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Title of extract: **Colonies, Enterprises and Wealth**

Name of Author: **Houston, R.A.**

Title/Author of book/edition (if applicable): **Early Modern Europe, an Oxford History.
Cameron, E. (editor)**

Name of Visual Creator or other acknowledgement (if applicable):

Journal details –title/Vol/Year (if applicable):

Publisher: **Oxford University Press**

Pages scanned: **137 - 170**

Course of Study (Module name and number): **Sustainable Development in an Era of Globalisation? CSPH4028**

Name of Designated Person

authorising scanning: *E.L. Hamb*

Date authorised: 29.09.16.

Moodle/Powerpoint



Colonies, Enterprises, and Wealth: The Economies of Europe and the Wider World in the Seventeenth Century



R. A. HOUSTON

Introduction: Europe and the Wider World in 1600

Europe had gone through unprecedented change during the sixteenth century. The religious unity of Christendom, so long in conflict with Islam, had in the end been sundered from within by the 'Protestant' ideas of Martin Luther and his successors. The Renaissance monarchies which had emerged as the dominant political form at the end of the Middle Ages were beginning to give way to different types of state. The supranational monarchy presided over by Charles V had been divided between the Spanish and Austrian branches of the Habsburg dynasty, and the Low Countries hived off from the Holy Roman Empire to the crown of Spain. But the compact nation states which were to dominate political and military life by the eighteenth century were still emerging from obscurity—England, France, and Prussia. Warfare was the principal motor of these changes and had in turn profound implications for social and economic life. Europe was never truly peaceful at any time during the sixteenth or seventeenth century and at some periods all European powers were engaged in warfare both within the continent itself and across the known world.

If Europe's leaders were restless and bellicose, Europe's economies

were far from static during the sixteenth century. Population had been more or less stable since the Black Death of the mid-fourteenth century but after c.1550 rising fertility and falling mortality combined to produce growth rates of 1 per cent a year—unremarkable to our eyes but unprecedented since the end of the thirteenth century. Agriculture had not risen to the challenge of feeding more mouths, for the poor had become a large and permanent class during the sixteenth century. Inflation fuelled by rising demand and the increased production and importation of bullion created serious social problems not only for the lower orders. Famines ravaged the continent in the 1590s.

The richest parts of Europe were the lands owned by the Habsburgs in Spain, northern Italy, southern Germany, and the Low Countries. The countries of northern Europe were politically insignificant, geographically marginal, and economically peripheral. Four-fifths of England's exports were wool or undyed woollen cloth. Her largest single import after textiles was French wine. The economic powerhouse of Europe was the Mediterranean, where European cultures met those of North Africa, the Middle East, and the Far East. Building on the first tentative voyages of discovery made by Columbus and Magellan, Europeans forged sea routes to the East Indies round the Cape of Good Hope. They established footholds in central and southern America and on the west coast of Africa. Oceanic trade began to supersede the ancient caravan routes from the heart of Africa northwards, and the silk and spice roads overland from the distant east to Constantinople. By 1600 the Iberian powers, Spain and Portugal (ruled by Spain 1580–1640), between them had the first empires on which, it could truly be said, the sun never set.

But by the time of Philip II's death in 1598 the first cracks in the dominance of the Habsburgs were appearing. Philip's commitments had become hopelessly overstretched. He had failed to suppress a revolt begun over thirty years earlier among his subjects in the Low Countries. Lurching from one financial crisis to another, he had chosen not to confront the economic problems which were becoming apparent both in Castile and in his north Italian lands. In the four years after his death Spain may have lost as many as a million inhabitants to a devastating plague. Commercially too the Habsburg Empire was beginning to weaken, its merchant fleet subject to merciless attrition at the hands of Dutch and English privateers. English exports of cloth, as opposed to raw wool, were rising; the lightweight textiles which were ultimately to invade the Mediterranean were already in production, if not yet quantitatively significant. The balance of economic power was about to undergo a dramatic and irrevocable change.

People

Severe as this outbreak of plague between 1598 and 1602 undoubtedly was for Spain, she was not alone in her demographic problems. Contemporary writings bring out the appalling human and social costs and for some communities we have figures showing dramatic surges in mortality. But, like many other aspects of early modern life, it is often difficult to be precise about this important event. The seventeenth century was to all intents and purposes a non-statistical age. Minimal bureaucracies, evasion, fraud, and patchy survival of documents all make time-consuming and imperfect the creation of even the most basic series of economic data. Jean Bodin opined that a state's only strength and riches came from its people; but early modern rulers had a rudimentary notion of the size and composition of their populations. France was the largest nation state with at least 16 million subjects by 1600 and 19–20 million by 1700. The only territories with appreciable population growth were Ireland, Portugal, and Scandinavia. England's population grew steadily from 3 million in the 1540s to 5.5 million in the 1650s but did not reach that level again until the 1730s. Under the impact of disease and warfare numbers fell in Spain and Germany. The city of Augsburg lost half its inhabitants during the 1630s and 1640s. Overall, the population of western Europe remained static at perhaps 70–80 million souls. The population of the world is largely a matter of guesswork: a figure of 200 million is as good as any.

Men and women lived in a very different material environment to our own, and in some respects the ideological assumptions and cultural patterns which influenced their lives are alien to us. In other ways, life for ordinary people was close to our modern experience. Europe's people generally lived in family groups whose size and structure we would readily recognize. Living alone was unusual except for widows and widowers. The family was the basic unit of consumption and of biological and social reproduction. But, in addition, the household was the locus of production and welfare to a much greater degree than in the modern developed world. In north-western Europe households were simple and families small—husband, wife, and unmarried children with the possible addition of unmarried young people of both sexes called servants. These were not just domestics but performed a range of jobs in agriculture and industry where the closest equivalent was a (male) apprentice. Service in another household was a normal part of growing up for most ordinary people as they passed from being adolescents to full adults.

Service was a distinctive feature of early modern societies, which

declined with industrialization and modernization; but other important transition points in life occurred at roughly the same time as they do for us. Women married for the first time in their mid-twenties but perhaps a sixth never married during their childbearing span. Marriage coincided with the creation of a separate household in the west. This north-west European marriage pattern exerted a powerful check on fertility and population growth—important in societies which either did not know about, or did not practice, contraception as we understand it. Once married, women produced children every two or two-and-a-half years. Except for the élites who employed wet-nurses, it would be wrong to assume that women were constantly pregnant between the ages of 25 and 45 years; the average woman would spend no more than five years pregnant.

This pattern of late marriage is very much a north-west European one. In eastern and southern Europe family forms and social organization were more reminiscent of some modern third world countries. Here, households were often large and complex, comprising more than one married couple. Servants (and indeed hired labour generally) were much rarer. Most labour was family labour. Marriage was universal except for those who took religious vows and most women were married by the age of 20 years. Newly married couples simply joined a larger household and men were commonly in their forties before they became a head of household. These profound differences in social organization may be the result of timeless and enduring cultural preferences. The mixing of generations may have enriched family life and helped preserve peasant values. But extended families may also have been sustained in the east and south by rich and powerful lords who kept the peasantry in their thrall through economic, legal, and even military means. The fact that a lord was able to dictate what labour should be provided by a farm helped to dictate the size of the family unit which occupied the farm buildings.

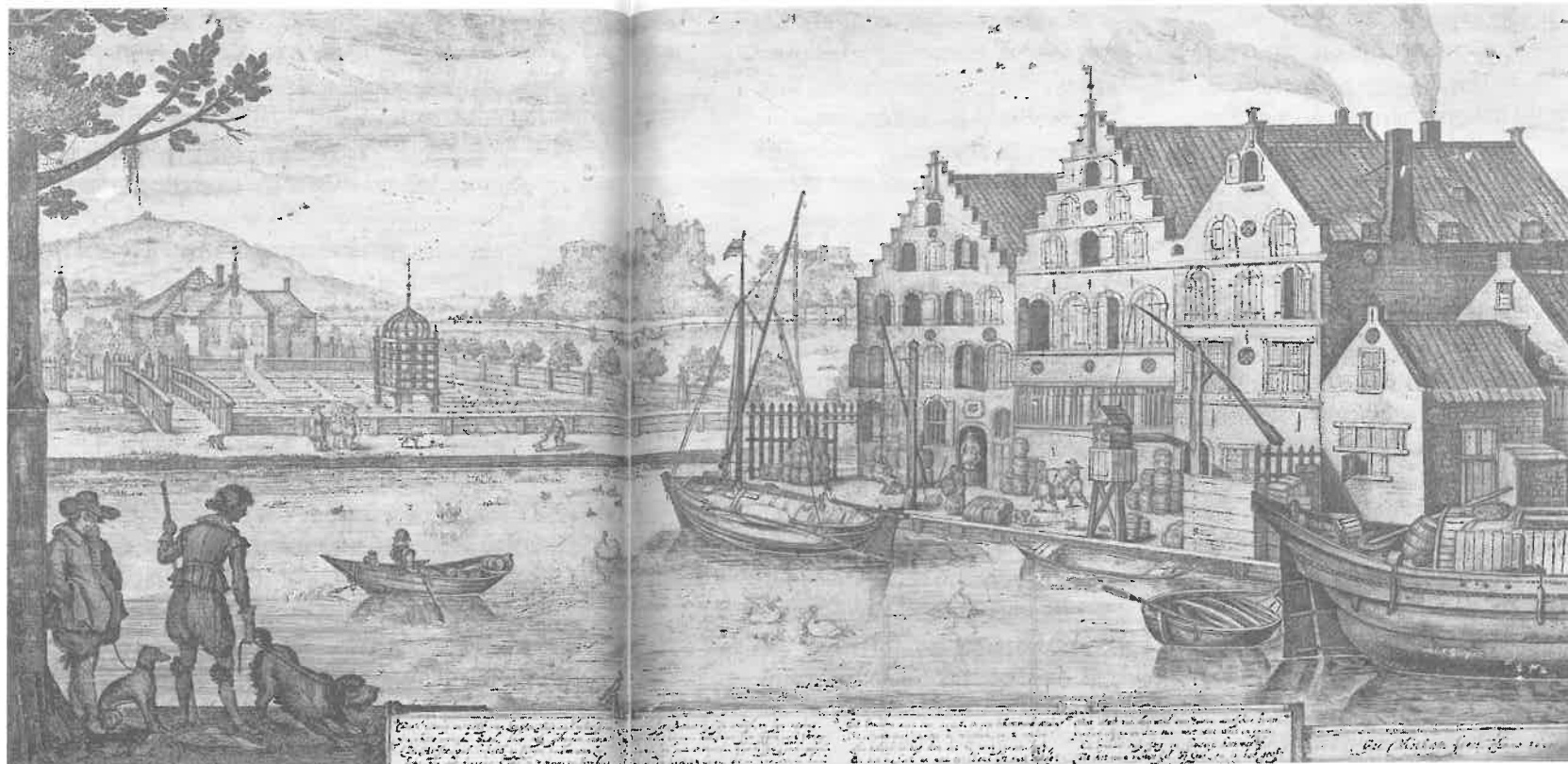
Serfdom east of the river Elbe was an extreme example of patterns of landholding and power which obtained across Europe. In exchange for access to the products of the land, people there were subject to the lord's justice and had to provide labour for his lands. Peasants required the permission of the lord to move from one farm to another or even sometimes had to ask the lord and the village community's consent to marry. Some peasants were richer than others and the exact conditions of serfdom varied from one region to another. Economic inequality was ubiquitous across Europe, whatever its social variety. But the system of serfdom in general was characterized by restricted personal freedom and the exploitation of the peasantry by legal and political rather than economic means.

In the long term, serfdom and its successor, seigneurial domination, either decayed or was swept away by revolutions like 1789 or 1917. In the seventeenth century, economic change did not always bring with it more modern forms of social organization. Powerful landowners east of the river Elbe reacted to growing western demands for grain by exploiting more intensively their feudal privileges over serf labour. The rights of Russian lords over their peasants were consolidated and extended by comprehensive laws passed in 1649. Even in Britain, which Karl Marx saw as the cradle of capitalism, feudal power and mentalities died hard. In response to shortages of skilled labour in the coal and salt industries, a statute of 1606 (not repealed until 1799) bound Scottish colliers for life to the owner of the coal, giving them the legal status of serfs.

Serfdom was much rarer in the west, but the legal status of a farmer still played an important part in determining how much of the fruits of their labours he and his family would enjoy. The other crucial determinant of well-being was, of course, whether the landholding was sufficient for subsistence. Most farmers were tenants of one kind or another. For them, the amount of land held and the level of rents and taxes determined their standard of living. Holdings large enough to support a family were unusual in north-eastern France but more common in Scandinavia. Some peasants held land on a year-to-year basis at the whim of the lord; others might have leases which allowed them to enjoy the land at a more or less fixed rent for up to three generations. Landlords in Brittany and other parts of western France extracted a large percentage of the surplus created by their peasants through exploiting their extensive feudal rights. In Burgundy certain sharecropping contracts allowed farmers only a third of the produce they had worked so hard to create. Ecclesiastical, royal, and seigneurial taxation took at least 20 per cent of the gross income of a farmer in north-eastern France. While few Europeans were completely divorced from the land, many of them had only a toehold on it. Scotland and Ireland had their 'cottars' or 'cottiers'—a large but (to historians) almost invisible rural underclass who, with their families, provided the bulk of agricultural labour. In some parts of Europe the polarization of landholding and wealth were extreme. Three-quarters of the population of Andalusia and New Castile were landless labourers or *jornaleros*. England, parts of southern France and Scandinavia were the only parts of Europe with large numbers of peasant proprietors. Western European peasants were generally 'free' but that did not make them rich.

The world was an uncertain and dangerous place for rich and poor alike. Fire, warfare, bandits, fraudsters, even the elements, could wipe out in min-

The Three Lilies brewery on the river Spaarne at Haarlem was owned by Johan Claesz. van Loo. Clean water was brought in barrels from unpolluted rivers or filtered through the dunes. Brewers also sold fresh water to the inhabitants of major towns whose supplies were too contaminated to drink.



utes a hard-won fortune, for insurance was not commonly available except to cover shipping until the eighteenth century. Life itself might be cut short by deadly diseases like smallpox, typhus, typhoid, and of course plague, which continued to scourge European towns until the Marseilles outbreak of 1720–1; by accidents or violence; through ineffective or even counter-productive medical care like bleeding. Chronically high mortality from disease explains why population levels barely changed across much of Europe. Anxieties produced by a threatening and poorly understood environment might be assuaged by religious belief; but there was still the fear of God's judgements or the supernatural. Most early modern people had some kind of disfigurement from accidents or childhood afflictions like smallpox, polio, or rickets. A recent speculation is that at least one person in twelve was blind or crippled.

We shall see below that, with so many expensive new products coming into Europe, the seventeenth century was an exciting time to be rich. Some of these commodities eventually became 'essentials'—tea, coffee, sugar,

and tobacco. But for most people adequate food and clean water were the most important necessities of life. Few European cities had supplies for populations which were either expanding or developing greater demands for water. Mid-eighteenth-century Paris had 65 public fountains: one for every 10,000 inhabitants when one for 1,000 would have been needed to meet demand. Edinburgh had just eight public fountains in the late seventeenth century for roughly 30,000 people. Only towns like Namur, where the ratio was roughly 1 to 500 had anything like adequate provision of fresh water.

Polluted water, basic or non-existent sanitation, and the diseases carried by flies and people made towns very unhealthy environments. Not surprisingly, it was said to be possible to smell eighteenth-century Berlin 10 kilometres away. One child in three born in seventeenth-century London would die before its first birthday compared with one in seven in the countryside. High fertility made up for swingeing infant and child mortality, with perhaps a third of the population comprising those aged 15 or

younger. Conversely, there were relatively few people aged 60 or above. Life expectancy at birth for the rich bourgeoisie of seventeenth-century Geneva was 36 years—hardly inspiring but nevertheless twice as long as a badly housed member of the labouring classes could expect. For comparison, the average life expectancy at birth in France was about 30 years and in England about 35 years.

Land

We might imagine that such an environment would breed a sense of fatalism. Early modern people tolerated uncertainties and injustices which modern westerners have now largely forgotten. But their mental world was in many ways similar to our own and seventeenth-century Europeans met life's challenges head-on. Land had to be worked, stomachs had to be filled, rents had to be found, taxes had to be paid. On its part, the growing needs of the state for information on its subjects prompted the investigations of early political scientists. The Englishman Sir William Petty 'anatomized' Ireland c.1649–51. Later in the century Louis XIV's minister Vauban conducted a detailed investigation of national wealth with an eye to reorganizing and increasing taxation. Gregory King, one of the first true 'political economists', published an intensive analysis of England's economy and society in 1688. Very approximately, King estimated that 40 per cent of gross national product came from agriculture; 20 per cent from the domestic market for goods and services; 10 per cent from exports; and 30 per cent from overseas imports and re-exports. All other European countries except perhaps the Netherlands would have had an even higher percentage of national wealth generated by agriculture. If, as Bodin said, all wealth came from people it was primarily the product of their labours on the land.

Most people lived on the land. Many documents of the period do not trouble to give a man's occupation because it was assumed he was a farmer. Access to rights in land was fundamental to wealth. Landowning conferred social cachet but it also formed the basis for political power. In some countries the right to vote for representative assemblies like the English Parliament depended on being a freeholder of some substance. Improvements in agricultural output were at the core of sustainable economic growth in traditional economies. Most industrial raw materials came from or were nurtured by the soil: flax, wool, leather, and wood, for example.

Vital as it was, European farming was poorly developed in comparison with later centuries. Except in pockets of the Low Countries, England, and northern Italy, agricultural output was dismally low. In much of eastern

and southern Europe yields per acre and output per worker stagnated. The ratio of seed sown to grain crop harvested averaged one to three or four across much of the continent—dangerously close to subsistence after taking into account rents and taxes, animal fodder and seed for the following season. New crops were introduced from America and Asia, most notably maize, which was extensively cultivated in northern Italy, south-western France, and Spain by the end of the seventeenth century. Maize, rice, and, in the following century, potatoes reduced dependence on grain and offered more calories per acre.

Progress was being made. In some countries productivity in agriculture grew significantly during our period. This involved reorganizing land use by enclosure and consolidation of holdings, introducing new crops and different rotations, improving the soil, and linking pastoral and arable husbandry. Used together in one area or by regions specializing in certain products, these innovations allowed improvements in output which were dramatic by the standards of the day. The falling price of grain and the growing convergence of prices across England were attributable to increases in yields and the creation of integrated national grain markets. Together, these allowed some regions of Europe to break out of the long-established cycle of subsistence. In England and the Netherlands one peasant could feed his own and half of another family in 1600. By 1700 a comparable worker could feed his own and another whole family. English agriculture improved so much during the seventeenth century that it became a net exporter of grain.

Agricultural improvements might allow more mouths to be fed. More importantly, they might create a higher standard of living. Thus people could afford to buy items other than food and basic necessities such as clothing. They could aspire to buy the products of trade and industry within an economy which could feed those who provided them. This seems to have happened in seventeenth-century England. As population pressure eased after 1650 and as agricultural output per head rose, real wages (the purchasing power of money wages) also increased. But this was not the only pathway to economic change. Even in the sixteenth century the Dutch had imported as much as a third of their grain needs from the Baltic, allowing specialization within pastoral agriculture alongside a level of urbanization and industrial employment unthinkable if their economy had been closed. More than anything else, it was commerce which made the Dutch so economically successful. Their success testifies to the possibilities for diversification and growth even within 'traditional' and, to modern eyes, apparently 'backward' economic systems.

This lively engraving shows women selling fish. Most retailing was conducted in the open market-places of Europe with women prominent among the purveyors of food and drink. Shops only sold a limited range of goods to a restricted clientele until the eighteenth century. The depiction is none too sympathetic as we see a customer holding his nose, presumably because the fish has gone 'off', and two women egg-sellers fighting.



The level of demand for goods and services depends on disposable incomes and cost on the one hand and the marketing which makes them available on the other. In parts of Europe more than four-fifths of workers' expenditure went on food but in England it was no more than a half. What remained could be spent on manufactured goods, making specialization of production and economic diversification possible. Even if most peasants tried to be self-sufficient in food, all but the very poorest both needed and, above all, wanted to enjoy well-made goods made for them by others. In north-western Europe it is unlikely that most households made items such as clothes from scratch for their own use. The manufacturing process from raw material to finished garment was far too complicated and time-consuming. Even in the more isolated economies there was a considerable degree of specialization. Most women had jobs (in the conventional sense as well as looking after the household) which were usually separate from those of their husbands, and which would not have left time to do anything except perhaps mending clothes. Thus there were opportunities for growth and change even within apparently backward economies.

Yet the pace of economic development was slow compared with the nineteenth century. One reason is that land was significant not only as a

source of food but also of energy. Taking into account the elementary technology available we should not be surprised that much of the energy for domestic and industrial uses came from the soil. Wood or charcoal was still the main fuel in Mediterranean and central Europe but peat was the principal energy source for households and industries in the seventeenth-century Netherlands. Coal was used increasingly in Britain. While stocks of coal were, to all intents and purposes, infinite, growing demand for wood and peat created serious environmental problems and shortages of supply. So much peat was dug out of the bogs of Schieland (around Rotterdam) and the Haarlemse Meer (site of Amsterdam's Schipol airport) during the seventeenth century that they turned into lakes. Windmills kept the water at bay but it was not until the nineteenth century that steam technology made it possible to drain and reclaim large tracts of land for agriculture.

More generally, the sorts of fuels used help us to understand the inherent limitations on economic growth in this period. Energy came from rivers, wind, animal or human muscle, or by burning wood, coal, or peat. In the case of wood the source of energy was renewable, but only slowly. The iron and glass industries of the late medieval English Weald had all but disappeared by 1650 because there was no longer enough wood to make charcoal. Productivity horizons were limited by the use of renewable energy. In the absence of significant new technologies, the 'organic' economy of early modern Europe was constrained by the productivity of the land. Iron-ore, clay, and sand could be used to make iron, pottery, and glass. These 'mineral-based' sectors formed only a small percentage of any European economy. English coal production at least trebled in the course of the seventeenth century to a level which was five times as great as the rest of the world put together but it was still less than 3 million tons annually. The average Lancashire coal mine of the later seventeenth century employed a mere three men with output of just 400 tons a year. Swedish exports of bar iron quintupled over the century but only to 30,000 tons a year. Europe's economies certainly diversified and grew during the seventeenth century, but the level of industrial output remained modest in manufactures which would later become the core of the industrial revolution.

Cities

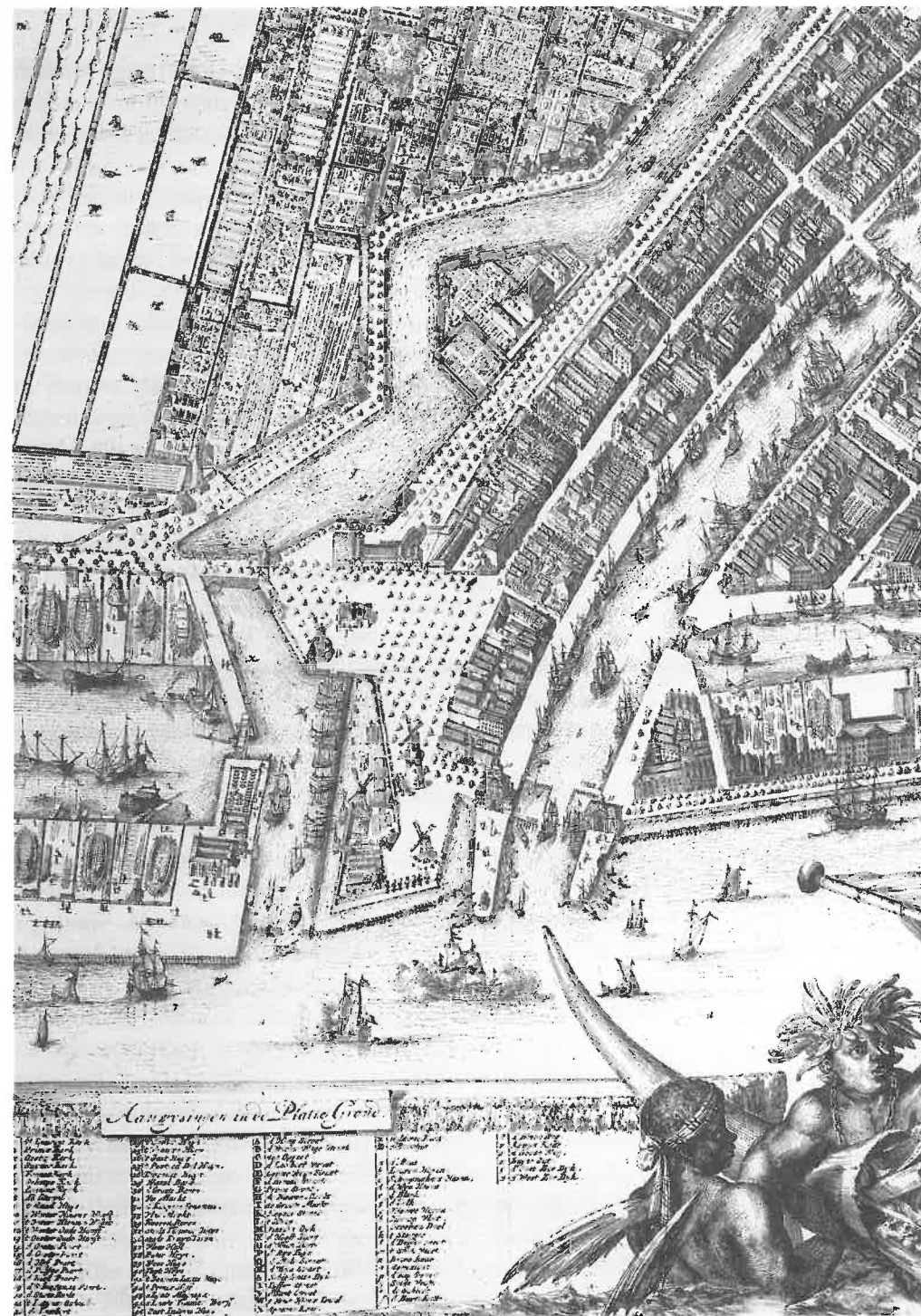
In one way or another, all the inhabitants of early modern Europe depended on the land. People who lived in cities could not wholly escape this dependence. They generally did not produce their own food but had to buy it from rural producers; if they were manufacturers their raw materials

were almost always sourced in the countryside. In exchange for the means of subsistence they offered an industrial product, a service, or a trade good which rural dwellers could not, or would not, make or locate for themselves. Townspeople paid farmers for food and thus enabled them to buy the goods and services available in cities. Rarely this simple in practice, the relationship between town and country was nevertheless a powerful force for economic change.

Most of Europe was not densely urbanized in our period. There were few cities of more than 100,000 inhabitants even in 1700: Amsterdam, Lisbon, London, Madrid, Milan, Palermo, Paris, Naples, Rome, and Venice. More typical of the urban experience was Germany which had hundreds of towns, but most of them with only 2,000–5,000 inhabitants. Tiny by our standards, a town of 10,000 or more inhabitants would be counted large by contemporaries. Perhaps 8 per cent of the population of north-western Europe lived in such conurbations in 1600 and around 13 per cent in 1700. Most of the growth can be accounted for by a doubling in the urban proportion of England's population. London grew from 200,000 to nearly 600,000 during the century and from less than 5 per cent of the national total to more than 10 per cent. As early as the end of the sixteenth century nearly a third of the Dutch lived in towns but here and elsewhere in continental Europe the percentage did not grow. Individual cities waxed and waned—noteworthy successes included Liverpool and Nantes on the back of the tobacco trade; a singular failure was Toledo after Philip II shifted his capital to Madrid late in the sixteenth century—but the continent as a whole was barely more urbanized in 1700 than it had been in 1600.

Despite their often small size and low proportion of national population, towns were the motors of economic change in the seventeenth century. Some exchanges involved barter or payments in kind but European economies of the period were highly monetarized. In a curious sense, Europe had a 'single currency' since any coin with a precious metal content could be used anywhere in Europe. For example, Swedish, Dutch, French, and English coins were in common use in seventeenth-century Scotland. To the bewildering array of coinage in circulation we can add trade tokens issued by retailers such as apothecaries. Not all money was metallic and the seventeenth century saw the origins of modern banknotes, originally called bills of exchange. These were promissory notes from one individual to

Rotterdam. Within an area 200 metres square we find a microcosm of a successful pre-industrial economy: tightly packed stone housing, ships thick along the quays, shipbuilding, windmills, brewery cranes, and the proximity of farming to the heart of the city.



another which could be assigned to other parties. Bills of exchange were an increasingly sophisticated extension of the ubiquitous institution of credit. Webs of debt and credit linked communities and economies. Borrowing and lending lubricated the wheels of commerce, agriculture, and industry.

From the poorest (who used pawnbrokers and friends) to the rich landowners (who used lawyers, merchants, and even the crown) all levels of society borrowed money to fund current expenditure. Social groups prominent in lending included professionals such as the clergy and notaries, widows and other rentiers, goldsmiths, and Jews who had traditionally been untroubled by Christian reservations about charging interest. Some people obviously had more money than others and were sources of cash, but even they might also be borrowers. Landowners whose incomes came from the sale of crops or agricultural rents paid seasonally are an example. Mortgages became an established aspect of estate management throughout the British Isles during the second half of the seventeenth century. Debt was ubiquitous. With 160,000 ducats a year coming in, the Spanish duke of Medina Sidonia had an income more than 5,000 times greater than the day labourers on his estates. But men of his social class could still die hundreds of thousands of ducats in debt. The Spanish state borrowed money at high rates of interest and relatively low risk, even if defaults on payments were not unknown. This diverted investment from industry and commerce into arguably less productive areas such as funding bureaucracies and armies.

Even in the seventeenth century the exchange of goods was vital to economic growth but the ability to manipulate money was also of fundamental significance to the creation of wealth. Some credit was extended free as part of neighbourly or lordly charity. Most lenders charged for the use of their money. During the sixteenth century interest rates had been high—perhaps 10 per cent a year. During our period they fell substantially to settle at 5–6 per cent in England and 3–4 per cent in the Netherlands. The origins of modern banking can be traced to the seventeenth century. The Bank of Amsterdam (1609) issued notes and honoured bills of exchange against deposits of specie. Neither it nor the 1614 *Huijs van Leening* (Lending House) of Amsterdam actually provided much credit but they did help merchants efficiently to operate their own lines of borrowing and lending. The Bank of England (1694) was founded to provide money for William of Orange's war against the French and to tidy up the mess of unfunded public debt that had accumulated through three Anglo-Dutch wars. However, it too had beneficial effects on private finance. A pamphleteer writing in 1695 (the same year as the Bank of Scotland was founded) declared that the

competition provided by this fledgling institution had 'almost crush'd several sorts of Blood-suckers, mere Vermin, Usurers and Grippers, Goldsmiths, Tally-Jobbers, Exchequer Brokers and Knavish Money-Scriveners, and Pawn-Brokers'.

While the Bank was the way of the future it is worth remembering that very few individuals did business with it. Even its role in government finance was far from exclusive. Indeed, the Exchequer extracted far more from the public by offering interest annuity lotteries in its struggle to fund the War of Spanish Succession 1710–13 than was attracted by the Bank from private investors. Fondness for lotteries testifies to early capitalists' proclivity for gambling even if Sir William Petty denounced them as a tax on 'unfortunate self-conceited fools'. One way of coping with an uncertain world was to try to profit from the uncertainty. Hazard took other forms. The business books of Scottish merchants of the seventeenth century sometimes contain records of wagers alongside their double-entry book keeping. By entering into tontines men even bet on how long they would live.

Both the sophistication and the imperfections of early modern financial markets are neatly illustrated by the rise and fall of a humble flower. First imported from Turkey in the 1560s, tulips were the orchids of the day. By the 1620s they had become the ultimate horticultural fashion accessory for the monied classes of the Netherlands. By then, strong demand and fat margins attracted many more growers into the market. By the early 1630s tulips were within the reach of almost every purse and the nation had become obsessed with them, not only as objects of beauty but also as investments. Between 1634 and 1636 a bulb of the basic 'Gouda' variety doubled to three guilders—an artisan's weekly wage. At the peak of the boom in the winter of 1636–7 a rare tulip bulb could cost as much as a fine house. In 1636 tulip 'futures'—the right to buy the next season's crop—were available on the Amsterdam exchange. But then prices plummeted in the last phase of the classic speculative cycle as blind greed turned to caution and then to naked fear. Similar 'bubbles' occurred in England in 1682 and in both England (the 'South Sea Bubble') and France in 1720–1. The French crisis was precipitated by the ill-founded schemes of a gifted, if flawed, Scottish financier called John Law of Lauriston. Standards of honesty were not high and information flows were far from perfect. For example, earlier in the century money had continued to come into the English Virginia Company long after it became apparent that no dividends would ever be paid.

Imperfect information flows were primarily due to serious communications difficulties. Around 1700 it took two weeks for news from Antwerp to reach Venice, five weeks from Dublin, and nearly six from Constantinople

(Istanbul). Military tensions meant that in the Levant the conventional adage 'the sea united but the land divided' did not apply. The problem everywhere was that information could only travel as quickly as a man on horseback or on a ship. Bandits continued to prey on travellers in remote areas and even in some interstitial regions where they could hide from the authorities of one country over the border of another. If rural roads were often slow, dangerous, and deserted, urban thoroughfares experienced serious overcrowding. One solution to Amsterdam's problem of traffic clogging its narrow streets was a one-way system in some areas from 1615 and the banning of wheeled private vehicles from the town centre after 1634. Sleighs were allowed because they were quieter and slower (therefore safer) than wheeled coaches.

News was hungrily sought by high and low alike. Commercially sensitive information was exchanged in newsletters which were the precursors of modern newspapers. But the quickest way of gathering information was in person and thus people tended to congregate in places where information was communicated. It is no accident that London's stock market and its insurance industry began in coffee-houses. With open sides, the first Amsterdam *beurs* (stock exchange) looked like any other covered market place—though only men milled around in it. Venice, Seville, and London were important centres but Amsterdam, Europe's leading port, was the premier information exchange of the seventeenth century. It is not surprising that men like Blaeu also made Amsterdam the leader in cartography.

Ramshackle, dishonest, and bizarre as these financial structures appear to us they undeniably helped to generate riches. Growing wealth and changing priorities also stimulated more general improvements in urban amenities. Paris is said to have had the first lantern system paid for by local taxes from 1667. Amsterdam replaced poorly observed regulations, common to many cities, requiring private households to put lights above their doors, with a public system of oil lamps in 1669 and the Hague followed suit in 1678. Amsterdam had 133 lamps by 1679 and 2,400 by 1689. In many senses, this was the dawning of an 'age of light'. Even during the day, lighting in the narrower streets and closes of the congested cities cannot have been good. The tightly packed houses made good use of space and conserved heat more effectively than detached ones but many people would have had to use artificial light or work on the doorstep unless they lived on an upper floor or in an advantageously located building. Not surprisingly then, the lives of early modern people were lived much more publicly than our own.

The main 'consumer durable' was the dwelling-house itself and at least

a third of gross fixed investment was in domestic accommodation. Few rural vernacular buildings of the pre-seventeenth century survive. Those we can visit nowadays are the stone- or brick-built dwellings of the urban middle classes or the rural élites. Again, the plush decorations of a castle and an institutional building like a German *Rathaus* (town hall) or *Zunft-haus* (guildhall) were far from typical. Certain decorative objects such as pictures, looking glasses, and window curtains became more common as the century wore on but mainly in the homes of the richer bourgeoisie. The first decorated wallpaper, imported from China, was fabulously expensive. In all European towns it was much more common for ordinary people to rent rather than own their home. The contribution of housing to the economy lay in building it and in feeding and clothing its occupants rather than in decorating, refurbishing, or purchasing durables for it.

Yet, the sometimes lavish material lifestyle of baroque Europe was beginning to be formed around this time. Only one in ten Londoners' inventories after death mention clocks in 1675 compared with more than half by 1715. Almost no English home had china plates or cups during the reign of Charles II but one household in six had them by the accession of George II. The real cost of textiles like linen and calico fell by a half over the seventeenth century in England. Falling prices helped people to afford some of the new consumer goods. Imports of tea into Europe were small and irregular until the eighteenth century—when rum and molasses also became commodities of mass consumption. When first imported into Europe in the early seventeenth century, tea was a great luxury and was considered medicinal. The Dutch scholar Constantijn Huygens used it to treat his toothaches. But elsewhere in Europe wealth was so polarized that only a small proportion of the population could aspire to enjoy the new 'groceries' being imported from the Indies: for example, coffee, sugar, and tobacco. Even fruit and vegetables were only affordable by the richest fifth of Madrid's population.

Towns generated wealth by marketing the products of agriculture and commerce and through what we now call 'financial services'. But they also made things. Even in commercial cities like Venice, London, or Hamburg industry was the largest employer because of the need to build and equip ships, to store and process imports. The Venetian arsenal employed 1,500 skilled craftsmen and 1,000 labourers. The most important industries were those involved in feeding and clothing people. Half the adult male population of the towns of Cordoba (Spain) and Northampton (England) made leather goods around 1600. Available in different strengths and types, beer was an important food item for domestic consumption and on board ship.

The Scots' tally was 1.7 litres a day for every man, woman, and child. Haarlem and Amsterdam together produced a third of all the beer brewed in Holland around 1660. At its peak around 1648 Haarlem alone was producing 67 million litres a year. Wealth also brought political power and in 1618 fully 21 of the 24-man *vroedschap* (town council) of Haarlem were brewers. The political life of Newcastle was dominated by coal shippers, of Bordeaux by wine merchants.

In all sorts of ways, towns were special environments. They housed ecclesiastical and secular governments. Most crafts and trades were organized into guilds which performed an economic, social, and sometimes even military function. Guilds were quasi-governmental institutions important to monarchs for administrative and fiscal purposes. In Louis XIV's Paris even the lemonade sellers were guildated. The aristocracies of Italy and Spain had their power bases in towns and even the landed classes of Britain were beginning to see the attractions of seasonal residence in cities and spa towns. Concentrations of rich people created demand for professional legal and medical services rare in the countryside. Advanced schools were to be found in towns and most communities of any size would have had a printing press in 1600. Literacy was universally high. Urban living promoted social mobility and the ready interchange of ideas and experiences. Only in towns do we find a rudimentary mass political consciousness. Rich and poor were literally face to face with each other. Ports saw unrivalled exchanges of goods and mixing of people. The only exception to this image of urban dynamism was east of the Elbe. Towns in the east were less economically dynamic and socially precocious than in the west, being mere extensions of the military and administrative power of the state and of the crushing economic dominance of the lords.

Manufactures

Cities were special in many ways. Yet in others they formed part of a single economic and social continuum for, as Adam Smith was later to argue, town and country were mutually dependent. If anything, that dependence grew over time. For much industrial production was located in the countryside of seventeenth-century Europe. Taxation documents show that across north-western Europe between a sixth and a third of all men living in the countryside were primarily employed in non-agricultural jobs such as textile manufacture. These were both independent artisans producing for local markets and dependent employees whose work might reach international markets. In reality, industry was probably even more important. Take the

example of textiles, which were easily the largest industrial employer. Weavers were usually men but at least four women and children and perhaps as many as ten would be employed to prepare and spin enough flax or wool to keep a single loom at work. In order of numbers employed commerce came a long way behind agriculture and industry. This may have been a 'pre-industrial' age but it would be a serious error to see it as 'non-industrial'.

The advantage of rural domestic production or 'cottage industry' was that it was cheap and flexible. Breaking free of guild restrictions on quality, price, and employment, entrepreneurs were able to find plenty of eager workers among the underemployed poor of rural Europe. In the major cloth-producing areas such as Picardy in north-east France or the English West Country entrepreneurs bought raw wool or flax to be prepared and spun into yarn. They then gave the yarn to specialist weavers and bought back cloth which was then taken for finishing and finally for marketing, often in national or international markets. Urban specialists added more value to the product by dyeing cloth and tailoring it but the majority of ordinary woollen and linen fabric was made in the countryside by 1700. Putting-out thus embodied important 'modern' elements. Capital was controlled not by individ-



These clothes from a bog burial belonged to a man aged about 20 years, some 5' 4" tall and lame in one leg. He was murdered by a blow to the back of the head by a right-handed assailant some time around 1700 and his body thrown into a peat bog at Arnish Moor south of Stornoway on the Isle of Lewis, Scotland. The peat which hid the crime also preserved his much-repaired woollen clothing. The clothes of the poorer classes were mended and patched until they literally fell to pieces, then were collected by rag-gatherers to be made into paper. However, this young man's clothes were professionally made and, remarkably for such a remote corner of Europe, followed the fashion of the day.

ual workers but by entrepreneurs; the production process had a clear division of labour; workers were paid wages for, while some might own their own looms, the only commodity they were selling was their labour.

Putting-out appears more modern and 'capitalistic' because the components of the production process are separate and specialized, and because the ownership of the means of production is not located with the workers who produce the cloth. However, small-scale production organized by master weavers rather than merchants continued to characterize the woollen cloth industry of seventeenth-century Leiden or Lille. Even within a single English county like Yorkshire putting-out and independent artisan cloth production coexisted. Sometimes they even competed as when English cloth merchants became adept at forging the seals on bales of Venetian luxury cloth then reselling these bogus fabrics to the Venetians themselves.

Articulated artisan production was not only appropriate to local or regional markets. In Edinburgh, Leiden, and Lille small commodity production was favoured over putting-out for social and political reasons. The Lakenhal (now a museum) was the heart of Leiden's woollen cloth industry. Clothmakers brought their work there to be inspected and a lead seal was fixed to the bales as a hallmark of quality. These seals have been found all over the world in places as far apart as Indonesia, South Africa, and South America where Leiden cloth was sold. And while it may be possible to characterize some aspects of rural domestic industry as 'modern' we also know that when the industrial revolution came it was located not in the peasant household but in towns and factories.

Industrial innovation in town and country alike was closely associated with mobile labour. Religious refugees like the French Huguenots helped diffuse the manufacture of silk, glass, and clocks across northern Europe. The Liège region was the world leader in iron smelting and working at the turn of the seventeenth century. It was from there that skilled craftsmen were recruited to organize the industry in Sweden. Communications may have been poor but the population was far from immobile. Half of those granted citizenship at Frankfurt am Main 1600–1704 were immigrants to the town. Seasonal migrants moved from the mountains of the Alps or Pyrenees to the plains of southern France or northern Italy. Poor and over-peopled countries like Scotland haemorrhaged inhabitants to Ireland and the countries of the North Sea and Baltic basins. On Europe's eastern fringes the steppes were being peopled. Those who left Europe temporarily or permanently for the New World were merely extending an established tradition of extensive internal geographical mobility.

States, Colonies, and Commerce

The incentives for European expansion were numerous. Authority over distant lands, the revenues they were said to provide, supervising the conversion of their inhabitants to Christianity: all added lustre to the reputation of a ruling house. Even the Dutch, Europe's leading capitalists, had a military agenda pursued across four continents and seven seas during their independence struggle against the Spaniards between the 1560s and 1640s. However, private individuals pushed much harder than public figures in north-western Europe. The government of the Dutch Republic (1648) was to all intents and purposes an extension of commercial interests. The pressure for the French and English crowns to back colonization came from courtiers, financiers, and merchant magnates. The crown's role in early English colonization was as a public promoter of private enterprise—for example, recognizing the existing Virginia as the first 'crown colony' in 1624. Direct control over certain colonies only came after the restoration of Charles II to the English throne in 1660. Early modern states were more likely to respond to economic change than to initiate it, attempting to profit from new sources of wealth rather than to create them.

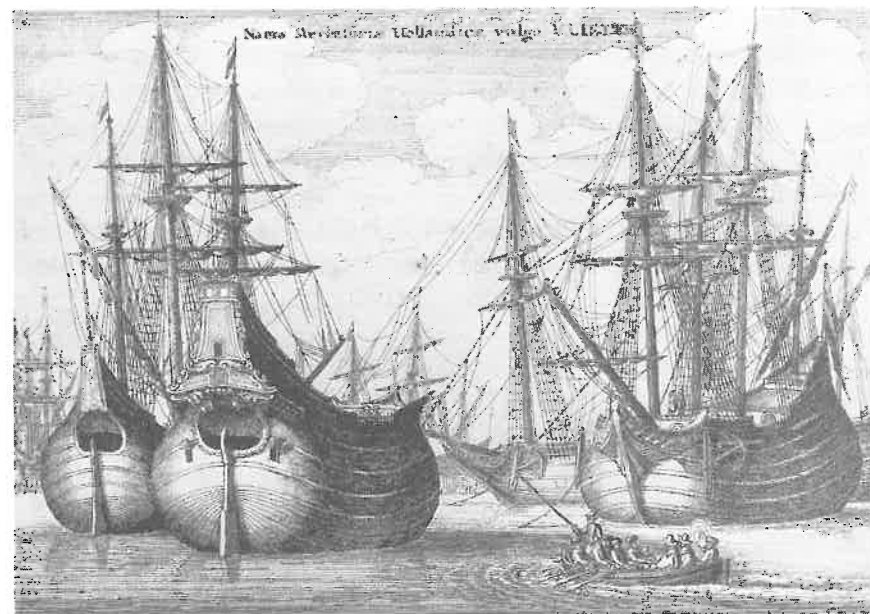
States had what might loosely be termed economic policies, conventionally given the label 'mercantilism' to distinguish them from the notions of 'laissez-faire' which dominated economic life in the later eighteenth and nineteenth centuries. Mercantilism itself was not really a 'movement' in economic thought—let alone a coherent theory—so much as a 'tendency'. Said to embody the economic spirit of the age, mercantilism was an umbrella term for a set of more or less shared assumptions. Lobby groups for private interests found that certain themes appealed to rulers. These were: maximizing the wealth and power of a kingdom by self-sufficiency in food and manufactures; preventing the outflows of precious metals (the basis of all good coinage at the time); protecting native trade and increasing the nation's share of a fixed volume of commerce by taking it from others.

The early modern state was better as a protector and facilitator rather than as an initiator of commercial enterprise. Yet, the fact that states followed rather than led many aspects of economic development should not detract from its significance. Government demand was important for certain sectors such as armaments and ships; the state was anxious to protect existing commercial enterprises by force and by legislation. Aimed against the Dutch dominance of sea-carriage, the English Navigation Acts (from 1651) allowed colonial as well as metropolitan enterprise to prosper. Similar laws passed by the French halved the Dutch share of the Bordeaux wine

trade 1651–84. In contrast, the state's attempts to shape economic life by creating new industrial enterprises were of limited importance. The textile manufactory of Villenouvette at Clermont de Lodève was founded by Louis XIV in 1679. It had mixed fortunes over the following century but never fulfilled its intended function of leading the modernization of cloth production in the French Midi. The Swedish imposed tolls on copper produced in Thuringia, Westphalia, Bohemia, Moravia, and Poland and marketed through the Baltic while occupying most of the ports there in the 1630s in order to raise the price of their own copper exports. Again, any enduring effect on industry was small.

Political control of economic life might facilitate economic development but when there were competing interests political priorities almost invariably outweighed economic ones. The regional economy of Spain's capital, Madrid, was rigged by the crown to ensure food supplies for the populace and luxuries for the bureaucrats and aristocrats who congregated there. Virtually all manufactures were imported from abroad, causing market development to be distorted and agricultural change to be retarded. By 1700 Madrid and Castile had become locked in a rigid economic relationship which also perpetuated a polarized social structure and a sharply unequal division of wealth and power in town and countryside alike. In contrast, Barcelona and its hinterland developed a healthy symbiotic relationship. Commercial interests often took second place to imperial needs. The Spanish crown tried to wage economic warfare against its rebellious subjects in Holland during the 'Eighty Years War' (which ended with the creation of the Dutch Republic in 1648) but its efforts backfired badly, setting the seal on Spain's economic as well as political decline. Indeed, poorly informed and politically motivated intervention could be disastrous. All early modern governments were chronically short of cash. Philip III's debasements of the coinage up to 1608, and again in 1617 and 1621, merely accentuated Spain's economic decline. The English crown's Cockayne project of 1614 proved a costly failure. Economic 'policy' was too often subordinated to short-term fiscal exigencies.

Whatever the state's role in it, overseas expansion was perhaps the essence and the greatest achievement of seventeenth-century capitalism. Europeans apparently used military power to exploit weaker economies. By doing so, they short-circuited some of the inherent constraints on economic growth within traditional economies. The legendary profits concentrated in the hands of capitalists helped to fund further economic development while beneficial side effects like improved financial systems hastened the process. Historians conventionally believed that international



The flyboat was the key to Dutch dominance of European trade. The most significant technological developments occurred in economic sectors with political and military importance, notably weapons, printing, ships, and navigation. Western ships became better armed, more elaborately rigged, and easier to handle with fewer crew.

trade, especially with the New World, was the prime force behind the primitive accumulation of capital which eventually led to the industrial and commercial revolutions of the nineteenth century.

Overseas trade could therefore convey benefits far beyond simple buying and selling of goods. Longer voyages required more sophisticated financial instruments and new ways of spreading risk such as joint stock companies. Transportation and transaction costs would be reduced by innovations in carrying. Ships had to be built, outfitted, and victualled, further stimulating production. New ship designs reduced transaction costs and made possible a large expansion in the carriage of grain and shipping supplies from the Baltic. These *fluyts* were cheap to build and man, meaning that operating costs were much reduced. Better financial services and improved organization of storage and distribution made a contribution here and to the Atlantic trade. However, demand for Indian cotton textiles and Chinese porcelain grew quickly in spite of rising shipping costs. The new designs were for bulk carriage as well as traditional low-volume, high-value commodities like spices. Successful merchants could diversify into

industry for entrepreneurs of the age were usually merchants (sometimes landowners) rather than 'industrialists'. The spread of local, regional, and international trade in raw materials and manufactured goods brought about important changes. Production for exchange rather than use became the norm and with it a specialization of function or 'division of labour'. The really significant transport developments were in water-borne types, including an extended canal network in Holland. Passenger transportation by road was improved to a degree but it remained at least five times more

William Okeley and his shipmates were taken by Turkish pirates in the English Channel en route for the West Indies in 1639. Imprisoned for three years in Algiers they finally escaped to Majorca. While the horrific illustrations in the pamphlet were standard propaganda against Muslim pirates, designed to sell copy rather than add to the story, the captives were well-treated in this instance and were even able to attend Christian religious services. In reality, Christians made more barbarous pirates than Muslims.



expensive to send bulky goods overland than by water. The backs of horses and mules (and people) were more widely used than carts or sleds.

Individuals might leave Europe 'to improve their estates'—population had grown strongly during the second half of the sixteenth century and colonial labour shortages meant that skilled craftsmen could generally command a much higher standard of living than in the Old World. Motives were complex, sometimes rational, sometimes emotional. Indeed, contemporary writings about voyages of discovery convey a vivid sense of adventure. The men who undertook them have the appearance of adventurers rather than capitalists, gamblers rather than merchants who were motivated by desire for glory and greed for gain. The English East India Company (given a charter in 1600) was originally a privateering operation. Piracy itself was probably a major branch of economic activity but, like smuggling, it is difficult to quantify. Famous or notorious even now, these adventurers were far from typical of early modern businessmen and investors as a whole. For most of the latter were strongly averse to risk. Prosperous London merchants of the late seventeenth century had just 3 per cent of their total assets in shipping, 20 per cent in real estate, and the remainder in loans, stocks, leases, and government debt. This breakdown is based on inventories of possessions after death but throughout their careers early modern businessmen showed a strong preference for liquid assets and for low-risk investments like land. Agricultural land was perceived to offer a lower yield but much higher growth than urban buildings. Property was valued as a multiple of annual rental called 'years' purchase'. Evidence given by Sir Robert Murray to a House of Lords committee in London during 1669 included a statement that 'land near Edinburgh will give 20 or 22 years' purchase'. Within the city itself dwellings were sold for just twelve years' purchase meaning that they gave a high yield but limited growth prospects.

Indeed, overseas expansion was less spectacularly significant in reality than contemporary propagandists and some historians might lead us to expect. Fewer seventeenth-century merchants diversified into industry than was the case in the eighteenth and nineteenth centuries. The rich tended to invest in land which was not only a secure asset but also conferred social status on the owner. The Whitbreads are an example of a landed family founded on the proceeds of trade—beer in this case. Indeed, it is debatable whether the urban élites of seventeenth-century France were 'bourgeois' in any meaningful sense. Most aspired to belong to the nobility and, when able, tried to ape their social norms and economic behaviour—including a disdain for trade and a preference for conspicuous consumption.

France's richest men were courtiers, bureaucrats, and financiers—men like Louis XIV's famous minister Jean-Baptiste Colbert. Many of the richest men of the seventeenth century profited from the inability or unwillingness of central authorities to document and exploit human and natural resources. Those who received monopolies or licences from the crown did well. Those who collected royal taxes in exchange for a proportion of the assessment—'tax farmers'—were able to exploit the administrative network for their own gain. France under Louis XIV had one bureaucrat for every 1,200 inhabitants compared with one in seventy nowadays.

Trade with the wider world created many more opportunities for consumption than production. The advantage of colonies lay not in being markets for manufactures. Asian markets were closed to European goods and far eastern products had generally to be paid for in specie. The number of settlers in the Americas was too small to create much demand. The total population of all English settlements in North America was probably no more than 10,000 people c.1625 and Boston, the largest town in North America around 1700, could boast only 7,000 inhabitants. Spain found to its cost that colonists became increasingly self-sufficient, halving the tonnage of exports from Seville to the Americas 1600–50. Instead, colonial imports stimulated demand for European goods within Europe itself as people sought to sell their products in order to buy china, silks, spices, sugar (and later rum), tobacco, coffee (and later tea). Exports to the New World made up only a sixth of the value of England's overseas trade in 1700 but colonial goods accounted for a third of imports. In the seventy years after 1637 tobacco imports into Britain rose from 1.5 million pounds annually to 38 million. Around 1600 profits could be astronomical—as they had been in the early years of the spice trade. But when the volume of trade in 'groceries' really took off after 1650 returns per unit slumped.

Whatever the glamorous image of New World commerce, its power to change European economies should not be exaggerated. Only a fortunate few became rich from overseas trade; many made an adequate living; countless more went bankrupt. Scotland's only attempt to establish a colony at Darien (modern Panama) was a disastrous failure which showed the hazards of such enterprises and the triumph of greed and optimism over realism. Connections between elements of the primitive 'world economy' remained tenuous and liable to interruption, profits from international trade fluctuating and uncertain. Throughout the seventeenth (and eighteenth) century Europeans bought and sold far more merchandise from each other than they did from other continents.

Except for Britain, most countries' overseas trade was overshadowed by

their commerce with the rest of Europe at the end of the seventeenth century. Three-quarters of French imports came from Europe around 1700 and nine-tenths of her exports went to other European destinations. Even the Dutch, the world's greatest traders in the seventeenth century, saw the traditional Baltic routes as 'the mother trade'. Unglamorous both in locations and goods shipped, this trade nevertheless generated large amounts of wealth. Three-quarters of the Baltic grain which came through the Sound between modern Denmark and Sweden was carried in Dutch bottoms and around 1670 a similar proportion of the capitalisation of Amsterdam's *beurs* was accounted for by Baltic commerce. The tonnage employed in Spain's New World trade was only 1 per cent of that used by the Dutch in the Baltic. Overall, no more than 4 per cent of western Europe's GNP was accounted for by intercontinental exchange.

Colonies were a fascinating new area of economic life during the seventeenth century. If one characteristic of a 'colony' is that it provides primarily raw materials for a more developed 'metropolitan' economy, then Europeans hardly needed to look beyond the boundaries of their own continent. Ireland had provided wool and livestock for English markets since the Middle Ages but Spain too, once among the most 'developed' nations on the continent, was reduced to supplying wool to English West Country weavers by the 1680s. The number of looms working in Segovia fell by two-thirds in the century before then. Late seventeenth-century Spain's case was unusually parlous for not only was its manufacturing base contracting. Even against a backdrop of falling population it had not been self-sufficient in grain for over a century. Taxation was rising and confidence ravaged by repeated debasements of the coinage. But in many ways its fortunes were symptomatic of the general economic malaise of the Mediterranean. Milan turned out 3,000 bales of cloth a year in 1640 compared with just 100 in 1705. High costs, technological backwardness, and unwillingness to adjust to new demand patterns damned many basic industries in Spain and Italy.

After two centuries of aggressive expansion, even the awesome military machine of the Ottoman Turks was falling apart as the empire failed to respond to the economic, social, and demographic challenge of static frontiers. The spread of hydraulic silk mills across Europe from the end of the sixteenth century killed off much Ottoman silk weaving by dramatically reducing the costs of production. The Turks became exporters not of cloth but of raw silk. As a source of the once lucrative spice trade, the Levant or eastern Mediterranean was in terminal decline by the end of the sixteenth century. The collapse of Venice's dominance over the silk and other trades

in that region during the mid-seventeenth century allowed the English and later the French to establish powerful commercial interests there.

Similar changes were occurring in the economic powerhouses of the New World. Until 1650 Brazil accounted for half the total New World sugar production—even if the contribution only amounted to perhaps 30,000 tons annually. The sugar and spice trade helped to make Lisbon the third largest city in Europe around 1600. By 1710 the focus of the sugar trade had shifted to Amsterdam and London (later still to Hamburg), following a change in the location of production as the British West Indies took over the leading role from Brazil. The stage was set for the rise of the North Atlantic economies which came to dominate the world in the eighteenth and nineteenth centuries.

Europe and the Wider World

Established for religious, commercial, and military reasons in the most diverse range of environments the globe had to offer, New World colonies varied enormously in character. For example, Massachusetts was a theocracy, Carolina quasi-feudal. Brazilian colonies attracted women from Portugal more readily than elsewhere. The families they helped to create gave the settlements a greater permanence than some of the purely military or trading outposts in the East. Outnumbered two or three to one by men, young women easily found husbands in the English Atlantic colonies while on Barbados 'a whore, if handsome, makes a wife for some rich planter'.

In the seventeenth century planters, married or single, sought to avoid labour shortages by using bonded servants or slaves. Transportation of convicts did not begin in earnest until after 1718 and most white migration to the Americas before then was voluntary. The northern colonies of New England attracted whole families but the characteristic movement to the southern settlements was by young single males. Between a quarter and a third of white settlers in the American colonies of the seventeenth century were indentured servants, four-fifths of them young men. Socially, the migrants were a cross-section of English society and not the 'rogues, whores and vagabonds' of legend. When whites began to choose not to go to the southern and West Indian colonies from the 1680s their place was taken by black Africans for whom the move was anything but voluntary. Two million slaves were shipped to the sugar plantations of Brazil and the West Indies in the course of the century. Between 1670 and 1730 the ratio of whites to blacks on the rich island of Jamaica fell from 1:1 to 1:10. In the New World as much as the Old we find a competitive individualism, an

acquisitive materialism, and an exploitative attitude towards labour which were among the keynotes of early capitalism.

The most important intellectual export from Europe was Christianity (generally Catholicism), imposed or adopted to a greater or lesser extent everywhere the Iberians went. The other enduring legacy of the first two centuries of European expansion was language: Portuguese in Brazil and parts of West Africa, Dutch in Surinam and Java, Spanish in the Philippines and Mexico. Despite—or perhaps because of—the Europeans' arrogance, the peoples of the wider world showed little inclination to accept other aspects of their culture.

Looked at the other way, it is equally striking just how little difference to European outlooks contacts with new peoples made. We can only admire the courage and determination of men like Abel Tasman who discovered Australia in 1644 while looking for a passage from the East Indies to South America for the VOC (*Verenigde Oostindische Compagnie* or Dutch East India Company). Service in some stations was deeply unpopular. So bad were conditions on the northern coast of South America that sailors used to use the phrase 'go to Berbice' in the same way that they would tell someone to 'go to hell'. This makes the determination of those who explored, traded, and settled the New World all the more impressive. The voyage to the East Indies took about eight or nine months but most of those who went signed up for at least five years. An astonishing figure of one million young men left the Netherlands to work for the VOC between c.1600 and c.1800. An equally remarkable 600,000 died during their tour of duty.

But, whatever their fine qualities, Europeans seem mostly to have dealt with new cultures by ignoring, simplifying, or dehumanizing them. At best, the culturally advanced, commercially adept, and politically sophisticated Chinese and Japanese were granted a grudging respect. Disapproval and contempt were the more normal attitudes. Stereotypes of African culture emerged at this period which have endured until the present day. Richard Hakluyt set the tone in his influential *Principal Navigations* of 1589 by describing negroes as 'a people of beastly living, without a God, law, religion, or common wealth'. Feared and distrusted, black Africans were seen as the antithesis of Europeans in their colour, lack of civilization, sexual immorality, stupidity, brutality, and idleness. The next two centuries of increasing contacts saw the myths founded by Hakluyt and others expanded and reinforced rather than questioned. It is fair to say that the spectacular widening of the geographical horizons of Europeans in the century after 1550 was not paralleled by an opening of their minds.

Nor was tolerance any more apparent within Europe's frontiers. Muslim



Pernambuco plantation showing a house and sugar factory with hydraulic mill, grindstones and boilers. Sugar and tobacco were the most important growth products among colonial imports into Europe during the seventeenth century. On the left is the planter's imposing house.

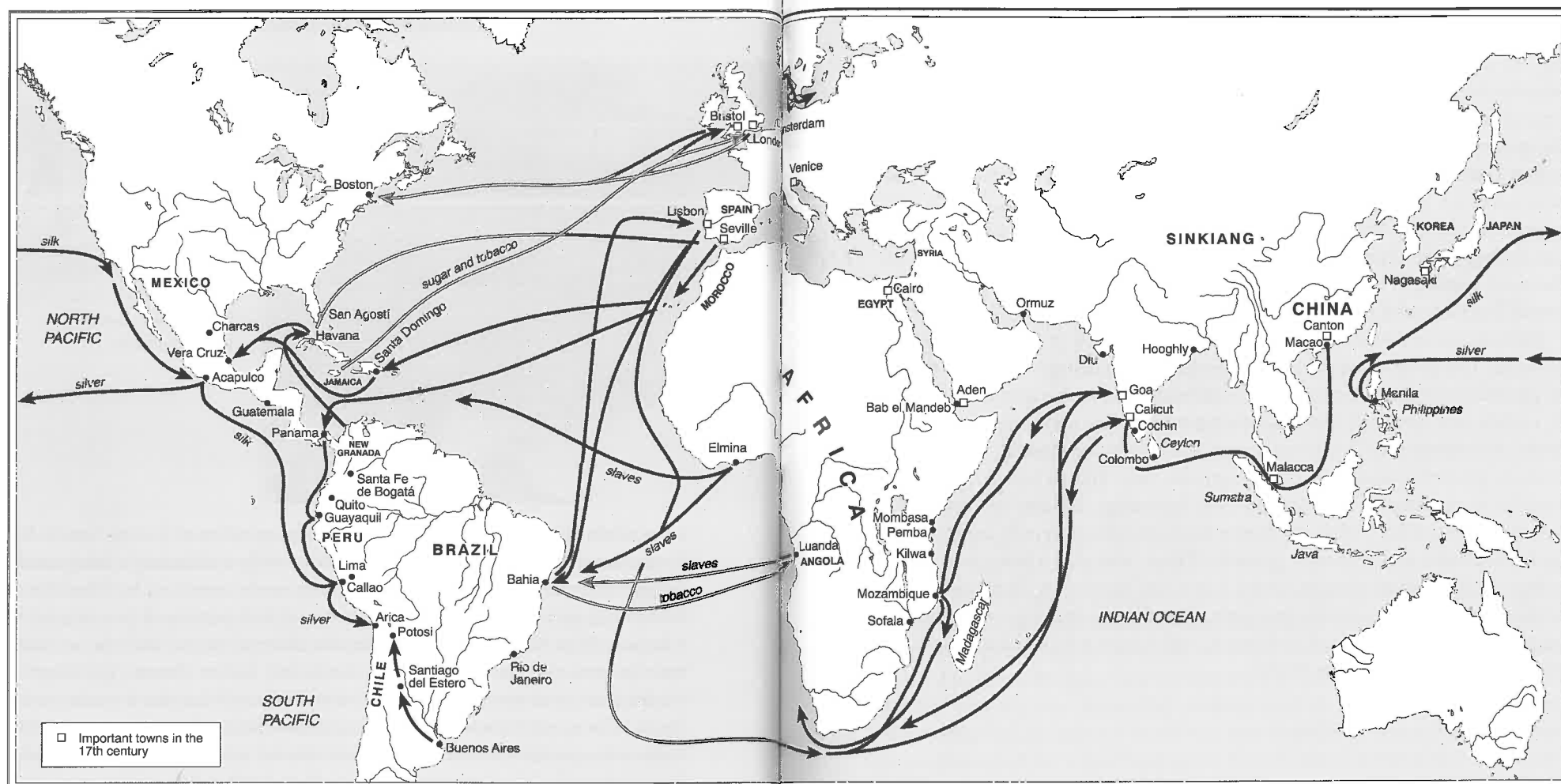
and Christian fought at the gates of Vienna in 1683, continuing the battles of centuries. Catholics and Protestants insisted on the exclusive truth of their respective paths to salvation: France's Louis XIV revoked the rights of the minority Protestant Huguenots to worship in 1685 and finally rooted them out of their last stronghold, the mountainous Cévennes, by military force during the early 1700s. Jews were still subject to murderous pogroms in eastern and central Europe. Spain expelled its remaining Moorish or Morisco population between 1608 and 1614. Western European culture influenced small numbers of the Polish and Russian élites (who used French or German to distinguish themselves from the Slav-speaking masses) but otherwise its effect was only superficial. There were no printing presses in Russia until two centuries after Gutenberg. The idea of individual ownership of goods was subordinated to that of a family or community interest. Europeans traded and warred with the Ottomans but beyond a few borrowed objects there was no real interchange of ideas and behaviour. The 'iron curtain' in seventeenth-century Europe was a religious and cultural one: to a degree erected between the Orthodox east and the west but much more so between Christian and Muslim.

Conclusion: A New World Economy?

Attitudes towards those who were different on account of creed or colour was one of many continuities the seventeenth century displayed. There

were other links with the past which simply manifested themselves in different ways. British Caribbean pirates were only continuing a long-established tradition of Mediterranean robbery and ransoming by Muslims of Christians; just as the Mediterranean world had possessed its colonies in Africa and the Middle East throughout medieval times; and just as Arabs had for centuries traded in black slaves in the Indian Ocean. The English themselves took over Portugal's flourishing African slave trade in the 1600s. The north Italian city states may have faded as trading powers but Italians (especially Genoese) still numbered among the most eminent financiers in key commercial cities such as Lyons, Marseilles, and Barcelona.

The seventeenth century saw substantial continuities in many areas of economic and social life. But there were also fundamental departures from traditional ways. The economic hub of Europe had shifted irrevocably from the Mediterranean and Germany to the north-west seaboard. At the core of Europe's economy in 1550, Portugal found itself very much on the periphery by 1750. The once great inland trade centres like Leipzig or Nuremberg had become backwaters by 1700 as trade flowed to the thriving Atlantic ports of Bordeaux, Nantes, Bristol, Liverpool, and in the eighteenth century Glasgow and Hamburg. Even mighty Amsterdam was entering a period of stagnation. With the changing economic focus went political leadership and, to a degree, the centre of intellectual and cultural life. Versailles, not Venice, was to be the model for building, literature, and



WORLD TRADE ROUTES IN THE SEVENTEENTH CENTURY

language from the end of the seventeenth century. Wool or undyed woollen cloth remained a significant component of English exports but during the 1700s and 1710s the re-export of colonial goods was growing rapidly.

Clearly, economic progress did not happen overnight. Equally, its pace was not uniform across Europe. To an allegedly 'general' crisis in the first half of the century we can add appalling famines which decimated the populations of France, Scotland, and Scandinavia during the 1690s: shortages which show the limits of agricultural development, transportation, and the administration of social welfare. Towns helped to modernize the economies of north-western Europe but they had little effect on Iberian or

Russian agriculture, trade, and industry. Involvement in European or world commerce was a social solvent in England and the Netherlands but involved a hardening of traditional relationships east of the Elbe. At every turn, the extent of economic change was influenced by existing social forms, cultural priorities, and political structures. Its effects were also contingent. Trade was important in creating the wealth necessary to patronize the arts but other influences such as a court or foreign embassies were needed because while Amsterdam was an important centre for painting during the seventeenth century Rotterdam, the second port of the Dutch Republic, was not.

The paths to progress also differed. The Dutch succeeded by dominat-

ing the commerce and shipping of northern Europe and then expanding into the Far East. Yet they were eclipsed after the 1650s by English expansion of the Atlantic trade based primarily on colonies. At the other end of the spectrum the reasons for failure were depressingly similar: high production costs; inadequate transportation; extreme wealth polarization and heavy-handed political intervention which inhibited rather than facilitated economic change. Poor economic performance had deep-rooted social causes and long-lasting consequences. The dismal economic showing of the rural south and east of Europe was, for example, associated with profound illiteracy until far into the nineteenth century.

Incomplete as it was even in 1700, the development of a truly European economy had progressed during the century. From being a conglomeration of parcellized regional economies, continent-wide exchanges of grain and of certain raw materials and manufactures helped to create a more unified entity. A rudimentary 'world economy' was also in the making, founded on trade in 'groceries' and semi-durable goods—and human beings. The mercantilist assumption of a 'fixed cake' was becoming outdated by new products and new markets. Ideas of intervention and stasis were being replaced by laissez-faire and dynamic growth. There was still a long way to go before technological change broke down the barriers within traditional economies and made possible two centuries of exponential growth. But the stage was set for agricultural, industrial, and commercial revolutions which would utterly transform the world.