been secured through middlemen in the Low Countries and Portugal. Thus, the new trades developed in close connection with one another, but separately from the Merchant Adventurers' cloth export business which had previously dominated English commerce. And this is understandable only in light of their constant focus on oriental import commodities and their relative inability to provide export markets for cloth. Elizabethan commercial entrepreneurship was, in organization and personnel, largely discontinuous with that of the Merchant Adventurers because it had very different goals. It is in this sense that the Elizabethan expansion should be seen to mark an important break and a new stage in the development of English trade.

The search for the spices and gold of the East was the primary motivation for the founding of the Muscovy Company (1553-1555), the first major step in the process of expansion.<sup>3</sup> It is true, nevertheless, that Merchant Adventurers composed a significant proportion of the original investors in the Muscovy joint stock, possibly one-third. And they were probably attracted to this venture, at least to some extent, by the hope of discovering new areas of demand for their cloth exports.<sup>4</sup> Even then, it is worth noting that most of these Adventurers did not take an active part in the Company's decision-making, remaining passive investors in its joint stock. In the event,

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Century England," *Economic History Review*, X (1940), 106-107, as well as G. D. Ramsay, *English Overseas Trade During the Centuries of Emergence* (London: Macmillan, 1957), pp. 20-30; Peter Ramsey, *Tudor Economic Problems* (London: Victor Gollancz, 1963), pp. 68ff. See also Ralph Davis, "England and the Mediterranean" in *Essays in the Economic and Social History of Tudor and Stuart England*, ed. F. J. Fisher (Cambridge: The University Press, 1961), pp. 117ff.

<sup>3</sup> T. S. Willan, *The Early History of the Russia Company, 1553-1603* (Manchester: The University Press, 1956), pp. 2-3.

<sup>4</sup> T. S. Willan, *The Muscovy Merchants of 1555* (Manchester: The University Press, 1953), p. 24.

Russia proved to be incapable of absorbing large quantities of English cloth. English cloth exports to Russia over the period before 1620 did not exceed 2500 cloths per annum, less than 3 percent of England's total cloth exports.<sup>5</sup> And in this respect, the other eastern markets were only a little more profitable.

Once the eastward expansion reached the Levant in 1581, it became firmly focused on imports, and the Merchant Adventurers seem for the most part to have withdrawn from active participation. The central aim of the Levant commerce was to bring back spices, silks, and currants; cloths appear to have functioned in this trade largely as a medium of exchange. In the late 1590's, cloth exports to the Levant averaged around 7000-8000 cloths per annum, or perhaps £50,000-£60,000 in value.<sup>6</sup> In comparison, already by the later 1580's it was not unheard of for English merchants to bring in £70,000 of Levant commodities in a single shipment,<sup>7</sup> while annual Levant imports, by value, more than doubled its exports throughout the period.<sup>8</sup> By the 1620's and early 1630's, Levant imports seem to have grown impressively, reaching £352,263 in 1630 and £212,186 in 1634, according to the official valuations (probably understated).<sup>9</sup> Meanwhile, cloth exports stagnated, remaining steady at late sixteenth-century levels. In 1621, Lionel Cranfield singled out the Levant commerce as particularly to blame for the nation's unfavorable balance of trade. "Upon the customs books we shall see," he said, "that the Turkey Company hurts it more than the East India Company. They now give two parts in money and the third in commodities."<sup>10</sup> Of course, the East

<sup>5</sup> B. E. Supple, *Commercial Crisis and Change 1600-1642* (Cambridge: The University Press, 1959), p. 258.

<sup>6</sup> Davis, "England and the Mediterranean," p. 120; Supple, *Commercial Crisis*, p. 258; Astrid Friis, *Alderman Cockayne's Project and the Cloth Trade* (London: Oxford University Press, 1927), pp. 70-1, n.2.

<sup>7</sup> T. S. Willan, "Some Aspects of the English Trade with the Levant in the Sixteenth Century," *English Historical Review*, LXX (1955), 407.

<sup>8</sup> David Fischer, "The Development and Organization of English Trade to Asia, 1553-1605," (University of London Ph.D. Thesis, 1970), pp. 200-10, 355-9. For a similar finding, see Willan, "Trade with the Levant," pp. 407-10. Willan concludes "that the Levant was not a very good market for English goods." *Ibid.*, p. 410.

<sup>9</sup> A. M. Millard, "The Import Trade of London, 1600-1640" (University of London Ph.D. Thesis, 1956), Appendix 2, Table C. Mrs. Millard's figures were compiled from the London Port Books for imports.

<sup>10</sup> *Commons Debates 1621*, ed. Wallace Notestein, Francis Relf, and Hartley Simpson (New Haven: Yale University Press, 1935), VI, 300. Prof. Davis' contention that the Levant trade was balanced throughout this period is hard to reconcile with: (1) Mrs. Millard's figures on imports; (2) the admitted stagnation of Levant cloth exports over the early decades of the seventeenth century and the apparent impres-

India Company never really attempted substantial exports of cloth. Theirs was purely an import trade.<sup>11</sup>

As it became clear that the eastward trades could not offer important new markets for English cloth, the Merchant Adventurers appear to have lost whatever interest they had had in commercial expansion. After the dislocations of mid-century, the Adventurers' own very safe and protected short-route trade to Northern Europe had been stabilized at a fairly high level.<sup>12</sup> The Merchant Adventurers monopolized by far the richest trade in London and they naturally composed a predominant section of the City's merchant elite.<sup>13</sup> The eastern commerce offered great opportunities. Yet, with steady profits to be made in their own privileged commercial line, the Adventurers had little reason to run the risks or suffer the inconveniences required to build a new trade. There may have been three or four Merchant Adventurers among the twelve Turkey charter merchants of 1581, but not all of these traders appear to have been heavily or primarily involved in the cloth export commerce.<sup>14</sup> Only five of the forty-one leading Merchant Adventurers of the years 1606-1614 (that is, exporters of 1000 or more cloths per annum) were among the 118 Levant Company charter members of 1605.<sup>15</sup> In the 1630's, the two trades were being operated by largely

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sive growth of Levant imports at the same time (especially in light of the conclusions of Fischer and Willan that the trade was extremely unbalanced before 1600). See Davis, "England and the Mediterranean," pp. 124-25.

<sup>11</sup> K. Chaudhuri, *The English East India Company* (New York: Reprints of Economic Classics, 1965), p. 13.

<sup>12</sup> Supple, *Commercial Crisis*, pp. 23-4; Fisher, "Commercial Trends," p. 96. The Merchant Adventurers normally exported around 65,000 cloths per annum over the last 30 years of the 16th century. In comparison, all the trade to the East combined did not export more than 10,000 cloths per annum.

<sup>13</sup> See R. G. Lang, "The Greater Merchants of London, 1600-1625" (Oxford University D. Phil. Thesis, 1963), pp. 149-51; Ramsey, *Tudor Economic Problems*, pp. 63-65.

<sup>14</sup> Fischer, "Trade to Asia," p. 169, also appendix. This result must be tentative, because relevant sources are so scarce. Very few London Port Books survive for this period. One can say with certainty, however, that Edward Osborne and Richard Stapers, the two leading organizers of the project (as well as John Spencer, another patentee), were definitely *not* Merchant Adventurers, since they can be found on a list of merchants described as "not free of the Merchant Adventurers" who shipped cloths or kerseys out of London in 1577-1578. B. M. Harleian Mss. 167, fos. 75ff. and 91ff.

<sup>15</sup> Compare list of Merchant Adventurers in Friis, *Cockayne's Project*, pp. 95-7, with Levant Company charter members in M. Epstein, *The Early History of the Levant Company* (London: George Routledge and Sons, 1968), pp. 158-60. Note also that of 219 men active in the Merchant Adventurers' trade in 1606, only 7 also exported cloth to the Levant in that year. Friis, *Cockayne's Project*, p. 100. R. G. Lang has also adduced a good deal of evidence for the Merchant Adventurers' heavy con-

discrete sets of merchants. Among the several hundred cloth traders to the Merchant Adventurers' privileges in 1632 and 1640, the only years in that decade for which relevant records survive, there were only thirteen different Levant Company members.<sup>16</sup>

## II

While the trade to the Levant thus grew up largely apart from the Merchant Adventurers, its own development was closely intertwined through the century after 1550 with that of the other trades to the East, to Russia and the East Indies. Although each had important specialties of its own, all aimed to open up the best approach to the oriental markets in spices, silks, and other commodities. United by this common goal, significantly overlapping groups of merchants were behind all of these trades, and their operations may be seen to represent successive connected phases in a unified process of development. By the end of the century, these traders to the East had begun to emerge as a coherent commercial group, distinct from the Merchant Adventurers, and soon to rival them in importance.

In the expansion of Elizabethan commerce, the disruption of the Antwerp entrepot in the 1560's and 1570's probably marked a turning point. It encouraged English merchants to lessen their dependence on European middlemen and to go themselves further east, directly to the sources of supply.<sup>17</sup> Even before this time, however, the traders of the Russia Company were attempting to penetrate the oriental markets. The Company was originally founded with the aim of tapping the riches of the orient by a route free from Portuguese interference. To this end, during the 1560's and 1570's, it sent out six major voyages to Persia by way of the land route through Moscow. Some of these ventures may have succeeded, but they were fraught with danger and came abruptly to an end in 1581, the year the Turkey Company was founded.<sup>18</sup>

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centration on their own markets in the early 17th century. See "Greater Merchants of London," pp. 149-68.

<sup>16</sup> This result was obtained by comparing complete lists of Levant Company members compiled from the Company Court Books, P.R.O. S.P.105/147-149, with lists of traders to the Merchant Adventurers' privileges in 1632 and 1640 compiled from the London Port Books for cloth exports for those years, P.R.O. E.190/36/5, E.190/43/4. I wish to thank Professor F. J. Fisher for generously allowing me to consult his notes on the London Port Book for cloth exports for 1640.

<sup>17</sup> See Chaudhuri, *East India Company*, pp. 6-7.

<sup>18</sup> Willan, *Russia Company*, pp. 2, 57-61, 90-91, 145-55.

The Turkey Company was established, in large part, to carry out the objectives of the Russia Company's Persian Voyages by a more secure and profitable means.<sup>19</sup> It represented also, it seems, the intention of merchants trading to Spain and Portugal to get beyond their Iberian suppliers and enter directly the import markets of the eastern Mediterranean. The original twelve-man Turkey joint stock included nine Russia Company members, among them three traders who became governors of that Company during the 1580's. The Turkey Company also received a major direct investment from the Russia Company itself. Similarly, ten Spanish merchants were among those initial Turkey Company investors.<sup>20</sup>

In much the same way as the Turkey Company assumed the objectives of the eastward-looking commerce of the Russian and Spanish merchants, the East India Company was established to take over an important commercial role hitherto carried out by the Turkey merchants. During the later sixteenth century, English Turkey Company traders became accustomed to procuring their spices in Syria from middlemen who brought these goods overland from the Far East. Nevertheless, as the Dutch were able to demonstrate, the direct sea route around the Cape was the cheapest approach to the commerce in spices; and the English were forced to follow the Dutch example to keep up with their competition.<sup>21</sup>

As K. N. Chaudhuri has explained, we should "look at the rise of the English East India Company, not as an independent commercial venture, but as an attempt to separate the spice trade from the main body of the Levant trade and to drive it by a new route."<sup>22</sup> Not surprisingly, Levant Company merchants dominated this corporation from its foundation in 1599-1600. The East India Company's first governor, Sir Thomas Smyth, was also governor of the Levant Company.<sup>23</sup> Seven of the Company's twenty-four original directors were Levant Company officers.<sup>24</sup> And Levant Company members

<sup>19</sup> *Ibid.*, 153-54.

<sup>20</sup> Fischer, "Trade to Asia," pp. 121, 161-62, 166-68.

<sup>21</sup> Chaudhuri, *East India Company*, p. 11.

<sup>22</sup> *Ibid.*, p. 12.

<sup>23</sup> A. C. Wood, *A History of the Levant Company* (London: Frank Cass, 1964), p. 31.

<sup>24</sup> Compare list of original East India Company assistants in *Calendar of State Papers, Colonial Series, East Indies, 1513-1616*, ed. W. N. Sainsbury (Vaduz, Kraus Reprint, 1964), p. 117, with lists of Levant assistants in 1601 charter, printed in *Select Charters of the Trading Companies, 1530-1707*, ed. C. T. Carr (London: Selden Society, 1913), p. 32.



provided between one fourth and one third of the total fund invested in the first, third and fourth joint stocks.<sup>25</sup> During its early years the East India Company was exclusively devoted to the spice trade for which it had been organized originally. But even as the Company developed, gained full autonomy, and produced initiatives of its own, Levant merchants continued to provide the bulk of its leading men. By the 1630's, their control over this important trade had, in fact, been strengthened.<sup>26</sup>

The emergence of a distinct set of eastern traders marked an important new stage of English commercial activity; for, as we have seen, the eastward expansion did not flow primarily from the hitherto predominant north European cloth trade. Nevertheless, this fundamental commercial disjuncture was paralleled by no real break in social development. It left the social fabric of the City's merchant community largely intact. Although the Levant-East India merchants originated outside the circle of Merchant Adventurers, they were in no way the "new men" which Pirenne's theory would lead us to expect. In social background and position they did not differ substantially from other leading City merchants. As Dr. David Fischer has shown, the small group of Turkey Company patentees were among the City's wealthiest and most influential businessmen,<sup>27</sup> and the same can be said for the East India Company promoters twenty years later. Indeed, it was the previous commercial success of these merchants which to a crucial extent prepared the way for their entrepreneurial initiatives.

The trades to the East were thus the special project of a particular group of merchants with a specific set of assumptions about the proper framework for their entrepreneurship. The interest of English commerce in eastward expansion was no doubt heightened by the disruption of the old European entrepôts of the 1560's and 1570's. Nevertheless, the concrete processes by which the new trades were

<sup>25</sup> These results were obtained by comparing full lists of Levant Company members with lists of East India Company investors and the amount of their investments, which survive for the first, third, and fourth joint stocks. These East India investor lists have been printed in *The Register of Letters Etc. of the Governor and Company of the Merchants of London Trading Into the East Indies 1600-1619*, ed. Sir George Birdwood (London: Bernard Quaritch, 1965 repr.) pp. 275-81, 294-95; *The Dawn of the British Trade to the East Indies*, printed by Henry Stevens (London: Henry Stevens and Son, 1886), pp. 1-5.

<sup>26</sup> See below, p. 372.

<sup>27</sup> Fischer, "Trade to Asia," pp. 166-68.

established can hardly be explained, as has sometimes been implied,<sup>28</sup> as a simple response to commercial difficulties. The exceptional wealth and influence of the original Turkey Company patentees gave them access to the highest circles of national decision-making. This allowed them, in turn, crucial political controls over the conditions under which their new trade would be organized. Unless their ability to set the terms of their entrepreneurial activity is emphasized, their innovating role cannot be properly understood. Rather than responding to crisis imperatives, they were exploiting special opportunities which they themselves had created.

By the Turkey Company patent of 1581, the whole of the lucrative middle east market was reserved to just twelve merchants. Within a few years this restricted body of traders was making some of the richest shipments in English commercial history, while inciting the envy and resentment of less well-placed traders.<sup>29</sup> One opponent of the new Company no doubt exaggerated when he stated that, "It is well known that the parts of Italy and Turkey will bear a greater trade than all parts of Christendom in amity with her majesty."<sup>30</sup> Still, his main point was undeniable: the Levant trade would have supported with profit many more merchants were it not for the Turkey Company's monopoly.

So protected an environment for trade development could not have been procured by just any merchants. The original Turkey Company was a very special group. Of the twelve patentees of 1581, six were London aldermen by the 1580's; three were M. P.'s. Their average subsidy payment was £216 in 1589; in this year there were only forty-nine other citizens in the entire City who paid £200 or more. Perhaps most important of all, their number included two of the most important mediators between the crown and the City commercial community in this period: "Customer" Thomas Smythe, who was collector or farmer of the London customs throughout much of the later sixteenth century; and Richard Martin, Master of the Mint. It was perhaps Martin's intervention which finalized the merchants' £5000 loan to the Queen (later made a gift) that seems to have assured the Turkey patent's issue.<sup>31</sup>

<sup>28</sup> See, e.g., Davis, "England and the Mediterranean," p. 117; Chaudhuri, *East India Company*, pp. 6-7.

<sup>29</sup> Willan, "English Trade with the Levant," p. 407.

<sup>30</sup> Quoted in Epstein, *Levant Company*, 33, n.14

<sup>31</sup> Fischer, "Trade to Asia," 166-168, 195-200; "The Subsidy Roll for 1589,"

Throughout their early history, the traders to the Levant were able to control to an important extent the conditions under which they built up their trade. At the expiration of their patent in 1588, the Turkey Company merchants carried out a merger with the recently chartered Venice patentees. The newly-joined companies then petitioned for a new charter covering the entire eastern Mediterranean area and listed forty-one traders to whom they demanded this trade be limited. Since almost all of the men named were connected already with either the Turkey or Venice Companies, it was hardly surprising that this proposed membership restriction provoked substantial opposition from merchant outsiders anxious to get in on a valuable trade.<sup>32</sup> To counteract their objections, nineteen of the leading Turkey and Venice patentees defined for the government the preconditions of their entrepreneurship.

Assuredly no better success is to be expected in this trade if more should be admitted, for in very truth, the one half of us already traders are too many and in number sufficient to maintain that trade . . . . Most humbly beseeching your honour (the premisses considered) to be a means that we may have use of that trade without receiving in of any others . . . otherwise it will not only discourage us and others in like respect hereafter to attempt and go on with like charges and discoveries, but be utterly discouraged to enter into any new charge . . . and so rather to withdraw ourselves, giving over the trade . . . .<sup>33</sup>

Ultimately, of course, these merchants did not have occasion to carry out their threat to leave the trade. By the new charter of 1592, fifty-three men were admitted to the Levant Company (twelve more than had been named by the Venice-Turkey merchants), while twenty others were given the option to join within two months upon the payment of an admission fee of £130. This slight opening of the trade could not seriously diminish the attraction of a twelve-year monopoly of the Levant commerce, which now included the lucrative Venice currants and wine trades, as well as exclusive rights to the overland route to the Indies.<sup>34</sup>

Under its charters of 1601 and 1605, the Levant trade continued to operate in highly protected conditions. By this time organized as a regulated Company, the individual Levant merchants traded for

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printed in *Visitation of London 1568*, ed. H. Stanford London and Sophia W. Rawlins (London: John Whitehead, 1963), 148-164.

<sup>32</sup> Epstein, *Levant Company*, pp. 25-36.

<sup>33</sup> S. P. 12/239/44, printed in Epstein, *Levant Company*, pp. 260-61.

<sup>34</sup> *Ibid.*, pp. 36-9.

themselves under rules and policies established by the corporation. These were intended to control Company markets and to maintain favorable prices for Company products. The regulations varied from time to time, but essentially involved the limitation of shipping to specific periods in designated vessels and the setting of prices of Levant trade commodities, in particular currants.<sup>35</sup> The Levant Company membership had exclusive rights to valuable markets. In the tradition of the Merchant Adventurers, the City's largest regulated Company, they wished to leave as little as possible to chance in exploiting them.

The structure of commercial regulation was fortified by significant limitations on entry to the trade. Indeed, the system of admissions tended to place a good deal of control over recruitment in the hands of the leading Company merchants. Here the institution of apprenticeship played a crucial role. The primary mode of entry into the Company was through bound service to a Company merchant for seven years, four of them in the Company's overseas factories. To carry on the trade, special skills were needed, and these were difficult to acquire without the guidance of a merchant already engaged in the trade. Equally important, apprenticeship was perhaps the best way to establish those commercial connections upon which success in this business so often depended. Finally, service in the Levant brought commissions and, during the last years of one's apprenticeship, the right to carry on a private trade; from these sources it was possible to derive the initial capital necessary to launch one's own career.<sup>36</sup> For these reasons—and because the Levant trade could be so lucrative—the price of apprenticeship was normally quite substantial. During the 1630's it seems to have ranged between £200 and £300, putting it beyond the means of all but a select section of the population.<sup>37</sup>

The system of admissions tended to make the Company's membership to a significant degree self-perpetuating. In general, only

<sup>35</sup> Epstein, *Levant Trade*, chs. viii, ix. For a discussion of these regulations and their changes in the early seventeenth century see Robert Brenner, "Commercial Change and Political Conflict: The Merchant Community in Civil War London" (Princeton University Ph.D. Thesis, 1970), pp. 18-9.

<sup>36</sup> For a good discussion of apprenticeship and the reasons for its crucial importance to the prospective Levant merchant, see Ralph Davis, *Aleppo and Devonshire Square* (London: Macmillan, 1967), pp. 64-8.

<sup>37</sup> The evidence on which this conclusion is based was derived from scattered miscellaneous sources, especially wills of merchants leaving bequests to have their children apprenticed. For details, see Brenner, "Commercial Change," pp. 22-3, n.44.

those with wealth or good connections could afford to join. It is therefore understandable that a great number of the Company's recruits tended to be relatives of Company members. Between one-third and one-half of all active Levant traders in the 1630's had had fathers, fathers-in-law, or brothers in the Company at the time when they entered. Naturally, those with the best connections tended to be most successful. In fact, by the 1630's, more than half of the Company's trade was in the hands of fewer than 25 individual traders who could trace relationships of birth or marriage—often as a third generation—to merchants who entered the Levant trade in its founding period between the charters of 1581 and 1605. Indeed, by 1640, a great number of the big men of the Company were attached to one another in a complex network of interlocking kinship connections.<sup>38</sup>

During the early seventeenth century, the working out of long term commercial trends brought the Levant-East India merchant complex to a pre-eminent position in London's merchant community. The trade to the Levant grew and prospered at the same time that the Merchant Adventurers' commerce went through serious crisis. Between 1614 and 1640, the Adventurers' north European cloth markets were cut in half.<sup>39</sup> In contrast, silk imports, which had totalled for all areas only £9920 in 1560, reached £125,246 from the Levant alone in 1630.<sup>40</sup> Moreover, between 1600 and 1640, Levant currants imports actually quadrupled in volume (although probably not in value).<sup>41</sup> Meanwhile, the East India Company also developed quite rapidly. In the first 30 years of its existence, the Company was responsible for the expenditure of more than £2,500,000 in commercial investments, making it by far the largest unified commercial venture of the period.<sup>42</sup> In consequence, the East India Company's board of directors soon became the most important mercantile governing body in London. As we have noted, the East India Company was at all times strongly influenced by the Levant trade. In the 1630's, when an investment of £2000 was required for eligibility to the East India Company's board of

<sup>38</sup> The evidence for this paragraph is based on a full analysis of the Levant Company merchants, their trade and family connections in the pre-civil war period. For a full presentation of data and documentation, see Brenner, "Commercial Change," pp. 29-34.

<sup>39</sup> Supple, *Commercial Crisis*, p. 258 and *passim*.

<sup>40</sup> Millard, "The Imports of London," appendix.

<sup>41</sup> Davis, "England and the Mediterranean," p. 136.

<sup>42</sup> Chaudhuri, *East India Company*, p. 209.

directors, two thirds of the directorships were in the hands of Levant Company members. The four different men who held the positions of East India Company governor, deputy governor, and treasurer in this decade all were leading Levant Company merchants.<sup>43</sup>

In view of the foregoing commercial developments, it is understandable that the Levant-East India merchants came to join and, to an important extent, replace the Merchant Adventurers as London's leading commercial grouping. In 1638, Lewes Roberts, a contemporary authority on commercial matters, could declare with reason that the "Turkey Company of London for its height and eminency is now second to none other in this land."<sup>44</sup> His contention is strikingly born out in the changing composition of the aldermanic bench, London's most powerful and prestigious governing body, for which a minimum fortune of £10,000 was required to be eligible. In the early seventeenth century, the Merchant Adventurers overwhelmingly dominated merchant representation on this board. According to R. G. Lang, of the 140 aldermen elected in the period 1600-1625, about one-half were merchants, that is, overseas traders. Of these, three-quarters traded at one time or another to the Merchant Adventurers' privileged markets in Germany and the Low Countries and one-third to one-half were mainly or exclusively occupied there.<sup>45</sup> By contrast, in the period 1626-1640, sixteen Levant traders were elected alderman in comparison to nine Merchant Adventurers. In 1640, almost half of the twenty-six-man aldermanic court was controlled by Levant traders and East India Company directors.<sup>46</sup> Well before this time, the customs farms, the greatest government financial plum of the period, had fallen to a large extent into the hands of the eastern traders.<sup>47</sup>

The eastern merchants' unusual commercial and political success

<sup>43</sup> This result was obtained by comparing full lists of East India Company officers extracted from East India Company court minutes with full lists of Levant Company membership. See *Calendar of State Papers, East Indies, 1630-1634*; *Calendar of the Court Minutes of the East India Company, 1635-1639*, ed. E. B. Sainsbury (Oxford: The Clarendon Press, 1907); Court Books of the Levant Company.

<sup>44</sup> *Merchants Mappe of Commerce* (London, 1638), p. 319.

<sup>45</sup> Lang, "Greater Merchants of London," pp. 149-51.

<sup>46</sup> These results were obtained by comparing full lists of aldermen in A. B. Beaven, *The Aldermen of the City of London*, 2 vols. (London: Eden Fisher, 1908-1913), with full lists of Levant members and East India Company officers and with reasonably full lists of Merchant Adventurers from the London Port Books for cloth exports. The figure for Merchant Adventurers can't be exact.

<sup>47</sup> Robert Ashton, *The Crown and the Money Market* (Oxford: The Clarendon Press, 1960), ch. iv, esp. pp. 87-105.

appears to have led them to adopt an increasingly cautious attitude toward the ongoing English commercial expansion. This was hardly surprising, given the range of opportunities already open to them. It was simply rational for these merchants to plow back their profits into the growing, yet secure commerce to the Levant, or more adventurously, into the East India joint stock. In this respect, they were only following the pattern set by the Merchant Adventurers in the later sixteenth century. As we noted, the Adventurers chose to return their profits to their own established commercial line rather than to take a chance on the developing long-distance commerce to the East. In the same way, the Levant-East India merchants failed to find the new plantation trades to the Americas anywhere near as attractive as their own established businesses. They allowed these new trades to fall to other traders, "new men" who would ultimately challenge their hegemony.

### III

In its initial phase, the commercial thrust toward the West arose directly from the Elizabethan expansionary movement. Organized along established joint-stock lines between 1606 and 1614, the Virginia, Bermuda, and Newfoundland Companies were to an important degree controlled by the greater City merchants. Levant-East India traders invested extensively in their joint stocks and at first occupied major leadership roles. Nevertheless, the commitment of these great City magnates was never more than tentative. As it became evident that American development would require significant deviations from their established commercial routines, the leading City merchants quickly lost interest. They would not take the risks or make the new types of investment in plantation production that colonial trade demanded. By the later 1620's, all of the original American companies had collapsed for lack of City merchant backing. The accelerated colonial development which marked the following decades was carried out by an entirely different set of traders.

The problems inherent in all of the original attempts to develop colonial trade along traditional company lines are evident in the history of the Virginia Company, the most ambitious colonizing venture of the period. This company was founded with a good deal of government backing and the apparent support of large sections of the merchant community. City merchants provided perhaps half of the

funds invested in the original joint stock and elite traders connected with the Levant-East India complex, as well as other City companies, held a number of the key directing positions.<sup>48</sup> Nevertheless, the expectations of these merchants appear to have been disappointed early. Hopes for quick profits through the fur trade or through the discovery of precious metals failed to materialize and it became obvious that profits would have to await the development of plantation production.<sup>49</sup> Unable to offer immediate returns on investment, the Company had to face a permanent financial crisis. Within two years of its 1609 charter, new contributions to the Company joint stock had dried up.<sup>50</sup> In a period in which over two million pounds were being raised for the East India Company's joint stock, largely by London merchants, the Virginia Company joint stock could not attract £40,000.<sup>51</sup>

Its financial weakness soon obliged the Virginia Company to give up direct control of colonial development. Between 1614 and 1619, colonial entrepreneurship was to a large extent taken over by private individuals who acted alone or in various forms of associations under the Company's auspices, but who were, in fact, entirely free to make their own economic decisions. Thus, the commercial modes upon which the colony's development ultimately would be based were essentially established even before the official Company shell finally collapsed.<sup>52</sup> The corporation's dissolution in 1624 merely ratified an already existing situation. The key areas of colonial production, Virginia and the West Indies, were allowed to develop largely outside of the corporate control which structured London's leading trades. The voluntary partnership, usually including only a handful of individuals and constituted on a temporary basis, came into its own as the most important form of mercantile association.

<sup>48</sup> Theodore K. Rabb, *Enterprise and Empire* (Cambridge, Mass.: Harvard University Press, 1967), pp. 56-7, 66, and appendix.

<sup>49</sup> W. F. Craven, *The Dissolution of the Virginia Company* (New York: Oxford University Press, 1932), pp. 32-3.

<sup>50</sup> Charles M. Andrews, *The Colonial Period of American History*, 4 vols. (New Haven: Yale University Press, 1934-1938), I, pp. 106-07; R. C. Johnson, "The Lotteries of the Virginia Company," *Virginia Magazine of History and Biography*, LXXIV (1966), 259ff.

<sup>51</sup> W. R. Scott, *The Constitution and Finance of English, Scottish, and Irish Joint Stock Companies to 1720*, 3 vols. (Cambridge: The University Press, 1912), II, pp. 254, 258, 288; Chaudhuri, *East India Company*, p. 209.

<sup>52</sup> For an account of the different forms of independent enterprise in this period, see Craven, *Virginia Company*, pp. 35, 56; Andrews, *Colonial Period*, I, pp. 124-25.



At no time enthusiastic about colonization, the greater City merchants severed all connections with the colonial trades upon the dissolution of the Virginia Company. Between 1625 and 1640, barely a handful of Levant Company members, East India Company directors, or City aldermen can be found among the hundreds of traders active in the colonial field.<sup>53</sup> Their failure to retain control of this expanding commercial area must be explained in terms of the characteristic features of the colonial trades which distinguished them from regular London commercial operations. The regulated companies, typified by the Merchant Adventurers and the Levant Company, involved simply the carrying of commodities. They were operated under restricted, corporately controlled conditions designed to mitigate their individualistic and competitive aspects and thereby to minimize risk and to insure profits. Even the East India Company, which did involve some risk, carefully avoided the insecurities of long-term capital investments in "development." Its directors minimized the Company's expenditures on fixed capital of any kind and scrupulously refused to participate in colonial projects, despite severe pressures to do so from the Court and merchant competitors in the 1630's and 1640's.<sup>54</sup> Moreover, the East India charter gave the Company sole access to its markets. That commercial monopoly was, in fact, a fundamental precondition for the great merchants' participation became evident in the 1630's. The Company's privileges were challenged by the firm of Sir William Courteen, which also had government backing. After a few years of Courteen's competition, the old Company's joint stock investors ceased to advance funds, and the corporation was brought to the edge of collapse.<sup>55</sup> In fact, the East India Company did not fully recover from the discouraging effects of competition on its leading investors until 1657, when its charter was finally restored and its monopoly assured.

<sup>53</sup> Seven such establishment merchants who entered the colonial trades have been identified so far. This result was obtained by comparing lists of Levant Company members, East India Company officers, and City aldermen with fairly full listings of American traders. The latter are based on lists of tobacco traders extracted from the London Port Books for imports for 1626, 1630, 1633, 1634, 1640, and a wide variety of government documents, petitions, judicial records, etc. For more detailed information, including names of merchants, see Brenner, "Commercial Change," pp. 71-2.

<sup>54</sup> W. Foster, "An English Settlement in Madagascar, 1645-6," *English Historical Review*, XVII (1912), 239-40; *Calendar of the Court Minutes of the East India Company 1635-9*, pp. 248-49, 328, 330, 338, 339, 341.

<sup>55</sup> *Ibid.*, 274ff, 302. For an account of the Courteen project, see Sir William Foster's "Introduction," *Ibid.*

In marked contrast to the established London trades, colonial operations required investment in commodity production, not merely in commodity exchange. The growth of American commerce depended in the first instance upon plantation development, and it was difficult to participate in the former without financial involvement in the latter. The nascent plantation economy needed constant injections of outside capital to get it started and to keep it going. Thus, at least in the early years of development, merchants interested in trading on a large scale normally could not avoid taking some part in the productive process. Merchants might purchase and directly operate their own plantations. Otherwise, they could enter into partnership with colonial planters, supplying them with land, tools, and servants and marketing the final product.<sup>56</sup> These businesses, of course had to be carried out under free trade conditions. Since there was no company control of colonial commerce, many traders unable to gain admission to the established routes found this new field particularly attractive. And as the number of participants grew, competition became increasingly fierce.

The failure of the Levant-East India traders to submit themselves to the rigors of colonial commercial operations is understandable in light of their generally cautious approach to business. As we have seen, the group of eastern traders was able to dictate the conditions of their commerce from the very start of its establishment. With no crises to spur them on, with comparatively easy profits to be made in the Levant trade, and with the development of East India commerce a high priority, it is understandable that these merchants were willing to leave the uncertain world of colonial commerce to others.

The Levant-East India merchants' stance toward the new American trades was thus entirely consistent with their previous practice. It is significant that the one area of Virginia commercial activity in which they did show an interest was totally restricted and required no investment in colonial production. In 1616, when the development of tobacco planting offered, for the first time, the possibility of profitable colonial exports, a semi-autonomous subsidiary company, with full monopoly import and export privileges was organized by the Virginia Company to carry out the colony's provisioning and marketing.<sup>57</sup> This "Magazine," as it was called, was closely identi-

<sup>56</sup> R. Pares, "Merchants and Planters," *Economic History Review*, Supplement IV (1960), 5, 52ff. See also, Brenner, "Commercial Change," pp. 73-75.

<sup>57</sup> Andrews, *Colonial Period*, I, pp. 126-27; Craven, *Virginia Company*, pp. 33-34; Scott, *Joint Stock Companies*, I, pp. 256-77.

fied with the Company's "merchant interest," and its directorship seems to have included some of London's leading merchant magnates:<sup>58</sup> Sir Thomas Smythe, probably the greatest London merchant of the period, who was at one time or another governor of the East India, Muscovy, French, and Somers Island Companies, as well as Lord Mayor of London; Robert Johnson, Smythe's son-in-law, an officer of the Levant Company, an East India Company director, and London alderman; Sir John Wolstenholme, one of London's leading financiers, a customs farmer, and later an East India Company director; William Essington, a Merchant Adventurer who was the son-in-law of Sir Thomas Hayes, a Lord Mayor of London and a leading Merchant Adventurer; and William Canning, deputy governor of the Bermuda Company and several times Master of the Ironmongers.<sup>59</sup> At a time when the Company's general joint stock had reached its lowest ebb, with the treasury close to £8000 in the red<sup>60</sup> and unable to finance Company activities of any type, these City merchant leaders were able to raise £7000 for their own private syndicate and to extract a substantial rate of profit from the colonists.<sup>61</sup> Unfortunately for these merchants, the Magazine was dissolved in 1619 with the takeover of the Company by the "gentry party" under Sir Edwin Sandys. And the big City merchants were never able to regain their lost position. When they failed to have a new Company established under their own direction in 1624-1625 after the old one had been dissolved, they withdrew entirely from all phases of the American commerce.<sup>62</sup>

The entrepreneurs behind the vital expansionary thrust which put the American trades on a firm foundation over the period 1618-1648 were "new men" in several senses. As we have seen, hardly any were from the City merchant establishment. More surpris-

<sup>58</sup> *The Records of the Virginia Company of London*, ed. Susan M. Kingsbury, 4 vols. (Washington: Library of Congress, 1906-1935), III, p. 598.

<sup>59</sup> G. E. Cockayne, *Some Account of the Lord Mayors and Sheriffs of the City of London . . . 1601-1625* (London, 1897), pp. 4-5, 80; Beaven, *Aldermen*, II, p. 54; R. H. Tawney, *Business and Politics Under James I* (Cambridge: The University Press, 1958), p. 87; Port Book for cloth exports, 1640 (P.R.O. E.190/43/4); *The Visitation of London 1633, 1634, and 1635*, ed. J. J. Howard and J. L. Chester, 2 vols. (London: Harleian Society, 1880-3), I, p. 259; Friis, *Cockayne's Project*, p. 96; Alexander Brown, *The Genesis of the United States*, 2 vols. (Boston and New York: Houghton, Mifflin & Co., 1890), II, p. 842.

<sup>60</sup> Craven, *Virginia Company*, p. 35.

<sup>61</sup> Scott, *Joint Stock Companies*, II, p. 256. In an agreement with the Company of 1618, the Magazine's rate of profit was limited to 25%. Craven, *Virginia Company*, p. 51.

<sup>62</sup> Craven, *Virginia Company*, ch. vii; Andrews, *Colonial Period*, ch. vii.

ing, comparatively few had been overseas merchants of any kind at the time when they entered this field. They were not, moreover, drawn from the upper ranks of either City or County society. Originally men of the "middling sort," they were almost always born outside London and by and large the younger sons of smaller gentry or prosperous yeomen. Some came from borough commercial families. It was perhaps their very lack of assured place, career, or income which opened these men to the far from obvious commercial promise of colonial development.<sup>63</sup>

The new merchants' initial involvement in colonial enterprise tended to occur in two different ways. Sometimes, they moved directly into colonial activity by emigrating to the colonies. Their plantation businesses would then provide the base to propel them into the wider world of overseas commerce, the capital and experience to set themselves up as City merchants. Those who did not go to live in the colonies often entered the American field by way of London and their City occupations. Thus, their involvement in colonial activity tended to grow out of their previous business concerns as shopkeepers, sea captains, and domestic traders of all types.

The colonial trades offered to men such as these a new and growing market for supplies and provisions, as well as the chance to save the substantial middleman's cost on tobacco.<sup>64</sup> As a contemporary described the colonial trading group:

They are no merchants bred, nor versed in foreign ports, or any trade, but to these plantations, and that from either planters there or wholesale tobacconists and shopkeepers retailing tobacco here in England.<sup>65</sup>

It is essential to note in this respect that the corporate commercial companies, such as the Levant Company and the Merchant Adventurers, were limited by charter to "mere merchants," that is, to those occupied solely with overseas commerce. Any shopkeeper who wished to be admitted, therefore, had first to divest himself of his old business interests. This restriction seriously reduced the feasibility of even financially successful domestic traders entering the ranks of the overseas companies.<sup>66</sup> At the same time, it naturally made the

<sup>63</sup> The preceding paragraph is based on a detailed biographical and statistical account of the colonial merchant trading group, presented in Brenner, "Commercial Change," ch. iii.

<sup>64</sup> *Ibid.*

<sup>65</sup> "The Humble Remonstrance of John Bland of London, Merchant . . ." *Virginia Magazine of History and Biography*, I (1894), 144.

<sup>66</sup> For cases in which the Levant Company took action to make sure that a

American trades, which were totally free and open, that much more attractive to these men.

#### IV

Some of the reasons why English commercial expansion can not be viewed in purely economic terms should now be evident. It is clear that the processes by which American commerce was first developed have no simple economic explanation. The new trades did offer real opportunities. London's annual tobacco imports increased spectacularly from 61,500 lbs. in 1620 to over 2,000,000 lbs. in 1638,<sup>67</sup> and there was money to be made in other areas as well—fur trading, provisioning, etc. Already by 1640, important individual fortunes had been accrued in this vital, if chaotic new field.<sup>68</sup> Still, it remains entirely understandable that London's established merchant community would have little to do with it. Why, for example, should Levant Company traders have endured the difficulties of the tobacco trade (in which there were 175 traders active in 1634 and 330 in 1640), when they could make big profits in their lucrative currants commerce (which was confined to thirty-seven and fifty-one traders respectively in the same two years)?<sup>69</sup> Clearly, London's established merchants had little incentive to enter the colonial commerce. Indeed, this field might have proved far less attractive to the "new men" had the company trades been more accessible.

Nevertheless, it should not be concluded that those who entered the colonial trades did so more readily than did the established elite merely because they had fewer alternatives. The new men were also far better prepared than the old elite to properly develop the existing possibilities. As we have argued, the value or quality of an economic opportunity cannot be viewed statically. Opportunities are created in the very process of being exploited. Their worth is not objectively given, but to a large extent determined by the manner in which they are developed, and this, in

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prospective member had actually relinquished his former trade and become a "mere merchant," see Levant Company Court Books, P.R.O. S.P.105/149/250, 253; S.P.105/150/265; S.P.105/151/120.

<sup>67</sup> G. L. Beer, *The Origins of the British Colonial System, 1578-1660* (New York: Macmillan Co., 1908), p. 110, n.3; J. A. Williamson, *The Caribbee Islands Under the Proprietary Patents* (London: Oxford University Press, 1926), pp. 137-39.

<sup>68</sup> See Brenner, "Commercial Change," pp. 142-43.

<sup>69</sup> These figures were compiled from the Port Books for imports for 1634, P.R.O. E.190/38/5, and 1640, P.R.O. E.190/43/5.

turn, often depends on who develops them. The case of the eastern expansion has already illustrated this point. Thus, the opening of the Levant trade offered to the great City traders an opportunity unavailable to most other London businessmen. Paradoxically, this field was so promising because the men who developed it were able to minimize the need for risk, initiative, "entrepreneurship."

On the other hand, it was just because the Levant-East India merchants so scrupulously avoided innovation in their normal course of business that they were unable to see and exploit the increasingly impressive opportunities which the new trades came to offer. It is true that the new merchants' "entrepreneurship" was at first in a sense forced upon them. A certain amount of experimentation was simply unavoidable. What is significant, however, is the way in which the new merchants' participation in the early phases of American colonization opened their eyes to far more spectacular commercial enterprise. From the later 1630's leading groups of merchants from the American colonial trades launched a large-scale commercial offensive that involved them in trading activities from New England, to the West Indies, to West and East Africa, to the East Indies.<sup>70</sup> This drive arose, to a certain extent, from the needs and problems of the original colonial economies. It could never have occurred, however, had not the previous experience of the new merchants prepared them to seize upon and develop systematically a whole series of potential opportunities. The changes which these traders carried out mark a revolutionary break in English commercial activity, but they cannot be seen as isolated, speculative ventures. They flowed from an increasingly coherent program for commercial transformation on a world-wide scale.

During the later 1630's the American economy had suffered increasingly from over production and falling prices in tobacco. The land-scarce West Indies were particularly hard-hit. Thus, when a group of Dutch merchants from Brazil set up sugar plantations on Barbados, the innovation was immediately widely copied. Within the space of two decades the tobacco economy of small men and small plots was forced to give way to the great plantation system of slaves and sugar mills.<sup>71</sup> English merchants, along with the Dutch, played an integral role in this transformation. And it was the very same leading groups of new merchants who had immersed them-

<sup>70</sup> For a full account of this offensive, see Brenner, "Commercial Change," ch. iv.

<sup>71</sup> Williamson, *Caribbee Islands*, pp. 137-39, 157-58.

selves in the American trades from the 1620's who led the way in every facet of a unified West Indies development.<sup>72</sup> Some of these traders already owned land in the islands and most had tobacco trading connections there.<sup>73</sup> They invaded the privileged territory of the English Guinea Company, whose monopoly was no longer adequately protected by a weakened royal power, and became key suppliers of African slaves.<sup>74</sup> Indeed, it was at this point that the British slave trade to America was established on a large scale, and these merchants were its first major undertakers. The same men also continued to act as provisioners and marketers of colonial produce and established in this period the so-called "triangular trades," connecting England, New England, Africa, and the West Indies in an integrated commercial system.<sup>75</sup> Most important of all, many of these merchants entered directly into the combined industrial-agricultural activities required for the production of sugar.<sup>76</sup> The kind of organizational and capital commitment required by the sugar industry's "factory in a field" far surpassed anything demanded by the older tobacco economy. It should be hardly surprising to find, therefore, that despite the enormous profits yielded, the sugar plantations' development attracted only a handful of investors from the old City merchant elite.<sup>77</sup>

<sup>72</sup> The personnel of the West Indies commercial development can be put together from the numerous colonial merchant petitions of the 1640's and 1650's, which include hundreds of signatures; also from the standard governmental and judicial documents—State Papers, High Court of Admiralty Papers, Chancery Proceedings, etc. See especially *Journal of the House of Lords*, IX, 50, for a list of many of the key merchant leaders. See also P.R.O. C.O.1/11/23, 24; C.O.1/12/5, 8, 16. For details on the West Indies merchants see Brenner, "Commercial Change," pp. 150-59.

<sup>73</sup> *Ibid.*, 151-52.

<sup>74</sup> For the Guinea trade in this period, see J. W. Blake, "The Farm of the Guinea Trade in 1631," in *Essays in British History*, ed. H. A. Cronne, T. W. Moody, and D. B. Quinn (London: Frederick Muller, 1949), pp. 86-106. For the loss of its patent, see *Ibid.*, p. 97; *Journal of the House of Commons*, II, pp. 33, 278, 970; *The Journal of Sir Simonds D'Ewes*, ed. W. Notestein (New Haven: Yale University Press, 1923), p. 540. For further details, see Brenner, "Commercial Change," pp. 152-54.

<sup>75</sup> For the development of the "triangle trades," see B. Bailyn, *The New England Merchants in the Seventeenth Century* (Cambridge, Mass.: Harvard University Press, 1955), pp. 84-91; V. T. Harlow, *Barbados 1625-1685* (Oxford: The Clarendon Press, 1926), ch. vi.

<sup>76</sup> *Journal of the House of Lords*, IX, p. 50; *Historical Manuscripts Commission, Sixth Report*, Appendix, pp. 202-03. See also, Brenner, "Commercial Crisis," pp. 151-52, n.13.

<sup>77</sup> This is based on a comparison of full lists of Levant members and East India Company directors with lists of West Indies traders compiled from sources indicated in fn. 72.

Extending far beyond West Africa and the Americas, the developing commercial interests of the colonial merchant grouping led them to challenge the old City merchant elite on its own ground. During the 1640's, the new merchants were able not merely to wrest control of the East India Company from the Levant-East India establishment, but to modify the old trade in accordance with their own novel commercial conceptions. As we have noted, in the middle 1630's, Charles I had temporarily licensed the great Anglo-Dutch merchant Sir William Courteen to operate an interloping trading venture within the East India Company's privileged area. By the outbreak of civil war, Courteen had largely given over control of this project to a number of his partners who continued to operate it on their own. This new association was drawn largely from the same colonial merchant grouping that was already active in the West Indies sugar development.<sup>78</sup> These merchants were prepared not only to pursue the project in defiance of the old East India Company, but also to expand its scope to encompass the establishment of a plantation colony off the east coast of Africa, the opening of the port-to-port trade in the East, and the incorporation of the Guinea gold trade. Their plan was to integrate the East Indies within a world-wide multilateral commerce which would replace the former two-way route. The new system would be founded on colonies and draw together England, West Africa, Madagascar, and India in a complicated network of exchange relationships.<sup>79</sup> The various aspects of this program had always been opposed by the old Company directorate which, as we have seen, had always refused to become involved in colonization and had adhered steadfastly to a bilateral commerce. Yet, the old merchant magnates had been so weakened by the economic effects of competition, as well as the political impact of civil war, that they were unable to hold off the new merchants' offensive, which was carried on both inside and outside the old Company.<sup>80</sup> By 1650, the new merchants had not only

<sup>78</sup> The personnel of the group which took over from Courteen can be compiled from *Calendar of the Court Minutes of the East India Company 1644-9*, pp. 116, 305, n.1, p. 382; *Journal of the House of Lords*, X, pp. 617, 624; *Historical Manuscripts Commission, Seventh Report, Appendix*, p. 66; P.R.O. H.C.A.24/108/51, 265. For a full discussion of the personnel of this group, see Brenner, "Commercial Change," pp. 173-75.

<sup>79</sup> For the new merchants' program and its implementation, see Foster, "Introduction," *Calendar of the Court Minutes of the East India Company, 1644-9*; Foster, "Madagascar;" J. E. Farnell, "The Navigation Act of 1651, the First Dutch War, and the London Merchant Community," *Economic History Review*, XVI (1964), 444.

<sup>80</sup> *Calendar of the Court Minutes of the East India Company, 1644-9*, xv, xvi, xix, 218, 227, 342, 377-378; Brenner, "Commercial Change," pp. 178-83.



substantially penetrated the Company, but had forced the implementation of their program.<sup>81</sup>

The colonial merchants' commercial victory over the Levant-East India establishment was not simply the result of their superior entrepreneurship. The political upheavals of the 1640's had broken the power of the royalist-leaning merchant elite, while enhancing correspondingly the political position of the parliamentary colonial traders. Indeed, with the Independent victory in 1648, the new merchants gained access to the highest circles of government power, a position reserved before the civil war to the Levant-East India leadership.<sup>82</sup> Not surprisingly, these traders used their newly-won influence in a manner analogous to that of the old elite, yet in accord with their own broader commercial conceptions. Whereas the eastern trading complex had employed their extra-economic power to monopolize trade and enhance their market position, the colonial merchant grouping used theirs to try to pry from their powerful Dutch rivals commercial opportunities perhaps unattainable by purely economic means. As has been argued elsewhere, the Act of 1650 barring foreigners from the trade to the colonies, the Navigation Act of 1651, and the first Dutch War are not fully comprehensible apart from a consideration of the new merchants' commercial and political strength.<sup>83</sup> In an increasingly competitive international commercial environment, opportunities would rarely any longer simply present themselves. They would have to be created, if necessary by political force.

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<sup>81</sup> P.R.O. C.O.77/7/6, 7, 8; *Calendar of the Court Minutes of the East India Company 1650-4*, p. 49.

<sup>82</sup> A full account of merchant politics in Civil War London, on which these general statements are based, can be found in Brenner, "Commercial Change," chs. vi-ix.

<sup>83</sup> See James Farnell's important article on "The Navigation Act, the First Dutch War, and the London Merchant Community." In my view, a precise evaluation of the new merchants' role and influence on commercial policy requires a more exact specification than Prof. Farnell has given of the new merchants' position within the overall structure of power. As Prof. Farnell is aware, the colonial merchants were an important, but far from dominant element in the politics of the Commonwealth and the Protectorate.