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**THE ROLE OF EXPERTS IN THE PUBLIC ASSESSMENT OF ENGLAND'S TRADE
CRISIS OF THE EARLY 1620'S**

Carlos Eduardo Suprinyak

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**THE ROLE OF EXPERTS IN THE PUBLIC ASSESSMENT OF ENGLAND'S TRADE
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Carlos Eduardo Suprinyak
Cedeplar/UFGM

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RESUMO

Os panfletos econômicos surgidos na Inglaterra durante o início do século XVII são freqüentemente descritos como tentativas de influenciar os rumos da política pública, seja com o objetivo de proteger interesses estabelecidos, ou então em nome da sincera promoção de doutrinas mercantilistas. Entretanto, essa avaliação deixa de lado uma questão mais básica: em que medida os membros da comunidade mercantil inglesa eram capazes de influenciar a opinião pública e o processo de formulação de políticas? Consultas especiais acerca de questões econômicas prementes ofereciam uma oportunidade para que suas vozes fossem ouvidas, porém as crescentes dificuldades financeiras que a coroa inglesa enfrentava à época abriram a principal via de acesso disponível para que participassem ativamente da administração pública. Lionel Cranfield foi certamente o mais bem-sucedido desses casos durante o período em questão, desempenhando um papel de destaque em meio aos debates públicos acerca da crise comercial do início da década de 1620 – debates sobre os quais a literatura econômica, em comparação, parece ter exercido impacto muito mais limitado.

Key words: economia pré-clássica; mercantilismo; século XVII; Inglaterra Stuart; Lionel Cranfield.

ABSTRACT

Economic pamphleteering in England during the early 17th century has often been described as an attempt to influence the course of public policy with the aim of either protecting vested interests or else promoting in earnest the adoption of a few mercantilist doctrines. However, these judgments pass over a more basic question: to what extent, if any, could members of the English business community influence public opinion and the policy decision-making process? Special consultations over pressing economic issues offered an opportunity for their voices to be heard, but the growing financial difficulties which the English crown faced at that time opened the main path available for their active engagement with public administration. Lionel Cranfield was by far the most successful of such cases during the period at hand, playing a leading role throughout the public debates which surrounded the trade crisis of the early 1620's – over which the pamphlet literature, in contrast, seems to have exerted a much more limited impact.

Key words: pre-classical economics; mercantilism; 17th century; Stuart England; Lionel Cranfield.

The early years of the 1620s witnessed the first debate over economic matters ever to appear in print in England: an acrimonious exchange between two businessmen separated by an important generational gap, Gerard de Malynes and Edward Misselden, and which also featured Thomas Mun as a somewhat remote interlocutor. The controversy had its roots in the pressing hardships the English economy went through at the time, confronted as it was with a commercial crisis which began in the Baltic area and from thence spread to England through its adverse effects on sales of woolen textiles, the kingdom's main export article. Even the grave diplomatic and military events which took place in the Continent in connection with the swiftly developing Thirty Years' War were not sufficient to keep public consciousness away from the depressed state of the economy. Decay of trade and scarcity of money turned, for a short while, into issues of truly general concern, of which the pamphlet literature is only the more apparent and long-lasting manifestation bequeathed by history.

The works published by Malynes, Misselden, and Mun have attracted a lot of scholarly interest, but the analysis of their intellectual achievements has too easily turned to their roles as developers of rudimentary economic concepts or advocates for vested interests, without proper assessment of a more basic question: how, if at all, could these writers hope to influence public opinion, and thus the course of public policy? Jacob Viner famously wrote about the 1620's debates: "Perhaps for the first time, a matter of economic policy was made the occasion for a war of tracts. Perhaps for the last time, the tracts seem to have exerted an immediate and traceable influence on government policy" (1930, p. 254); but his analysis of this supposed dual movement does not go any further. Other historians have duly noted the role played by the three pamphleteers in the investigative committees set up by the English government in order to evaluate and propose solutions for the depression, chief among them J.D. Gould (1954; 1955) and Barry Supple (1964). The latter in particular has examined in some detail the structure of the official committees created during the 1621-23 period, but his focus was on their institutional significance and their role in shaping economic policy – not on the interaction between the business and courtly worlds. More recently, building upon Supple's original findings, Lars Magnusson has once again pointed to the influence exerted by the debates held in these committees over the ideas of Mun and his fellow pamphleteers, but also without exploring at length the paths open for these individuals to participate in the political arena (1994, pp. 65-7, 80-7).

Along the following pages, I will try to fill some of these historiographical gaps, first by exposing some of the economic, political, and institutional features which permeated Jacobean England, and then by showing how representatives of the kingdom's business elite – economic experts, if we will – could participate in public deliberations, and how they did participate during the early 1620's procedures.

* * *

In an important article about the state of England's foreign trade during the late 16th century, Lawrence Stone stated: "The famous expansion of trade in the reign of Elizabeth appears to be a pious myth" (1949, p. 50). Indeed, the Elizabethan period – in stark contrast with the conditions which had prevailed earlier in the century – was characterized by the persistence of a recessive scenario, due in particular to the secular exhaustion of an expansionary cycle across the Western European economy,

and the consequent saturation of the markets for England's textile exports (Brenner, 2003, pp. 33-40; Fisher, 1940, pp. 104-5). Important structural transformations did occur at that time. The increase in foreign competition led to rising nationalism and a consequent growth in the share of the kingdom's trade controlled by English merchants. Especially after the dismantling of the Antwerp market, England was forced to establish more direct relations with its trading partners, inducing an institutional reorganization which concentrated foreign trade in the hands of merchant companies. Also, the production of lighter, cheaper textile products collectively known as new draperies began to develop at the expense of the traditional broadcloths, with the aim of supplying Mediterranean markets. The beneficial effects of such transformations, however, would only be felt in the long run; throughout the late 16th century, England was plagued by chronic economic stagnation.

The situation was drastically improved after the accession of James I, in 1604. The cessation of hostilities with Spain made it possible for England to enjoy, for a short while, the benefits that normally accrue to business from a position of neutrality in times of general warfare. Foreign trade and domestic industrial activity entered a phase of vigorous development, occupying the empty spaces left in maritime trade by the United Provinces' military effort, and upheld by the growth in both the production of new draperies and the re-export trade with Levantine and East Indian commodities (Fisher, 1950, pp. 153-5; Nef, 1953, p. 297; Supple, 1964, pp. 28-9; Wilson, 1965, p. 52). The first decade of Stuart rule proved to be a period of unmistakable prosperity, unleashing a whole array of economic forces which had been repressed and sterilized for decades.

Indeed, the first of the economic disasters which abated over England during the decades that preceded the Civil Wars was a direct consequence of this newly acquired sense of confidence and optimism about the state of the kingdom's trade. In 1614, exports of broadcloths reached a record level, prompting the reappearance of an idea which had been recurrent ever since woolen textiles had replaced raw wool as the kingdom's main export article, by the late 15th century. English broadcloths were mostly exported in an unfinished state, to be dyed and dressed in manufacturing centers located in the Low Countries and from there sent to their final markets. Such an international division of labor naturally raised much hostility with the English public opinion, which felt that the kingdom's traditional products should be brought to perfection by the hands of the kingdom's own subjects. Held under control during the Elizabethan period due to the fragile state of international trade, the pressure for political intervention in the cloth market finally found fertile ground in the auspicious early years of James I's reign.

The policy experiment which came to be known as the Cockayne project was the product of a coalition of interest groups which aimed to curtail and absorb some of the privileges enjoyed by the Merchant Adventurers company, but whose professed aim was to entirely replace the exportation of unfinished broadcloths with that of properly finished pieces (Friis, 1927, pp. 224-40; Hinton, 1959, pp. 7-11; Supple, 1964, pp. 36-7). The project was enthusiastically supported by the king himself, who was eager to write his name in the history of the English cloth industry, just as Henry VII had done. Officially sanctioned in July 1614, its ill-conceived nature soon became apparent in the catastrophic results brought about. With the truce in 1609, the United Provinces' competitive position in European trade had been once again much strengthened; England's beliefs in the uniqueness and irreplaceability of its own woolen production, on the other hand, were well off the mark. Boycotted in the Low

Countries and unable to penetrate effectively in other markets, English textile exports were cut in half already in the first quarter of 1615. The project was still continued for some time due to the king's unshakeable confidence, but the damages done to the textile sector eventually became unsustainable, leading to its revocation early in 1617 (Friis, 1927, pp. 273-362). Although former conditions were partially restored, the episode brought the onset of a secular decline in the traditional broadcloth trade, which would never reach the peaks of 1614 again (Supple, 1964, pp. 33, 46; Unwin, 1966a, p. 286; Wilson, 1969, p. 105).

The English economy had hardly recovered from the disruptions caused by the Cockayne project when another crisis struck, this time coming from abroad. The initial stages of the Thirty Years' War, which suddenly required massive financial commitments from a myriad of fragile political units across the Imperial dominions, gave rise to a vertiginous process of monetary debasements known as the *Kipper- und Wipperzeit*, which had been held in check only precariously during the previous decades (Fisher, 1950, p. 155; Kindleberger, 1991, pp. 151-4; Shaw, 1895, pp. 202-7). Although England was largely unaffected by the circulation of debased currency, its export activities were severely injured as a result of the artificial realignment in the terms of trade with Continental commercial partners – inflationary lags within areas of debased currency, when coupled with instantaneous adjustments in exchange rates, meant that local products became relatively cheaper than their imported counterparts. At the time, the most important markets for English textiles were still the Baltic area and the Western German territories, both heavily affected by currency manipulations. Accordingly, from 1620 to 1624, the kingdom's cloth exports were drastically reduced, and the manufacturing districts were suddenly faced with acute poverty, unemployment and economic depression – a bleak scenery all too often reflected in vivid testimonies and genuine public consternation (Hinton, 1955, pp. 13-33; Supple, 1964, pp. 53-8, 73-6).

The early 1620's were thus a period of general economic distress for England, and it was only natural that this would become a topic of interest for English society at large. Nevertheless, I would argue that the uncommon intensity which characterized the public debates held at that time over economic issues was a direct consequence of two factors. Firstly, it had to do with the close succession of two critical events: a disastrous policy experiment which disrupted a fundamental trade and thus generated much popular discontent, and a powerful commercial crisis which hit upon an already weakened industrial and commercial structure. Secondly, and perhaps more importantly, the depressed state of the kingdom stood in dramatic contrast with the prosperous conditions which had prevailed less than a decade earlier, and which were thus still very much alive in everyone's memory. Recessions and depressions had been a constant feature of the whole Elizabethan period, and although much reasoning and pondering over economic topics emerged as a result, these episodes never turned into an occasion for general public assessment. By the early 1620's, however, economic stagnation had become unacceptable.

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The English crown had always, in one way or another, concerned itself with the kingdom's economic activity. Besides the obvious relevance of agriculture and manufacture for the well-ordering of daily life, customs duties had been, since the Middle Ages, one of the few sources of public finance

which were flexible in the short run, and therefore its proper management was a matter worthy of much diligence. Throughout the Early Modern Period, however, as the state grew in its size and functions, and the price revolution slowly eroded traditional crown revenues, fiscal administration turned into a formidable challenge facing every English monarch. Maintaining public solvency was a task which increasingly required tapping resources generated within the kingdom's flourishing trade. As the English business class matured during the course of the 16th century, the crown started working closely – although not always harmoniously – with the City of London in order to assure its own financial health. Public finance thus became the main path open for ordinary businessmen to break into the court's restrictive high circles.

Since the financial reforms introduced by the Marquess of Winchester during the reigns of Edward VI and Mary I, the Exchequer administration was removed from the monarch's direct control and put under the care of the kingdom's Lord Treasurer, who became one of the most prestigious and influential of the crown's high officials (Dietz, 1931, pp. 3-7). As such, the position was always occupied by very prominent court figures. For the best part of her reign, Elizabeth relied on Lord Burghley for the task of managing her coffers, and the Lord Treasurer accordingly enjoyed with her the admiration of future generations for the much praised policy of frugality and providence. Fiscal solvency, however, required more than simply curtailing court extravagance and other ostentatious expenditures. During the Elizabethan era, it involved, among other things, negotiating loans in the Low Countries and using the Merchant Adventurers both as a source of credit and as a means of manipulating the exchange market at Antwerp (Unwin, 1966b, pp. 133, 146-52, 165-7). The ablest of courtiers was still, quite naturally, ill-suited for tasks of this nature, forcing the crown to rely on the expertise of a different class of subjects.

Under the late Tudors, the dirty work was done by Sir Thomas Gresham, who acted as the sovereign's financial agent at Antwerp. The value of Gresham's services lay in his extensive knowledge about the workings of exchange markets, a field dominated by specialists and obscure to most laymen, which eluded and often embarrassed the crown in its ineptness. After his death in 1579, Gresham was replaced by Sir Horatio Palavicino, who played a fundamental role in the financial maneuvering which the onset of war against Spain required. But with the collapse of Antwerp, the Low Countries gradually began to be replaced by the burgeoning City of London as the main suppliers of royal credit (Dietz, 1931, p. 27; Ashton, 1960, pp. 1-30). In order to complement the resources obtained through the long-established Privy Seal demand notes, the crown started working closely with the Corporation of London, who either directly raised loans with its citizens or else acted as guarantor of royal debt. Along the first decades of the 17th century, as the crown's budget deteriorated, the bonds between the City and Whitehall were continuously strengthened.

James I's first Lord Treasurer, the Earl of Dorset, was a heritage from Elizabeth, and it was under his tenure that the great farm of the customs was finally established, consolidating the rights to collect almost all of the kingdom's customs duties into a single concession (Dietz, 1931, pp. 118-21, 305-37; Newton, 1918, *passim*). The dispute for this license gave rise to powerful business syndicates which gathered many of the City's financial magnates; accordingly, throughout the reigns of James I and Charles I, the great farm's incumbents also became one of the most important sources of public credit, anticipating the crown's future revenues (Ashton, 1960, pp. 87-105). The new patterns of court

expenditure introduced by the Stuarts, however, soon translated into chronic and escalating budget deficits, turning public finance into a virtually intractable problem which constantly tormented English sovereigns. The Earl of Salisbury – who succeeded Dorset as Lord Treasurer after the latter's death in 1608, and who was undoubtedly the most powerful public official of James' early reign – tried to reach a permanent solution for the fiscal dilemma through the Great Contract, an agreement where parliament were to approve the collection of a fixed annual subsidy in exchange for the king definitively abdicating some of his feudal rights (Dietz, 1931, pp. 126, 133-43; Wilson, 1965, pp. 91-2). The contract negotiations ultimately failed, and with them the possibility of a financial consolidation via the parliamentary route. From then on, the task of keeping the crown solvent would become a matter of daily concern.

After Salisbury's death in 1612, a vacuum of power was created which saw James attempting to bring control over public affairs closer to his own hands. It was in this context that the doors were open at court to a man who would later play a fundamental role during the proceedings that surrounded the early 1620's commercial crisis. Lionel Cranfield was a City merchant who had dealt mainly in textile exports before getting involved with customs farming during the 1600's. When the contract for the great farm was due, his first-hand knowledge of the farmer's practices led to him being called to help the Treasury Commission in the negotiations for a new concession. Incurring the wrath of his former business associates, Cranfield revealed their fraudulent record-keeping techniques and allowed the crown to obtain far more advantageous terms for itself in the new lease (Prestwich, 1966, pp. 107-32). As a reward, he was knighted and nominated Surveyor-General of the Customs. In 1615, Cranfield and John Wolstenholme, another customs officer, compiled an estimate of England's balance of trade with the aim of demonstrating the adverse effects produced by changing conditions in the international cloth markets. Around this time, Cranfield also started developing a plan for tax reform which involved the establishment of an openly protectionist and discriminatory customs structure – a project which was very well received at court, but never put in practice due to the absence of parliamentary meetings during that period (Prestwich, 1966, pp. 158-98; Tawney, 1958, pp. 128-134).

With the rise of the future Duke of Buckingham by the middle of the decade, Cranfield immediately changed his political allegiances and came under the new favorite's patronage. From then on, his ascension was swift¹. James' expedition to Scotland in 1617 put an alarming strain on the crown's budget, and Buckingham thus came to power knowing that the stability of his position depended crucially on a successful financial reform. Given his business origins, Cranfield was a natural candidate for pursuing an agenda of austerity in public expenditure. From 1618 to 1620, he tackled one after another the most important royal departments, working under the close supervision of Buckingham's right-hand man, Lord Chancellor Sir Francis Bacon (Ashton, 1957, p. 20; Cramsie, 2002, pp. 159-69; Prestwich, 1966, pp. 199-211). The results achieved were impressive by any account, earning Cranfield the confidence of the king himself. In 1619, he obtained the prestigious (and lucrative) position of Master of the Court of Wards, and also joined a host of notabilities in the Treasury Commission. Two years later, with the fall of Bacon, the path was open for Cranfield, who had often been derogatorily described as a "London apprentice" at court, to subvert the tradition of

¹ The story of Cranfield's spectacular rise and fall is at once so telling and unusual that it has been told not only once, but twice – first by R.H. Tawney (1958), and later, in greater detail, by Menna Prestwich (1966).

English public administration in spectacular fashion: in September 1621, he was appointed Lord Treasurer, entering the peerage one year later as 1st Earl of Middlesex (Prestwich, 1966, pp. 286-329; Tawney, 1958, pp. 193-4).

The challenges imposed by the crown's financial difficulties thus offered the main entrance into public administration available for representatives of the business world. However, their expert advice was also sought on other, more specific occasions. In 1576, a royal commission on exchange and other currency matters was established, having Gresham as one of its members; towards the end of Elizabeth's reign, the theme was once again taken up, and a commission which included Gerard de Malynes was charged with establishing the true par of exchange (Gauci, 2004a, p. 380). Situations such as these normally put men of business and public officers working side by side. On the 1576 commission, Gresham was joined by Burghley, Walsingham and Sir Thomas Smith, among others (Dewar, 1965, p. 480). The proceedings which surrounded the Cockayne project had Sir Edward Coke – who was by then already recognized as England's most prominent jurist – cooperating with the merchants who promoted the scheme (Friis, 1927, pp. 223, 240-9; White, 1979, pp. 284-90). Bacon and Cranfield themselves formed a rather unique partnership, and the Privy Council records throughout James I's reign bear ample testimony to the crown's willingness to count on specialist opinion when necessary – merchants, clothiers, customs farmers, and financiers were all frequently called before the lords of the Council to state their perspective on issues which affected the kingdom's economic health. The extreme adversities brought about by the early 1620's commercial crisis offered much room for these and other voices to express themselves.

* * *

Ever since the first accounts of a stoppage in the cloth trade started arriving at the Council table early in 1620, the crown endeavored to look further into the matter. Around May of that year, a committee was created with the aim of investigating the complaints brought forward by Eastland merchants and some clothing districts, having Cranfield as one of its members. In order to accomplish its task, the committee heard the testimonies of representatives sent by the Merchant Adventurers and other clothing districts, who all but confirmed the graveness of the situation. In light of the alarming reports, the committee was transformed into a permanent body charged with monitoring conditions in the cloth trade, a group that included, besides Cranfield, Bacon, and Coke, other distinguished officers of Buckingham's administration such as Secretaries of State Sir Robert Naunton and Sir George Calvert and Chancellor of the Exchequer Sir Fulke Greville (Friis, 1927, pp. 384-6).

But although the crown was aware of the problems, the full extent of the crisis would only become apparent the following year, with the advent of a parliamentary meeting. At first only acquainted with the conditions that prevailed within their own areas, the representatives of the kingdom met in Westminster early in 1621 and realized that their miseries were shared by most others. Moreover, this was to be the first parliamentary session in almost seven years, which meant that all the economic grievances which had been piling up since the Cockayne fiasco had not yet fallen under the scrutiny of the House of Commons. Encouraged by the crown, the parliament thus set about debating and investigating the possible means of restoring the kingdom to a state of prosperity (Friis, 1927, p. 395; Hinton, 1955, p. 13; Tawney, 1958, pp. 184-7).

Although the crown often considered the viewpoints espoused by the different parties involved in any given issue, the House of Commons obviously offered an arena where interest groups could present their perspectives and push their agendas more at will. Merchants, clothiers, farmers, and provincial ports all struggled, accordingly, to have their own benefit contemplated, preventing the emergence of a coherent line of action. But concern with the crisis was large enough to induce the creation of two parliamentary committees aimed at investigating the kingdom's economic maladies, one of them charged with the decay in the cloth trade and the other with the perceived scarcity of money². Cranfield, who sat in the Commons as an MP for Arundel, was named chair of the latter, whereas the former was put under the care of Sir Edwin Sandys, a leading member of the Virginia Company. As parliament struggled to reconcile trade and money as a dual manifestation of the same underlying problem, the economic debates soon turned into a confrontation between Cranfield, who acted on behalf of the crown, and Sandys, who styled himself as a spokesman for the provincial ports while protecting his own company's stakes in the tobacco trade³. Gathering support from Sir Edward Coke, who was by far the most prominent figure in the Commons throughout the session⁴, and also benefiting from Cranfield's controversial public image, Sandys quickly stepped ahead and became parliament's leader in economic affairs (Prestwich, 1966, pp. 286-329).

But although he failed to guide economic debates in the Commons, Cranfield's prestige at court was higher than ever. He was appointed Lord Treasurer during the summer adjournment, and given that parliament was incapable of reaching positive policy conclusions, the Privy Council, under his leadership, set about implementing measures aimed at redressing the kingdom's economic difficulties. Several of these measures reflected the debates carried out in the Commons during the preceding months, a demonstration both of the crown's willingness to preserve good relations with parliament and of its respect for the opinions held by those directly involved in economic activity. But Cranfield had a much broader understanding of the crisis than the petty disputes embodied in parliamentary prescriptions. An obstinate adherent of the balance of trade as an instrument for evaluating the state of the kingdom's economy⁵, he soon established new public commissions to investigate further into the causes of the depression – this time under his own leadership and supervision.

Thomas Mun's first published pamphlet – *A Discourse of Trade, from England unto the East Indies* – appeared in 1621 as an explicit attempt to influence parliamentary proceedings. At the time, Mun occupied a very solid position within London's merchant community as a member of the East India Company's court of directors (Gauci, 2004b, 230-1). The company had come under heavy fire

² *Commons Debates, 1621*, vol. II, pp. 30-1, 76-8; vol. III, pp. 3-4; vol. V, pp. 3-4, 439-40, 456-8.

³ *Commons Debates, 1621*, vol. II, p. 139; vol. IV, pp. 112-3; vol. V, p. 516; vol. VI, p. 16.

⁴ After falling out of favor in 1616, Coke had found his way back into court towards the end of the decade through his relations with Buckingham. His position, though, was now much more fragile, in particular because Bacon, a lifetime enemy, had become the central figure of the Stuart administration. Coke joined the Commons in 1621 with the clear purpose of bringing Bacon down and substituting him as Lord Chancellor. He succeeded in the first task, but failed in the second, a fact which finally put an end to all his hopes of ever achieving a prominent position at court again. From that moment, Coke assumed an openly confrontational attitude towards the crown and became the main leader of parliamentary opposition to the Stuart regime (Prestwich, 1966, pp. 286-98; White, 1979, *passim*).

⁵ Besides his pioneer efforts to estimate England's balance of trade during the late 1610's, Cranfield's deep concern with this analytical instrument became apparent in several occasions during his interventions in the House of Commons, where he could frequently be heard stating that "by increase of Trade outward, the Kingdom thrives; but by Excess of Importacion it consumes", or other utterances to the same effect (*Commons Debates, 1621*, vol. IV, p. 394; vol. VI, p. 296).

from some quarters in the Commons on account of its silver exports, and Mun thus used his literary skills to exempt his merchant group from blame. One of the pamphlet's main arguments was that, although the East India Company did export silver to pay for the commodities it imported, this loss of bullion was more than compensated with the trade surpluses obtained in the re-export trade to other European nation; a proper evaluation of the company's activities, therefore, had to take into consideration the net result of its trade as a whole, which was, according to Mun, highly beneficial for England (1621, pp. 13-21).

Already by the end of 1621, while parliament was still convened, the Privy Council established a committee for investigating the decayed state of the cloth trade, gathering several of the MPs who had actively contributed to the economic debates during the previous months⁶ – although Sir Edwin Sandys, significantly enough, was left out. Among those who joined the committee there were a few distinguished members of the East India Company, such as Sir Dudley Digges and Sir Morris Abbott. Also included were the names of Sir John Wolstenholme and Sir Arthur Ingram, two of Cranfield's closest associates, reinforcing the Lord Treasurer's deep involvement with the committee's proceedings. Parliament was finally dissolved in the first weeks of 1622, leaving the Privy Council once again entirely in charge of dealing with the crisis; as the initial committee failed to produce a general assessment, new actions were taken. In April, a new committee was created with the purpose of hearing reports by the merchant companies and the textile districts, and subsequently evaluating what were the reasons behind the trade depression. This new, smaller committee was composed of a few crown officers and some representatives of London's business elite – among them, Thomas Mun⁷.

Around the same time, the Council also approached a group of perceived experts soliciting a report on the current state of international exchange markets. The individuals involved in the preparation of this report were Sir Robert Cotton, Sir Ralph Maddison, William Sanderson, John Williams and Gerard de Malynes, all men of a very different breed from those sitting in the new trade committee. Indeed, with the exception of Maddison, this was essentially a group of elders. Malynes had worked as a merchant in London since the 1580's, serving the crown in numerous occasions during Elizabeth's later decades (Gauci, 2004a, *passim*). Sanderson, too, was a typical Elizabethan businessman, a Merchant Adventurer who financed voyages of discovery, including Raleigh's Virginia expedition⁸ (McIntyre, 1956, pp. 184-8). But it is Sir Robert Cotton who provides the key to understand the constitution of this peculiar clique. A prominent courtier throughout the late Elizabethan and Jacobean periods, Cotton was a close relative of the Montagu clan, who had Henry, Viscount Mandeville as one of its members. Mandeville, who was at that time one of the longest-standing public officers of England, had preceded Cranfield as Lord Treasurer and currently served as Lord President of the Privy Council (Sharpe, 1979, pp. 12-4, 113-93).

Cotton's group worked fast and delivered a report to the Council already in the first days of May⁹. Their appraisal stressed that recent alterations in the standards of Continental currencies had not

⁶ *Acts of the Privy Council*, vol. 6, pp. 79-80.

⁷ *Acts of the Privy Council*, vol. 6, pp. 201-3.

⁸ There are evidences that Sanderson and Malynes had been closely associated since the Elizabethan period. Ruth McIntyre, for instance, found documents written by Sanderson's son where Malynes is described as his father's assistant (1956, pp. 187-8).

⁹ British Library, *Additional Manuscripts* 34.324, ff. 153-4.

been adequately transmitted to exchange rates, which caused English currency – whose standard had remained the same – to become undervalued against its foreign counterparts in exchange markets. Also according to them, this essentially monetary imbalance lay at the root of the kingdom's trade disorders, for the unfavorable exchange made unprofitable the remittance of silver into England and put a premium on its exportation, thus adversely affecting commodity flows – a conclusion which ran counter to Cranfield's emphasis on the balance of trade as an explanation for the crisis. The report was immediately submitted to the consideration of a second group of experts, which exclusively featured eminent merchants, and was led by none other than Thomas Mun¹⁰.

The obvious fact that this was a confrontation between two opposing parties was only reinforced by the judgment passed by Mun and his fellows. Their conclusions were the exact opposite of those offered by the original exchange report on almost every aspect: exchange rates did not reflect the intrinsic equivalence between currencies, and attempts to control exchange operations would be either impossible or ineffective; the balance of trade was the “principall and p[re]dominant cause of the plenty and scarcity of monyes in all Com[m]on wealthes”, a rule which was “necessarilie and univ[er]sallie true”¹¹. Although it is difficult to prove beyond doubt that Mun had, at this point, become a spokesman for Cranfield amidst the investigative committees, some telling evidence seems to point in that direction. Cranfield and Mun had actually known each other prior to the former's entrance at court – in 1610, the future Lord Treasurer borrowed money from his merchant colleague in order to finance a speculative land deal (Tawney, 1958, pp. 111-2). Mun was a distinguished member of the East India Company, a rising merchant group which was held in high esteem at court, but he had never been an MP or served the crown in any other manner; then after publishing a pamphlet which explored at some length the topic of imbalances in international trade, he was suddenly included both in the new trade committee of April 1622 and in the group charged with appraising the exchange report, to the detriment of all his fellow East India merchants who had participated in the parliamentary debates and in the original trade committee. Moreover, the reasoning displayed when evaluating the exchange report marked a significant rhetorical departure: whereas on the *Discourse* Mun had duly recognized “the abuse of the exchanges betwixt us and other Countries” as one of the reasons for the scarcity of money (1621, p. 51), he would now describe the impact of the balance of trade over monetary flows as “a necessitie of nature beyond all resistance”.¹²

In June, the trade committee presented his final report to the Privy Council, stating that, after hearing representatives sent by merchant companies, clothiers, provincial landowners, customs officers, and London textile workers, they had been able to establish the main factors behind the depression (Thirsk & Cooper, 1972, pp. 210-6). The report recognized the validity of the reasons put forward by both of the groups which had evaluated the state of the exchange, but dedicated much more emphasis to Mun's balance of trade arguments. In conclusion, it recommended the establishment of a permanent commission charged with investigating these and other related issues – advice which was followed the next October with the creation of the Standing Commission on Trade¹³. Mun was once

¹⁰ British Library, *Additional Manuscripts* 34.324, f. 154.

¹¹ British Library, *Additional Manuscripts* 34.324, f. 156.

¹² British Library, *Additional Manuscripts* 34.324, ff. 156-7.

¹³ *England and Wales. Sovereign (1603-1625, James I). James by the grace of God, King of England, Scotland, France, and Ireland, defender of the faith, etc. [n.p.]*, (London, 1622).

again included in its ranks, as were all other members of the second trade committee; Wolstenholme and Digges – Mun's fellow East India merchant and economic pamphleteer¹⁴ – also had seats within the commission, alongside several high officers such as Calvert and Greville. But although Malynes was not remembered, both Maddison and Mandeville were, guaranteeing that the debates which had been carried out in the preceding months would be continued in this new public arena.

Also around June 1622, Edward Misselden published his first pamphlet, *Free Trade, or the meanes to make trade flourisheth*, where he openly criticized Malynes' project of controlling exchange operations according to the intrinsic parity between currencies, even quoting excerpts from Malynes' *A treatise of the canker of England's common wealth*, published in 1601 (Misselden, 1622, p. 104). A young member of the Merchant Adventurers, Misselden was fully aware of the work done by the trade committee, which he described as the "choicest wits of the Kingdome", but his own analysis was an eclectic mix of monetary and balance of trade arguments, much in the same vein as that found in Mun's *Discourse* – as an alternative to Malynes' par of exchange, he did not suggest the proper balancing of foreign trade, but rather an enhancement of English silver currency (1622, pp. 106-7). By the end of that year, Malynes responded with *The maintenance of free trade*, where he reinforced his ideas about the preponderant effect exerted by exchange imbalances over international money and commodity flows. In order to establish his own expertise in the area, the author duly mentioned the exchange investigations referred "to the learned, Lord Viscount Mandeville [...] and other persons of knowledge and experience" (1622a, p. v); later on, he played with the age differential which separated him from his opponent, terming him, in a slightly derogatory manner, as the "Moderne Merchant of Hackney" (1622a, p. 9).

Simultaneously, Malynes was also arguing his case before the recently established Standing Commission. In December, he and his associates submitted two documents for the commission's appreciation, one of them entitled "Reasons to prove the abuse of the Exchange of monyes by Bills to be the efficient cause of the overballanceinge of forraine Comodities in Price"¹⁵. The resemblance between the main line of reasoning developed in these memoranda and in the published pamphlet is striking, although the argument is here developed in a much sharper and more concise manner. The debate was further pursued and intensified in both fronts throughout 1623. The Standing Commission was presented with numerous documents individually penned by Malynes, Maddison, and Mun, who left aside their former practice of collective writing in order to openly confront each other¹⁶. In print, Misselden counter-attacked with *The Circle of Commerce, or the Balance of Trade*, which marked a significant departure from his former pamphlet.

For one thing, Misselden's rhetoric was now much more aggressive. He alternately accused Malynes of being an agent for the Dutch, insinuated he had never actually been a merchant, ridiculed his knowledge of ancient languages and consequently his interpretation of the classic authors, and denounced him as a plagiarist of other people's ideas – characterizing his opponent, in sum, as someone who deserved "contempt rather than the honour of an answer" (1623, p. 4). But a more

¹⁴ Sir Dudley Digges had published a pamphlet in 1615 entitled *The Defence of Trade*, which also sought to excuse the East India Company from public criticism of its activities.

¹⁵ British Library, *Additional Manuscripts* 34.324, ff. 163-6.

¹⁶ British Library, *Additional Manuscripts* 34.324, ff. 167-79.

important change had occurred in the thrust of his main arguments. As the pamphlet's title itself suggested, Misselden was now an unrepentant believer in the primacy of the balance of trade over every other explanation put forward for the crisis – the text is actually often credited as the first appearance in print of the exact term “balance of trade”. It is not entirely clear what brought about this sudden change in emphasis, but it seems more than likely that the connections Misselden had recently established with the East India Company – which he served in 1623 as a commissioner in the United Provinces – played a major role in it. In *The Circle of Commerce*, Misselden described Mun as a man “with such endowments, as are rather to bee wisht in all, then easie to bee found in many Merchants of these times” (1623, p. 36); even more significantly, he indulged in a lengthy and elaborate praise of Cranfield, to whom the pamphlet was dedicated, recalling the Lord Treasurer's efforts to disseminate the balance of trade within public administration:

For although the *Ballance of Trade*, is an ancient *Piece*, which in elder times, hath beene in great use in this Kingdome, as I shall shew in this *Circle*, in it's own *Angle*: yet it was almost worne out and defac't, but renew'd and refresh't by none, but by *Your Lordship* onely. When the *Eye of Heaven*, in the *Eye of the King*, had look't upon *You*, and pickt *You* out, and plac't *You* in a higher *Orb*; *You* were first seene in this *Circle*, of the *Ballance of Trade*: other faire *Pieces You* had, but this was *Your Master Piece*, because all the rest had reference unto this (Misselden, 1623, pp. iv-v).

* * *

The exchange between Misselden and Malynes came to an end with the publication of the latter's *The Center of the Circle of Commerce*, by the end of 1623. Malynes clearly perceived the sudden in change in Misselden's attitude, and insinuated that he was merely acting as a mouthpiece for Mun – which would explain why he had never appeared before his Majesty's Commissioners, “who have often called him by Warrants and otherwise” (1623, p. 123). The confrontations between Malynes and Mun within the arena offered by the Standing Commission's investigation had escalated throughout that year, reaching ever more uncompromising tones. But as economic conditions started to improve in 1624, the debate gradually waned without clear winners. Mun's final reflections about the episode, embodying a consummate defense of the balance of trade as the ultimate determinant of international monetary flows, would only appear much later, in 1664, when his son finally brought *England's Treasure by Forraign Trade* to print.

Although there was room, in Early Stuart England, for business experts to actively influence the course of public policy, the available channels were certainly narrow and oftentimes exclusive. A solid foothold at court was crucial, but very few were able to penetrate a world still largely impervious to the allure of raw material wealth. The Jacobean era had in Lionel Cranfield, the London apprentice who became Lord Treasurer, a strikingly unusual case, and contemporaries who shared his business background duly recognized the great opportunity offered by having one of their own in such a prominent position. Through his association with Cranfield, Mun was able to play an important role in the public investigations about the trade crisis, and Misselden quickly tried to follow in his footsteps. As the businessman of a past generation, Malynes could count on Mandeville for support at court, but

he was well aware that his prestigious yet elderly patron could not match the influence commanded by Cranfield as a leading member of Buckingham's faction. Accordingly, he tried to obtain the Lord Treasurer's favor, asking for permission to dedicate to his memory a massive merchant compendium he had been writing for decades¹⁷. But Cranfield obviously had no use for someone who did not acknowledge the all-important nature of the balance of trade. When *Lex Mercatoria* came out, it was dedicated to the king, and Malynes had to go back to writing pamphlets and refuting Misselden's calumnies.

From all the above-said, it seems reasonably clear that printed literature was, at that time, not more than a second-best choice for those who wished to influence public deliberations. Gerard de Malynes and Edward Misselden, who did not have direct access to the crown's decision centers, rushed to engage in a harsh pamphlet confrontation in an attempt to make their voices heard. Thomas Mun, on the other hand, who had managed to achieve a firm position within the public committees, left it for his son to publish his ideas long after he had already passed away. Lionel Cranfield, who could actually impose his own way, did not even bother.

¹⁷ Centre for Kentish Studies, *Sackville Manuscripts* U269/OE461.

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