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Economics Begins to Dissolve the Theocracy: Disintegration of the Fur Monopoly

As happens on every new continent, the vast majority of Americans were engaged in transforming natural resources into use; in the case of New England, farming, fish, timber, and furs purchased from Indians located deep in the interior. Merchants and shippers largely exported this produce and in return imported other desired goods from abroad. It should be noted that, in contrast to the glib assumptions of many critics, there is no inherent "class conflict" between farmers and merchants in the market economy. There is no "agrarian interest" in a *per se* clash with a "commercial" or "mercantile" interest. Both groups play an intermeshing and complementary role in the processes of production and exchange. How, indeed, could "agrarians" find a market for their produce without merchants, and without farmers, in *what* goods would the merchants trade and *to whom* would they sell?

New England, indeed all of America north of the Potomac, had not the monoculture of the South (tobacco in the Chesapeake area and, later, rice in South Carolina), but a variety of products. The first products of New England were fish and furs, and the bulk of the earlier settlements began as fishing stations or fur trading posts. From the Indians, the whites soon learned two techniques indispensable to carving a living out of the new land: how to clear these unfamiliar woods, and how to grow that new product, Indian corn (maize), which soon became the North's leading agricultural product. Other important agricultural commodities in the North were wheat, rye, and barley.

To the first generation of devout Puritans migrating en masse to Massachusetts, intent on founding their "Bible Commonwealth," trade

was more than slightly suspect. Trade was something to be watched, regulated, controlled—a standing distraction from “godly” concerns. There was little conception that the market has laws and workings of its own.

And yet, economic reality had, as always, to be dealt with—and even in the godliest of commonwealths there was often chicanery afoot. When the Puritans began to arrive in the late 1620s, the most highly developed enterprise in New England was the Plymouth fur trade with the Indians. But within a decade the Plymouth fur trade had virtually disappeared, and the economically declining Pilgrims had to content themselves with sending their agricultural produce to Boston to sell. How did this happen? How did Plymouth so swiftly become a sleepy backwater of Massachusetts Bay?

It is misleading to say that Massachusetts, with its influx of Puritans, was larger and wealthier. For this would not automatically have effected such a drastic revolution in fortunes. Moreover, Massachusetts supplanted Plymouth in the fur trade even though very few furs were native to the Massachusetts area.

The swiftness of this turnover is explicable only by contrasting the workings of governmental monopoly privilege with free private enterprise. In 1627 Plymouth owed £1,800 to its English financiers. Taking advantage of this opportunity, a group of eight leading rulers of the colony—as key members of the ruling oligarchy—in effect granted themselves a monopoly of the Plymouth fur trade in exchange for assuming the Plymouth debt. Also drawn into the monopoly scheme were four of the English merchant-creditors. The monopoly was to run for six years, but was annually renewed for several years afterward. Monopoly never spurs enterprise or initiative, and this was undoubtedly a major factor in the swift decline of the trade in the late 1630s, when competition from Massachusetts had to be faced. Plymouth could not, after all, deal with Massachusetts Bay as it had dealt with the competition of the highly efficient fur trader Thomas Morton, that is, by wiping out his settlement and deporting him back to England. Furthermore, the London creditors, while ingesting monopoly profits, fraudulently failed to reduce the Plymouth debt by that amount; the debt thus remained a heavy burden on the colony. So swiftly did the Plymouth fur trade collapse that virtually no one remained in it by 1640 and the monopoly was allowed to lapse.

It is true that the Massachusetts settlers helped this process along by such acts as seizing the Windsor trading post on the Connecticut River in 1635, but these were scarcely decisive. Instead, it was private, independent settlers, building trading posts in the interior—especially on the Connecticut River—building at their own risk and on their own initiative, who developed the New England fur trade. The most important fur trader was William Pynchon, who founded Springfield, the strategic northernmost settlement on the Connecticut River. Pynchon became a

virtual manorial lord of Springfield, functioning as landed gentry and chief magistrate.

While the fur trade in Massachusetts and Connecticut was relatively free in contrast to Plymouth's, it was hardly a pure free enterprise. The governments regulated the prices of furs, taxed income from the trade, and moreover, insisted on licensing each entry into the trade. Indeed, entrance into the vital fur trade became a lucrative monopolistic privilege restricted to influential men with connections in the government of the colony. William Pynchon was granted the exclusive monopoly of the entire fur trade in the crucial Springfield region. As a result, he was able to expand greatly and establish branch trading posts of Springfield in the new settlements at Hadley and Westfield. In 1644 Massachusetts granted a twenty-one-year fur monopoly to one company that included Boston importers William Tyng and Robert Sedgwick. The monopoly quickly went bankrupt, as did another attempt at a fur monopoly the following year.

In Rhode Island, meanwhile, Roger Williams was the first leading fur trader. One of the secrets of his success was that his social philosophy of peace and friendship with the Indians was complemented by concrete peaceful trading relations.

But New England, in the final analysis, was fur-poor, and by the late 1650s even the Massachusetts fur trade was beginning to decline rapidly. In New Haven it was a drive for scarce furs that lay at the root of New Haven's desperate attempts to colonize the Delaware Valley. As New England furs became scarcer, Indian trade concentrated deeper into the interior, and was increasingly centered around the Dutch post of Fort Orange at the current site of Albany. New England fur interests gave way to interests in land, agriculture, and other types of trade.

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Economics Begins to Dissolve the Theocracy: The Failure of Wage and Price Control

From the first, the Massachusetts oligarchy, seeing that in the New World land was peculiarly abundant in relation to labor, tried by law to push down the wage rates that they had to pay as merchants or land-owners. Maximum-wage controls were persistently imposed. John Winthrop set the tone in 1633, complaining that "the scarcity of workmen had caused them to raise their wages to an excessive rate. . . ." What else was supposed to happen with a scarce product?

As in the South, there were at the base of New England's economic structure indentured servants and Negro slaves, who sometimes were farm labor but mostly were artisans, helpers, and domestic servants. After the servants' terms expired, they received small grants of land and became farmer-settlers. The Massachusetts gentry also supplemented this system of labor with general compulsory service in harvesting neighboring farms—a neat way of exploiting the local citizenry at wage rates far below the market.

Maximum-wage control always aggravates a shortage of labor, as employers will not be able to obtain needed workers at the statutory price. In trying to force labor to be *cheaper* than its price on the free market, the gentry only made it more difficult for employers to obtain that labor. By 1640 Winthrop was admitting that Massachusetts had "found by experience that it would not avail by any law to redress the excessive rates of laborers' and workmen's wages, etc. (for being restrained, they would either remove to other places where they might have more or else being able to live by planting or other employments of their own, they would not be hired at all). . . ."

Of course, one method of alleviating this induced shortage was by using the *forced* labor of slavery, servitude, and compulsory harvest service. Thus, one intervention by violence in the market created conditions impelling a further and stronger intervention. But apart from forced labor, the Massachusetts authorities, as we have noted, found it extremely difficult to enforce maximum-wage control.

The first maximum-wage law was enacted by Massachusetts as early as 1630. Due to the high wages commanded by the scarcity of construction craftsmen, the law concentrated on maximum-wage rates in the building trades. Carpenters, bricklayers, etc., were limited to two shillings a day and any payment above this rate would subject both the employer and the worker to punishment (for instance, a buying-cartel of employers established by the law punished the recalcitrant employer who decided to break ranks). Almost immediately, the magistrates decided to imbibe more of the magic medicine, and legal wage rates were pushed down to sixteen pence a day for master carpenters and bricklayers, and correspondingly lower for other laborers.

But the economic laws of the market made enforcement hopeless, and after only six months, the General Court repealed the laws, and ordered all wages to be "left free and at liberty as men shall reasonably agree." But Massachusetts Bay was not to remain wise for long. By 1633 the General Court became horrified again at higher wage rates in construction and other trades and at the propensity of the working classes to rise above their supposedly appointed station in life by relaxing more and by spending their wages on luxuries. Denouncing "the great extortion . . . by divers persons of little conscience" and the "vain and idle waste of precious time," the court enacted a comprehensive and detailed wage-control program.

The law of 1633 decreed a maximum of two shillings a day without board and fourteen pence with board, for the wages of sawyers, carpenters, masons, bricklayers, etc. Top-rate laborers were limited to eighteen pence without. These rates were approximately double those of England for skilled craftsmen and treble for unskilled laborers. Constables were to set the wages of lesser laborers. Penalties were levied on the employers and the wage earners who violated the law. Sensing that maximum controls below the market wage led to a shortage of labor, the General Court decreed that no idleness was to be permitted. In effect, *minimum hours* were decreed in order to bolster the maximum-wage law—another form of compulsory labor. Workmen were ordered to work "the whole day, allowing convenient time for food and rest."

Interestingly, the General Court soon decided to make an exception for the *government* itself, which was naturally having difficulty finding men willing to work on its public-works projects. A combination of the carrot and the stick was used: government officials were allowed to award "such extraordinary wages as they shall judge the work to de-

serve." On the other hand, they were empowered to send town constables to conscript laborers as the need arose.

Although merchants were happy to join the landed oligarchy and the Puritan zealots in forcing down the wage rates of laborers, they were scarcely as happy about maximum controls on selling prices. The gentry were eager, however, to force downward the prices of products they needed to buy. A blend of mercantilist fallacies and Puritan suspicion of commerce, the result was persistent attempts to force commodities below their market prices. Having little conception of the function of the price system on the free market, the Massachusetts authorities also felt that maximum-price control would bolster the maximum-wage-rate program. There was no understanding that general movements in prices and wages are governed by the supply of and demand for money, and that this too can best work itself out on the free market.

Corn was the major monetary medium of the North, and in 1630 Massachusetts set the sterling price of corn at six shillings per bushel. Failing to work, this control was repealed along with the wage laws of 1631, and corn was "left at liberty to be sold as men can agree." In 1633, however, maximum-price controls were reimposed as an auxiliary to the wage controls.

The massive wage laws of 1633 were quickly discovered to be a failure; once again the quiet but powerful economic laws of the market had triumphed over the dramatic decrees of the coercive state. After one year the actual wage rates were fifty percent higher than the statutory levels. At that point, the General Court repealed the penalties against *paying*, but retained those against *receiving*, wages above the fixed legal rate. While, in fact, no *employer* had ever been tried or penalized under the old act, the wage law was now an open and flagrant piece of class legislation. This was nothing new, however, as there were ample precedents in English maximum-wage laws since the early fifteenth century.

Another change made in 1634 allowed a little flexibility in decreed prices and wages by permitting each town to alter the legal rate in case of disputes. Only a year later the General Court, despairing of the continued failure of the law to take hold, repealed the comprehensive wage controls and the auxiliary price controls. Just before this comprehensive repeal, the courts had apparently been driven by the failure to inflict ever harsher penalties; fines had been so heavy that two workers were imprisoned for failure to pay. The authorities were at the crossroads: should they begin to impose on workers violating clearly unworkable economic decrees the sort of punishment meted out to heretics or to critics of the government? Happily, common sense, in this case, finally prevailed.

Made wary by its thundering failure, the theocracy no longer attempted a comprehensive planned economy in Massachusetts Bay.

From then on, it was content to engage in annoying, but not fatal, hit-and-run harrassments of the market. Penalties were made discretionary, and in 1636 wage and price regulations were transferred by the provincial government to the individual towns, as suggested by the leading Puritan divine, Rev. John Cotton. The General Court was supposed to exercise overall supervision, but exerted no systematic control. Control by each town, as had been anticipated, was even more ineffective than an overall plan, because each town, bidding against the others for laborers, competitively bid wages up to their market levels. The General Court wailed that all this was "to get the great dishonor of God, the scandal of the Gospel, and the grief of divers of God's people." A committee of the most eminent oligarchs of the Bay colony was appointed to suggest remedies, but could think of no solution.

Of the towns, Dorchester was perhaps the most eager to impose wage controls. During the Pequot War, and again in 1642, it combined maximum wages with conscription of any laborer unwilling to work and to work long enough at the low rates. Hingham also enacted a maximum-wage program in 1641, and Salem was active in prosecuting wage offenders.

In 1635, the year of the repeal of the wage and price plan, the Massachusetts authorities tried a new angle: under the cloak of a desire to "combat monopolizing," the Massachusetts government created a legal monopoly of nine men—one from each of the existing towns—for purchasing any goods from incoming ships. This import monopoly was to board all the ships before anyone else, decide on the prices it would pay, and then buy the goods and limit itself to resale at a fixed five percent profit. But, this attempt to combine monopoly with maximum-price control failed also. The outlawing of competing buyers could not be enforced and the import monopoly had to be repealed within four months. What ensued was far better but was still not pure freedom of entry. Instead, licensing was required of all importers, with preference usually given to friends of the government.

Generally, the merchants were the most progressive, wordly, and cosmopolitan element in Massachusetts life. The merchants were able to gain political control of the growing commercial hub of Boston by the mid-1630s. But the rest of Massachusetts remained in the hands of a right alliance of Puritan zealots and landed gentry who dominated the magistrates' council and the governorship. During the decade of the 1630s only two out of twenty-two magistrates were merchants, one of these being the Hutchinsonian leader William Coddington. This reflected the occupational differences of their native England. The gentry had, by and large, been minor gentry in rural England, while the merchants usually hailed from London or other urban centers. In contrast to the authoritarian and theocratic gentry, the merchants had a far more individualist and independent spirit and often opposed the Massachusetts oligarchy.

It was no accident that almost all the merchants championed the Hutchinsonian movement—including Coddington, John Coggeshall, and the Hutchinson family itself. In spite of the earlier failures, Massachusetts tried to resume its harassment and regulation of the merchants, but even more sporadically than in the case of wages. Millers were fined for charging what were arbitrarily termed "excessive" prices for their flour. A woodmaker was fined in 1639 for charging the Boston government "excessive" prices for making Boston's stocks, and, as Professor Richard Morris notes, the General Court "with great Puritan humor sentenced him, in addition, to sit in the stocks he himself had made."* Heavy fines and Puritan denunciations were also the lot of merchants supposedly overcharging for nails, gold buttons, and other commodities. The Puritan church was quick to condemn these merchants, and insisted on penitence for this "dishonor of God's name" in order to regain membership in the church.

The most notable case of persecution of a merchant occurred in 1639. Robert Keayne, a leading Boston importer and large investor in the Massachusetts Bay Company, and the devout brother-in-law of Rev. John Wilson, was found guilty in General Court of gaining "excess" profit, including a markup of over one hundred fifty percent on some items. The authorities displayed once more their profound ignorance of the functions of profit and loss in the market economy. Keayne was especially aggrieved because there was no law on the books regulating profits. In contrast, the Maine court, in the case of *Cleve v. Winter* (1640), dismissed charges against a merchant for setting excessive prices, on the grounds that it was not legitimate to regulate a man's profit in trade. So a sounder strain of thought did exist despite the official view.

Massachusetts' sister colonies also tried to impose a theocratic planned economy. As we might have expected, the effort of New Haven Colony, founded in distaste for the alleged laxity of Massachusetts Puritanism, was the most comprehensive. New Haven's Act of 1640 established fixed profit markups of varying grades for different types of trade: three pence in the shilling, for example, for retail of English imports, and less for wholesale. Prices were supposed to be proportionate to risk for colonial products. Above all, a highly detailed list of maximum-wage rates for each occupation was issued. A year later, an ambitious new schedule was decreed, pushing down wage rates even further.

But even fanatical New Haven could not conquer economic law, and only nine months later the authorities were forced to admit defeat, and the entire program was repealed. After that resounding failure, no further comprehensive controls were attempted at New Haven, although there were a few sporadic attempts to regulate specific occupations.

*Richard B. Morris, *Government and Labor in Early America* (New York: Columbia University Press, 1946), p. 74.

Comprehensive wage control was also attempted in Connecticut. An abortive regulation of wages was imposed in early 1640, but repealed later the same year. The following year Connecticut, again alarmed about "excessive" and rising wages (with men "a law unto themselves"), enacted a maximum-wage scale for each occupation. However, instead of the heavy fines imposed by Massachusetts, the only prescribed penalty was censure by the colony's General Court.

Because the monetary medium of Connecticut was corn, wheat, or rye, maximum-wage legislation, to be effective, depended on *minimum* rates of exchange of these commodities in terms of shillings—otherwise, maximum wages in shillings would be effectively negated by declines in the shilling prices of corn. Minimum corn, wheat, and rye prices were, accordingly, fixed at legal tender for wage and other contracts. A slight reduction of wheat and corn prices, however, was allowed in 1644, and, finally, in 1650 Connecticut also abandoned the foolhardy attempt to plan the price and wage structure of the colony's economy.

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Mercantilism, Merchants, and “Class Conflict”

The economic policy dominant in the Europe of the seventeenth and eighteenth centuries, and christened “mercantilism” by later writers, at bottom assumed that detailed intervention in economic affairs was a proper function of government. Government was to control, regulate, subsidize, and penalize commerce and production. What the *content* of these regulations should be depended on what groups managed to control the state apparatus. Such control is particularly rewarding when much is at stake, and a great deal *is* at stake when government is “strong” and interventionist. In contrast, when government powers are minimal, the question of who runs the state becomes relatively trivial. But when government is strong and the power struggle keen, groups in control of the state can and do constantly shift, coalesce, or fall out over the spoils. While the ouster of one tyrannical ruling group *might* mean the virtual end of tyranny, it often means simply its replacement by another ruling group employing other forms of despotism.

In the seventeenth century the regulating groups were, broadly, feudal landlords and privileged merchants, with a royal bureaucracy pursuing as a superfeudal overlord the interest of the Crown. An established church meant royal appointment and control of the churches as well. The peasantry and the urban laborers and artisans were never able to control the state apparatus, and were therefore at the bottom of the state-organized pyramid and exploited by the ruling groups. Other religious groups were, of course, separated from or opposed to the ruling state. And religious groups in control of the state, or sharing in that control, might well pursue not only strictly economic “interest” but also ideological or spiritual ones,

as in the case of the Puritans' imposing a compulsory code of behavior on all of society.

One of the most misleading practices of historians has been to lump together "merchants" (or "capitalists") as if they constituted a homogeneous class having a homogeneous relation to state power. The merchants either were suffered to control or did not control the government at a particular time. In fact, there is no such common interest of merchants as a class. The state is in a position to grant special privileges, monopolies, and subsidies. It can only do so to *particular* merchants or groups of merchants, and therefore only at the expense of other merchants who are discriminated against. If X receives a special privilege, Y suffers from being excluded. And also suffering are those who would have been merchants were it not for the state's network of privilege.

In fact, because of (a) the harmony of interests of different groups on the free market (for example, merchants and farmers) and (b) the lack of homogeneity among the interests of members of any one social class, it is fallacious to employ such terms as "class interests" or "class conflict" in discussing the market economy. It is only in relation to *state* action that the interests of different men become welded into "classes," for state action must always privilege one or more groups and discriminate against others. The homogeneity *emerges from* the intervention of the government in society. Thus, under feudalism or other forms of "land monopoly" and arbitrary land allocation by the government, the feudal landlords, privileged by the state, *become* a "class" (or "caste" or "estate"). And the peasants, homogeneously exploited by state privilege, also become a class. For the former thus constitute a "ruling class" and the latter the "ruled."* Even in the case of land privilege, of course, the extent of privilege will vary from one landed group to another. But merchants were not privileged *as a class* and therefore it is particularly misleading to apply a class analysis to them.

A particularly misleading form of class theory has often been adopted by American historians: inherent conflicts between the interests of homogeneous classes of "merchants" as against "farmers," and of "merchant-creditors" versus "farmer-debtors." And yet it should be evident that these disjunctions are extremely shaky. Anyone can go into debt and there is no reason to assume that farmers will be debtors more than merchants. Indeed, merchants with a generally larger scale of operations and a more rapid turnover are often heavy debtors. Moreover, the same merchant can

*The differences between the Marxian attribution of "classes" to the market, and the confining of the concept to the "caste" or "estate" effects of state action, have been brilliantly set forth by Ludwig von Mises. See his *Theory and History* (New Haven: Yale University Press, 1957), pp. 112ff; and *Socialism* (New Haven: Yale University Press, 1951), pp. 328ff. Contrast the confusion in Lenin's attempt to defend the Marxian jumble of estate and non-estate groups by the same concept of class. See V. I. Lenin, "The Agrarian Programme of Russian Social-Democracy," *Collected Works* (Moscow: Foreign Languages Publishing House, 1961), 6:115.

shift rapidly from one point of time to another, from being a heavy net debtor to net creditor, and vice versa. It is impermissible to think in terms of fixed persisting debtor classes and creditor classes tied inextricably to certain economic occupations.

The merchants, or capitalists, being the peculiarly mobile and dynamic groups in society that can either flourish on the free market or try to obtain state privileges, are, then, particularly ill-suited to a homogeneous class analysis. Furthermore, on the free market no one is fixed in his occupation, and this particularly applies to entrepreneurs or merchants whose ranks can be increased or decreased very rapidly. These men are the very opposite of the sort of fixed status imposed on land by the system of feudalism.

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Economics Begins to Dissolve the Theocracy: The Failure of Subsidized Production

To return to the New England scene, the flourishing but harassed Massachusetts merchants received a severe economic shock in 1640. Much of the capital and credit for expanding their commerce had come from the wealthier emigrants from England, but by 1640 the great exodus had dried up. Realization of this change further cut off the vital flow of English credit to Massachusetts merchants, since the credit had been largely predicated on a continuing flow of immigrant funds. In addition, the fur trade was already declining from the drying up of nearby sources and the restrictions of the licensing system. A result of these factors was a severe economic crisis in 1640 with heavy declines in prices—of cattle, land, and agricultural products. Credit and confidence also collapsed, and the consequent calling in of debts aggravated the crisis. (There can be little doubt that the panic was also aggravated by the crisis in the English economy in 1640, a crisis sparked by Charles I's seizure of stocks of bullion and other commodities.) As is usual in an economic panic, the debtors faced a twofold squeeze: falling prices meant that they had to repay their debts in currency worth more in purchasing power than the currency they had borrowed; and the demand to pay quickly at a time when money was hard to obtain aggravated their financial troubles.

Almost immediately, the debtors turned to the government for aid and special privilege. Obediently, the Massachusetts General Court passed, in October 1640, the first of a series of debtors-relief legislation that was to plague America in every subsequent crisis and depression. A minimum-appraisal law compelled the appraisal of insolvent debtors' property at an artificially inflated price and a legal-tender provision compelled creditors

to accept all future payments of debts in an arbitrarily inflated and fixed rate in corn, cattle, or fish. Additional privileges to debtors were passed in 1642 and 1644; in the latter, for instance, a law was passed permitting a debtor to escape foreclosure by simply leaving the colony. Most drastic was a law passed by the upper chamber of magistrates, but defeated by the deputies, which would have gone to the amazing length of having the Massachusetts government assume all private debts that could not be paid!

The fact that this general debt-assumption bill was passed by the council of magistrates, the organ par excellence of the ruling oligarchy, and rejected by the substantially more democratic chamber of deputies, indicates the need for drastic revision of the common historical stereotype that debtors are *ipso facto* the poor. For here we find the debtors' interest represented especially by the ruling oligarchy and not by the more democratic body.

Further debtors-relief legislation—again at the behest of merchants—was passed in 1646, compelling creditors to accept barter payments for money debts, and in 1650, compelling outright moratoriums on debt payment.

With fur production declining badly, the Massachusetts government turned desperately to artificial attempts to create industry by state action. The motives were a blend of the mercantilist error of attempting self-sufficiency and cuts in imports and the shrewd granting of privileges to favorite businessmen.

Hence, the colony decided to turn to the subsidization of iron manufactures. Early iron mines in America were small and located in coastal swamps ("bog iron"), and the primary manufactured or wrought iron was produced cheaply in local "bloomeries" at an open hearth. The Massachusetts government, however, wanted to force the use of the more imposing—and far more expensive—indirect process of wrought-iron manufacture, a process that required the erection of a blast furnace and a forge. Such an operation required a far larger plant and much more skilled labor.

In 1641, John Winthrop, Jr. found bog-iron ore at Braintree. He decided to embark on the ambitious construction of a furnace and forge—the first in the colonies. The Massachusetts General Court had offered any discoverer of an iron mine the right to work it for twenty-one years; yet it insisted that within ten years an iron furnace and forge be erected at each bog mine—thus repressing the cheaper open-hearth process. The court also insisted that the Winthrop Company—soon organized as the Company of Undertakers for an Iron Works in New England, with English capital—transport iron to churches, and keep a minimum of its production at home rather than export the iron. In 1645 the company was granted a twenty-one year monopoly of all iron manufacturing in Massachusetts as well as subsidies of timberland, provided that within a few years the company would supply the colonists with iron at a price of no more than twenty pounds a ton.

However, even with these privileges, plus large grants of timberland that Winthrop managed to wangle from the towns of Boston and Dorchester, the venture at Braintree was too expensive and failed almost immediately. Ousting Winthrop, the company moved its operation northward to Lynn, where it managed to build a furnace and forge and to produce some quantities of bar iron. Here again, economics caught up with the venture, and costs rose faster than revenues. In addition, the company owners wanted to sell the iron for cash but the Massachusetts court insisted that the company accept barter for its iron, thus "keeping the iron in the colony"; otherwise, the court argued, the iron would redound to the benefit of foreign buyers and the cash profits would be siphoned off to the owners in England. The wages paid at the ironworks were apparently not enough of a benefit for the court. In its unsuccessful petition to the General Court, the company pointed to the benefits to the colony of its payment of wages and purchase of supplies, and argued that it had a right to export as it chose and to obtain cash in return. What in the world would it do with crops paid in barter? With this sort of harassment added to its other troubles, the company finally went bankrupt in 1653, and the ironworks itself closed down less than a decade later.

This was not the last of younger Winthrop's ventures into subsidized, uneconomic, and failing enterprises. In 1655 he discovered a bog-iron deposit at Stony River in New Haven Colony. The New Haven authorities, finding their colony increasingly a sleepy backwater rather than the expected commercial success, eagerly welcomed the chance to subsidize an ironworks. Raising the capital locally to avoid colonial harassment from foreign owners, Winthrop was granted a host of special privileges by colony and town governments including land grants, payment of all costs of building the furnace, a dam on the river, and the transport of fuel. One of the owners was the deputy governor of New Haven, Stephen Goodyear, who was thus able to use the power of the government to grant himself substantial privileges. Yet this ironworks quickly began to lose money and little iron was ever produced at Stony River. The works was abandoned altogether in the 1660s.

The sorry record of forced iron production was matched by that of compulsion in textiles. The New England governments, heedless of the fact that the growth of hemp was largely uneconomic, decided that not enough hemp was being grown by private farmers and that something had to be done about it. Connecticut went to the length of compelling every family to plant a minimum of hemp or flax, but soon had to abandon the attempt. Massachusetts decided, in 1641, to grant a subsidy of twenty-five percent for all linens, cottons, and woolens spun or woven in the colony. It also decreed that all servants and children must spend *all* their leisure time on hemp and flax. So speedily did all this spur the growth of hemp that only one year later, Massachusetts rescinded its subsidy and felt it had to legislate against the "hoarding" of stocks of hemp.

Massachusetts also felt that not enough warmer woolen clothes were being produced at home. In 1645 it ordered the production of more sheep, and in 1654 prohibited all further exports of sheep. Finally, in 1656 Massachusetts brought its fullest coercive powers into play: all idle hands, especially those of "women, girls, and boys," were ordered to spin thread. The selectmen of each town were to appoint from each family at least one "spinner" and each spinner was ordered to spin linen, wool, or cotton, at least half the year, at a rate of three pounds of thread per week. For every pound short of the decree, the family responsible was to pay a fine of twelve pence to the state. Still, all these stringent mercantilist attempts to coerce self-sufficiency were a failure; economic law prevailed once more over statute law. By 1660 the attempts to found a textile industry in Massachusetts were abandoned. From then on, rural western Massachusetts made its clothes at home ("homespun" household manufacturers), while the urban citizens were content to import their clothing from England.

John Winthrop, Jr. also tried to found a saltworks in Massachusetts, again subsidized by a government eager to promote self-sufficiency in salt. These subsidies continued intermittently over a twenty-year period. In the 1630s free wood for fuel was donated to Winthrop's salthouse; in the 1640s Massachusetts agreed to buy 100 tons of salt from Winthrop; in the mid-1650s the General Court granted him a twenty-one-year patent. But Winthrop never succeeded in producing any salt.

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The Rise of the Fisheries and the Merchants

Attempts of the government to subsidize the beginning of fisheries also proved fruitless. During the 1630s, fish were either imported or came from Englishmen fishing off Newfoundland and the Maine coast. But the civil war of the 1640s crippled the English fishing fleet. New England fishermen, without need of government coercion, expanded their activities to fill the gap. There sprang up along the New England coast communities of fishermen-farmers, who fished and farmed in alternate seasons. These settlements, in such towns as Marblehead, Nantucket, and the Isles of Shoals, were conspicuously *non-Puritan*. In 1644, for example, *not one* resident of Marblehead qualified as a freeman; in short, not one was a church member. In 1647, in fact, so solicitous was the General Court of the morals of the Isles of Shoals that no women were allowed to live in the town.

The growth of the fisheries greatly expanded the opportunities for trade, and merchants came in to market the catch and equip the cargoes. Indeed, the Navigation Act of 1651, extending to fish the ban against foreign vessels carrying colonial products, was put through by the London merchants to seize the lucrative carrying trade from Dutch and French vessels. The New England merchants purchased the catch from the fishermen and shipped it to London importers. These importers were the major entrepreneurs of the trade; they owned, planned, and financed the shipment from the beginning. Similarly, London exporters of manufactured goods to New England financed the retained ownership of the shipments until sold in the colony. So important were close ties to London, that those New England merchants who had family or friendship connections with London

merchants were the ones who flourished in the trade. New England merchants themselves financed fish exports to the Southern colonies.

By 1660 New England was the fish leader of the colonies, and fish production was flourishing. From the fisheries, the newly burgeoning body of Massachusetts merchants expanded the carrying trade to many other products. The merchants shipped New England agricultural products, including horses, cattle, and timber, abroad. They imported wine from Spain and east Atlantic islands, and sugar from the West Indies. They carried English manufactured goods to Virginia and North Carolina, buying in turn the tobacco of the South and exporting it. A particular feature of New England shipping was the "triangular trade": exporting timber and agricultural products to the Canaries, transporting slaves from there to the West Indies, and then importing sugar from those islands.

During the 1640s and 1650s, the impact of the English civil war on New England trade was a shifting one. In 1645 the merchants drove a free-trade bill through the Massachusetts General Court, allowing trade with ships of all countries. This was accomplished over the protests of many of the leading magistrates of the colony, who were interested more in the Puritan cause than in freedom of trade. Later, however, the Navigation Acts forced Massachusetts to prohibit trade with France and Holland. And over merchants' protests, Massachusetts obeyed Parliament by outlawing trade with those colonies that remained royalist: specifically, Virginia and the West Indies. Returning the favor, Parliament in 1644 exempted New England trade from all English import and export duties.

One of the most important economic consequences of the Puritan Revolution for New England was its impact upon the timber industry. The expansion of New England shipping had given rise to a flourishing shipbuilding industry. It had also spurred the growth of one of the most important New England industries: timber, especially *mast trees* for ships, which flourished particularly on the Piscataqua, a region of Massachusetts now in New Hampshire. But the biggest single impetus to the growth of the mast tree industry was not so much the natural growth of shipbuilding as the huge war contracts suddenly begun in 1655. In that year, Oliver Cromwell launched the expedition that captured Jamaica from Spain. Fearful that the Baltic trade—the largest source of timber and mast trees for England—would be cut off by the war, Cromwell gave orders for the stockpiling of timber in New England.

But more than excessive caution lay at the root of this stockpiling program; the appropriation of special privilege was even more in evidence. For, during the Commonwealth era, many Puritan merchants of New England returned home to England and rose to leading positions in the government. Several were even involved with the awarding of contracts for the Jamaica expedition. These merchants, still deeply connected with New England trade, took care to grant themselves and their associates enormous and lucrative timber contracts. Thus, the head of the Jamaica

expedition was Maj. Gen. Robert Sedgwick, one of New England's biggest merchants. The commissioner of the English navy was Edward Hopkins, another leading Massachusetts merchant. Commissioner of trade was Rear Admiral Nehemiah Bourne, a leading Massachusetts shipwright. Another commissioner of the navy was the Massachusetts shipwright Francis Willoughby. And treasurer of the navy and direct awardee of the naval contracts was Richard Hutchinson, London merchant and brother-in-law of the martyred Anne.

By 1660 all the general patterns of New England trade and production were set for more than the next hundred years. These included not only the trade and production outlined above, but also the emergence of Boston as the overwhelmingly dominant trading center, for Massachusetts and for all of New England. The produce—of agriculture, fish, and forest—from the rest of New England was sent to Boston, whence it was shipped abroad. The other towns became secondary and subsidiary centers, feeding the main metropolis from the produce gathered from their outlying areas. Similarly, almost all imports into New England came to Boston; from here they were shipped to the rest of the colony. Of the 20,000 residents of Massachusetts, fully 3,000 lived in Boston. To a lesser extent Charlestown and Salem were also leading trade centers. In these three towns, being a merchant was a full-time occupation, whereas in the smaller urban areas trade was a part-time calling.

As early as the mid-1640s, the expanding and influential merchants tended to be restive about the theocracy and its persecution of heresy. Trade and fanatical intolerance do not mix well. The trader tends to want peace, wider markets, and freedom of movement. Anything else, any blocking of these channels, is bad for business, bad for trade. In Massachusetts, the merchants saw that persecution blocked immigration—therefore, the expansion of trade—and injured Massachusetts' reputation in England regarding credit and connections. In 1645, it was a group of eminent merchants, headed by Sedgwick, Bourne, and Emmanuel Downing, who led a petition for repeal of the virtual ban against strangers unacceptable to the government, and against the expulsion of the Baptists. But the church elders thundered against leniency and prevailed.

We have seen the brusque fate meted out by Massachusetts to the petition in 1646 for greater religious freedom and broader franchise by Dr. Robert Child and other merchants and eminent non-Puritan church members of the colony. Six years later, the powerful manorial lord of Springfield, the fur trader William Pynchon, returned to England after his book, critical of the Massachusetts persecutions, was publicly burned by the authorities. And the Boston merchant Anthony Stoddard was jailed for "insolence" to the government. The merchants generally opposed the official adoption of theocracy by the General Court when in 1651 it endorsed the Puritan Confession of Faith and Discipline that had been drawn up by the Synod of Massachusetts five years earlier.

This does not mean that the merchants were flaming libertarians; indeed, they heartily endorsed the brutal persecution of the Quakers. But all in all, the merchants were the liberal wing of the Massachusetts community. Their "softness" was duly denounced by the Puritan zealot Edward Johnson: "Being so taken up with . . . a large profit . . . they would have had the commonwealth tolerate divers kinds of sinful opinion to entice men to come and sit down with us, that their purses might be filled with coin, civil government with contention, and the Churches of our Lord Christ with errors. . . ."

And so trade, economics, became increasingly a solvent of fanatical zeal. By their very presence alone, the merchants were a disrupting element in the would-be Puritan monolith. Many of the new merchants of the 1650s were not even Puritans at all (for example, Thomas Breedon, Col. Thomas Temple, Richard Wharton); whether inside or outside the church, they brought with them a worldly, urbane, and cosmopolitan spirit that weakened what the Puritans regarded as the moral fibre of the younger generation. It is no wonder that in 1659 the General Court was so concerned as to proclaim a "day of humiliation" because of the great "sensuality under our present enjoyments."

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Theocracy Begins to Wither: The Half-Way Covenant

The Puritan theocracy faced not only the direct problem of the merchants and their worldly spirit, but also the withering of their dominion from within the very bosom of the church itself. First, the Puritans had to bear the cross of their own brethren in England, who had come increasingly under the influence of liberal ideas in the 1640s and were reproaching Massachusetts for its intolerance. Even the former fire-brand and persecutor of Anne Hutchinson, Rev. Hugh Peter, having returned to England, now urged religious toleration in Massachusetts. Shortly before his death in 1649, Governor Winthrop received the sad and deeply puzzling news that his own son Stephen, fighting in Cromwell's New Model Army, was actually advocating liberty of conscience. "I hope his heart is with the Lord," said Winthrop wistfully.

But even within Massachusetts itself, theocratic rule was beginning to slacken. During the 1650s opinion grew rapidly in the New England church that the requirements for being chosen a member of the "elect" should be greatly loosened. The issue was aggravated by the fact that only church members could become freemen, and hence vote in Massachusetts Bay. Therefore, the growing pressure for a broader and more democratic franchise could only be satisfied by softening the requirements for church membership—in short by weakening Puritan tenets themselves.

The crisis was precipitated in the Hartford church in Connecticut where the practice of Rev. Samuel Stone in admitting church members was thought lax by many of the church elders. In 1657, the General Court of Massachusetts proposed a synod of all the New England colonies.

Rhode Island, of course, would take no part, not being a Puritan colony. New Haven, most rigorously wedded to theocracy and opposed to any change, also refused to participate. From the other end of the spectrum, Connecticut accepted and its authorities sent four ministers to the synod; Massachusetts appointed fifteen. Over the bitter opposition of the conservative ministers, the synod adopted the "Half-Way Covenant," which automatically allowed all those baptized in the church to become church members and to have their children baptized as well. Their membership would only be associate, or "half-way," but the important point was that this partial membership entitled them to vote and therefore to political rights. This was a drastic change and could only weaken theocratic rule and considerably democratize oligarchic rule in Massachusetts. In 1662 another intercolonial synod reaffirmed the Half-Way Covenant, and the General Courts of Massachusetts and Connecticut advised its adoption by all the churches. From all sides and on many fronts the pressures were multiplying for dissolution of theocratic rule.

36

The Decline and the Rigors of Plymouth

What, in all this time, was happening to Plymouth, the mother colony of all New England? Succinctly, it was rapidly and irretrievably declining. As we have seen, its fur trade had virtually disappeared by 1640. And for the next twenty years, only further decline ensued. By the mid-1640s the town of Plymouth was virtually a ghost town; and economically the colony had become a backwater of Massachusetts Bay.

By the 1640s Plymouth, like Massachusetts, found the intensity of its religious zeal on the wane, and heresy and "moral" laxity were increasing. Plymouth faced a crossroads on how to react to this development: by liberty and toleration or by following Massachusetts' path of persecution? The critical point came in 1645 when William Vassall, a leading merchant, presented to the General Court of Plymouth as well as to that of Massachusetts Bay a petition for complete religious liberty—to grant "full and free tolerance of religion to all men that will preserve the civil peace and submit unto the government." "All men" meant exactly that, including Familists, Roman Catholics, and Jews. There was great sentiment in the General Court in favor of the Vassall petition. It commanded the support, in fact, of a majority of the chamber of deputies, and even of such an old roustabout as Capt. Miles Standish. But the ruling oligarchy of the colony, headed by Governor Bradford, Thomas Prentice, and Edward Winslow, strongly opposed religious liberty and was able to block its approval.

This was the turning point and for the next two decades Plymouth accompanied its economic decline by following the lead of Massachusetts in increased theocracy and religious persecution. The colony proceeded to impose fines for failing to attend church, corporal penalties for denying

the Scripture, and denial of the rights of citizenship to all critics of the laws of Plymouth or of the "true religion."

One of the persistent troubles of Plymouth was a shortage of ministers, aggravated by its poverty, decline, and increased intolerance. To deal with this scarcity, Plymouth took another fateful step down the theocratic road: it established a state church supported by taxation. Protests against this new establishment were led by Dr. Matthew Fuller, of the town of Duxbury, who for his pains was denounced as "wicked" by the Plymouth authorities and forced to pay a steep fine.

Despite this establishment, the Pilgrim ministers remained poor, as they had to collect the pulpit taxes themselves and the parishioners were usually far in arrears.

Religious persecution continued to tighten. The colony did not believe itself too poor to afford inspectors of youth; one was appointed in each parish to supervise and birch any boy unruly in church. When this procedure failed, the inspectors intensified their birching penalties and included girls in this corporal punishment as well.

Governor William Bradford died in 1657 at the age of sixty-seven. He left the colony impoverished, though he himself died a rich man, the richest in Plymouth. He was succeeded by Thomas Prence, who liked to think of himself as a "terror to evildoers." When the Quaker influx arrived in Plymouth, Prence was as good as his word. Laws passed against Quakers provided for the summary arrest of suspected heretics, in order to keep "corrupt" would-be freemen from the colony. And as a special slap at any Anglican deviation, the vicious practice of celebrating Christmas was outlawed.

In 1659 six Quakers were banished and Governor Prence thundered that all Quakers deserved "to be destroyed, both they, their wives, and their children, without pity or mercy." But most Pilgrims balked at this call for total victory. As a result, the colony did not flay, brand, or mutilate—let alone kill—its Quakers, as did Massachusetts Bay.

The leading case of Quaker persecution in Plymouth was that of Humphrey Norton, who was banished and then returned. Though denounced by Governor Prence, Norton refused, according to Quaker principles, to take an oath of allegiance. Sentenced to be whipped, Norton managed to escape the punishment by refusing to pay the customary marshal's fee for the "service" of being whipped, and was again expelled.

As in Massachusetts Bay, there was widespread public opposition to the persecution; the persecution itself multiplied the number of Quaker converts. Thus, almost the entire town of Sandwich at the entrance to Cape Cod was converted to the Quaker faith. Barnstable, further along the Cape, liberally harbored and protected Quakers. Indeed, Barnstable's Pilgrim minister, Rev. John Lothrop, accepted as church members all who promised to keep the Ten Commandments.

To deal with the troublesome Sandwich problem, the colonial govern-

ment of Plymouth sent there as special colonial constable one George Barlow, soon to be notorious as the "Quaker Terror." Barlow was paid on a commission basis by Plymouth Colony for finding heretics. Naturally his zeal was unbounded. Barlow ruthlessly plundered the town of Sandwich, finding all suspects and disfranchising eight freemen. The people of Sandwich dealt with Barlow in their own good way: resisting, harassing him and his family, and putting him into the stocks. Finally the people triumphed, and Barlow was driven out of town.

Another leading center of resistance and heresy was Duxbury, north of the town of Plymouth. Duxbury was a town filled with Baptist and Quaker converts. Here resistance to the tyranny of the Plymouth authorities was led by Rev. John Holmes and the Howland family. Zoeth Howland was put into the stocks by the authorities for criticizing the persecuting ministers and many citizens of Duxbury joined him in choosing to pay the fine rather than attend the Pilgrim church. Particularly galling to the despotic Governor Prence was the fact that his own daughter Elizabeth had fallen in love with Arthur Howland, the leading opponent of his tyrannical rule. Repeatedly, Prence had Howland arrested and heavily fined for the crime of courting Elizabeth, but Prence finally, after a decade, broke down and permitted their marriage.

One of the strongest centers of liberal resistance in Plymouth was the town of Scituate, at the extreme north of the colony. Here the resistance was led by two eminent leaders of the colony, the veteran assistant governor, Capt. James Cudworth, and Timothy Hatherly, a member of the General Court for twenty years. Hatherly was summarily expelled from the General Court and disfranchised by the province, but the town of Scituate stubbornly reelected him as a deputy. The General Court, however, refused to seat the intractable Hatherly. Cudworth, in his turn, was dismissed from his high post as one of Plymouth's two commissioners of the United Colonies. Bitterly, Cudworth denounced the actions: "Our civil powers are so exercised in matters of religion and conscience that we have no time to effect anything that tends to the promotion of the civil weal." Cudworth also attacked the establishment of a state religion as well as the persecution of the Quakers. But even Cudworth's protest was met in the familiar way: he was dismissed as assistant governor, deprived of his military command, and disfranchised.

This treatment of Cudworth only swelled the tide of protest. The frightened magistrates decided to appoint sound and reliable Pilgrims in each town to argue with the Quakers and convert them. But this policy turned out disastrously. Deacon John Cooke, officially appointed to spy upon heretics, was himself converted to the Baptist faith and excommunicated by the Pilgrims. A much more telling blow to the authorities was the case of Isaac Robinson. Robinson, son of the beloved Rev. John Robinson, the founder of the Pilgrim sect, who had never left Leyden, Holland, for America, was appointed the official convincer at Sandwich.

Instead, the would-be converter was himself converted and became a Quaker. The embittered magistrates denounced Robinson for "sundry scandals and falsehoods," dismissed him from all his offices, and deprived him of his rights as a freeman.

In the end, the Quakers emerged victorious, as they did in Massachusetts Bay. Town after town in Plymouth Colony eventually took it upon itself to grant full civil rights to the Quakers. The death of old Governor Prence in 1673 brought the more liberal younger generation to the fore, and the new governor, Major Josiah Winslow, restored all civil rights to the Quakers and their supporters. James Cudworth, too, was renamed assistant governor. The old persecuting zeal in Plymouth Colony was ended.