

TRADE, MONEY, AND THE GRIEVANCES
OF THE COMMONWEALTH:
ECONOMIC DEBATES IN ENGLAND
DURING THE COMMERCIAL CRISIS
OF THE EARLY 1620'S

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During the early 1620's, a wide-ranging public debate took place in England in order to investigate the causes behind a commercial crisis that severely affected the kingdom. Using a wide array of primary sources, the paper shows that the disputes among Malynes, Misselden, Mun, and others within the context of this debate led to the consolidation of two opposing parties that adhered to radical, irreconcilable views about the workings of the English economy. Another important character in this story was Lord Treasurer Lionel Cranfield, who led the investigative proceedings while openly favoring the 'balance of trade' party. The well-known pamphlets written by these authors thus emerge simply as the last stage in a process that saw economic doctrines emerge out of public controversy and confrontations.

1. INTRODUCTION

THE scholarly literature has long recognized the peculiar social and political circumstances surrounding the pamphlets written by Thomas Mun, Gerard de Malynes, and Edward Misselden.¹ Their close involvement with the public debates about the trade crisis of the early 1620s, it is argued, constitutes an essential element for understanding their economic ideas. However, in spite of the clear recognition of the importance of economic and political events over the economic thought of these iconic authors, the focus of research on the subject remains firmly anchored on the contents of the pamphlet literature

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¹ This has been the object of increasing attention throughout the last hundred years or so, starting with the seminal contributions of JACOB VINER (1930) and MAX BEER (1938), and later receiving closer scrutiny in the works of J. D. GOULD (1954; 1955) and BARRY SUPPLE (1964). More recently, this aspect has also figured prominently in the works of LARS MAGNUSSON (1994) and ANDREA FINKELSTEIN (2000).

they produced. Both Lars Magnusson and Barry Supple, for instance, implicitly assume that the irreconcilable interpretations advocated by Malynes, Misselden, and Mun were rooted in the different intellectual and moral standpoints which they brought to the discussion – Malynes being a scholastic-inspired thinker, while Mun and Misselden supposedly embraced an emergent commercial morality (Magnusson 1994, 65-88; Supple 1964, 215). Although partially true, such claims tend to downplay the effect that public debates can have on the consolidation of ideas.

This paper will show how the development of a wide-ranging debate over economic issues in early-17th century England shaped both the content and the form of the ideas that eventually found their way into printed pamphlets. More specifically, it will make two fundamental claims. First, that the radically opposed interpretations of the crisis offered in print by Malynes, Misselden, and Mun were a direct by-product of their confrontations in the political spaces that were suddenly open for debate in the early 1620s. These confrontations caused them to abandon the eclectic and accommodating attitudes that had earlier prevailed in order to advocate increasingly uncompromising positions, thus ultimately leading to the appearance, in print, of clearly articulated economic *doctrines*. Second, that Sir Lionel Cranfield, then Lord Treasurer of England, was a pervasive influence over the course of the debates, even though his direct involvement in the confrontations was only marginal. Thus, if the first claim is accepted, then Cranfield should be regarded, alongside Mun and Misselden, as one of the essential characters behind the development and dissemination of the so-called «favorable-balance-of-trade doctrine». In order to build its case, the paper will use a wide range of primary sources, including, besides the pamphlets themselves, records of parliamentary debates, acts of the Privy Council of England, papers from the Privy Council committees on trade and money (preserved at the British Library manuscript collection), and other documents related to early modern English history.

The arguments developed in the paper will also cast new light on some recent findings of the scholarly literature on the subject. Authors such as Andrea Finkelstein (2000) and Carl Wennerlind (2011) have chosen to emphasize the shared assumptions that connect Malynes, Misselden, and Mun, rather than focusing on the specific points of dispute among them. In doing so, they both stress the Aristotelian-inspired social philosophy that underlay their pamphlets, which had as its main concern the preservation of well-established functional roles for all social groups, with the ultimate purpose of promoting social harmony and justice. While there is much to commend in their emphasis on order and stability as notions that permeated economic reasoning in early-17th cen-

tury England,¹ this approach obscures the fundamental differences of opinion separating the three authors. More importantly, it also loses sight of the transformations in their thinking induced by the debates, which can explain some of the incongruities found across their writings. By closely following the interplay of ideas within the context of the public debates, a deeper understanding of the issues at stake will emerge.

2. SOCIAL TURMOIL AND PUBLIC DEBATES

The development of a public sphere in Early Modern England has become a very active and fruitful field of research in recent years, as a response to the original framework developed by Jürgen Habermas in his *The Structural Transformation of the Public Sphere* (1962).² As far as the Early Stuart era is concerned, Steven Pincus and Peter Lake have proposed the notion of a «post-Reformation public sphere», stretching from the 1530s to the 1630s. During this period, although public debate and communication about political matters was still not a permanent feature of everyday life, different interest groups could – and did – employ strategies of public communication in order to try to get certain audiences engaged in a political cause. The formation of a public sphere was thus still an episodic event, but one that already involved several different instruments of communication – religious preaching, political and legal performances such as trials and executions, and last but not least, the circulation of manuscript and printed pamphlets. The early 1620s, according to the authors, was precisely one such moment when a series of religious, political, and economic grievances combined to create a critical space for public communication and debate (Lake & Pincus 2006, 273-279).

On the economic side, England was facing a severe crisis in its cloth trade, related to the monetary disturbances brought about by the initial stages of the Thirty Years' War, which resulted in widespread poverty, unemployment, and social unrest.³ This came on the heels of the collapse of the Cockayne project, a failed attempt to substitute fully manufactured textiles for unfinished cloth as England's main export

¹ Less convincing, however, is the argument that Malynes, Misselden, and Mun held on to a *finite* notion of universal wealth (FINKELSTEIN 2000, 83-84; WENNERLIND 2011, 34-37). Unless one understands 'finite' in a rather trivial sense – meaning that the physical extent of the world is given – it is equally easy to find textual evidence refuting or corroborating this hypothesis. In particular, when Wennerlind argues that Mun's pleas for industriousness merely aimed at bringing national wealth to its full potential, this seems to beg the question somehow.

² For recent works exploring the theme, see BELLANY 2002, RAYMOND 2003, PEACEY 2004 and LAKE & PINCUS 2007.

³ Regarding the origins, nature, and chronology of the crisis, see HINTON (1955, 13-33), KINDLEBERGER (1991, 151-160), SHAW (1895, 202-207), SUPPLE (1957), and SUPPLE (1964, 53-58, 73-76).

item.¹ Given the overall prosperous conditions that permeated the first decade of James I's reign,² the sudden reversal of economic conditions became a major source of public discontent. Stagnant or depressed trade conditions had already given rise to systematic inquiry on other occasions, such as the 1576 Royal Commission on the Exchange (Buckley 1924, 592-594), the debates over monopoly patents during the parliament of 1601 (Ashton 1979, 83-84; Sacks 1995), and the Free Trade Campaign of 1604 (Ashton 1967; Rabb 1963-1964, 1968). Nevertheless, public concern with economic issues in England had never before been so widespread and urgent.

The new political regime that had come to life with the advent of the Stuarts further compounded this situation. James' style of governance favored the establishment of solid patronage networks that could serve as sources of political counselling whenever needed, thus partially bypassing the institutional role of the English parliament (Cramsie 2002, 22-79). When the chronic inadequacy of the crown's budget forced the king to ask for parliamentary assistance, this gave occasion to increasingly bitter confrontations. As the political institution that better represented provincial elites, the House of Commons perceived the standards of court expenditure as lavish, and resented royal benevolence towards loyal supporters (Ashton 1960, 37-46; Dietz 1931, 100-13). Thus unable to secure revenue through the parliamentary route, the crown had to rely on other creative financial arrangements involving wealthy London merchants and financiers. Consequently, there was a growing sense that a small clique of court favorites and City magnates controlled the political and financial administration of England, to the detriment of the rest of the kingdom.

In sum, a political opposition to the English monarchy was beginning to take shape, prompting English subjects to be unusually vocal and stringent in their complaints. It was within this rather turbulent and peculiar context that the trade crisis of the early 1620s was debated and investigated. The relevant exchanges assumed three different guises: 1) public consultations organized around the Privy Council;³ 2) parliamentary deliberations; and 3) circulation of pamphlets and printed treatises.

¹ For a more detailed assessment of the Cockayne project, see FRIIS (1927) and SUPPLE (1964, 33-37, 46-49).

² The period 1604-1614 saw continuous improvement in foreign trade conditions, partly due to the benefits that England temporarily obtained from its neutrality towards both Spain and the United Provinces. See FISHER (1950, 153-155), SUPPLE (1964, 28-29), WILSON (1965, 52), and WENNERLIND (2011, 21-23).

³ The Privy Council was the main advisory board to the English crown at the time. Composed predominantly by peers of the kingdom, prominent clergymen, and high public officers, it had the authority to deliberate over matters of public administration and to issue executive orders.

tises that addressed the relevant issues.¹ Using primary sources directly related to each of these spheres, the paper will show how the same themes moved back and forth among them, blending themselves with other questions and interests, and defining, in the process, the economic discourse that characterized the Early Stuart era.

3. THE PARLIAMENT OF 1621

The first complaints regarding the trade crisis arrived at the Privy Council table already during the first months of 1620, when both the Eastland Company and the Wiltshire clothiers petitioned the Council reporting the depressed conditions that prevailed in the cloth trade (Hinton 1955, 13). In face of their claims, the Lords created a committee with the purpose of hearing the testimonies of other provincial clothiers and merchant companies, who confirmed the gravity of the situation. The initial committee was thus transformed into a permanent body of investigation on the conditions of the textile sector. Among its members were several prominent public officials, such as Sir Lionel Cranfield, Sir Francis Bacon, Sir Edward Coke, Secretaries of State Sir Robert Naunton and Sir George Calvert, and Chancellor of the Exchequer Sir Fulke Greville (Friis 1927, 384-386). The crown, therefore, was aware of the trade disturbances since the early days of 1620, and took them seriously from the very beginning. However, it was not until parliament convened the following year that the full extent and depth of the crisis became apparent to the English public at large.

Due to the growing conflict between the crown and the Commons, the representatives of the kingdom had not gathered in Westminster since 1614 – precisely the last year of the prosperous first decade of James I's reign. After 1614, economic grievances had been continuously accumulating without an opportunity for their proper assessment in the political arena. The Cockayne project, in particular, proved a major point of discord, seen as it was as an embodiment of the Stuart patronage system and of the deepening liaison between the court and the business elite of London. These and other grievances of an economic nature were only aggravated when parliament was finally summoned in 1621, and the Commons starkly realized the true dimension of the crisis

¹ If the second form was a traditional arena for political interaction, and the third was a manifestation of the episodic public sphere identified by LAKE & PINCUS (2006), the first could be seen as an instance of what Phil Withington has dubbed the «civic public sphere». More specifically, the committees of experts and notables created to investigate and debate the crisis mirrored the structure of corporate citizenship that permeated the social structure of Early Modern England, offering a space for ordered and civilized interaction in public spaces (WITHINGTON 2007).

in course. Kept in relative isolation in their respective counties until then, members of parliament discovered when they met one another that almost everyone shared in the same problems.¹ A sense of urgency about the kingdom's economic health was thus created, which saw the crown actively encouraging the Commons to take the matter into their hands and debate possible solutions for the depression (Friis 1927, 395; Tawney 1958, 184-187). This is not to imply that economic maladies were the main theme in the 1621 parliamentary session, since this honor undoubtedly belonged to the Palatinate crisis.² However, the Commons recognized the problem as important enough to receive their special care throughout the whole year.

Two main economic topics were the subject of parliamentary deliberation: money and foreign trade. These were obviously not new concerns. The proper management of the kingdom's foreign trade had been the single most important economic theme during the first two decades of the 17th century, revolving as it did around the concept of *order*: the unquestionable virtues of a well-ordered trade, and how to reach that ideal.³ The topic, however, also incorporated aspects of the political divide that then spread throughout the kingdom, in particular regarding the dispute over restrictive patents versus 'free trade'.⁴ Money, and especially the lack thereof, had also been a favorite subject during the preceding decades, although interest in this matter was usually of a contingent nature, coming to surface only when England was affected by concrete liquidity problems⁵ – a point already stressed long

¹ Although provincial elites would have likely been partially aware of the extent of the crisis due to their growing involvement in mercantile enterprises at the time, the convergence of bleak reports in Westminster seems to have contributed to create a general sense of alarm and anxiety.

² Triggerred by the Spanish invasion of a territory ruled by Frederick V, James I' son-in-law, the so-called Palatinate crisis quickly became the center of an intense public discussion regarding the role of England in the initial stages of Thirty Years' War, and in the larger religious schism that took hold of Europe.

³ The general concern with the proper ordering of economic activity according to well-defined and stable structures and norms can be seen as one particular manifestation of the organicist/neo-Aristotelian worldview attributed to early-17th century English economic writers by FINKELSTEIN (2000, 21-25) and WENNERLIND (2011, 19-20). This issue also resonates with Mary Poovey's argument that double-entry bookkeeping, as developed in Early Modern Europe, should be seen as a rhetorical device partially designed to «reemphasize belief in an order sanctioned by God» (1998, 38).

⁴ A remarkably common phrase at the time, the notion of 'free trade' did not designate a liberal economic policy, but rather the absence of licenses and other monopolistic devices that put a branch of economic activity under the control of a privileged group, to the detriment of their legitimate brethren. See FINKELSTEIN (2000, 64-65).

⁵ England actually faced the continuous threat of liquidity crises throughout most of the 17th century, in great part due to the chronic imbalance that existed between its silver / gold ratio and the ones that prevailed in the Continent. During the late 1610s, the problem was aggravated by an increase in the Dutch ratio, which virtually blocked the flow of silver into England (GOULD 1952, 241-243; SUPPLE 1964, 166-185).

ago by Barry Supple (1964, 194, 212), but still often ignored. The decay of the cloth trade and the scarcity of money were once again, in parliament, the focus of investigations. However, if the subjects themselves were familiar, the ways in which they were framed and organized exhibited some peculiar traits.

The significance of the economic problems faced by the kingdom for the parliamentary proceedings of 1621 was already apparent in the king's opening speech:

For the scarcitie of coine, it is strange that my Mint for silver hath not gone this nyne or ten years. Yea, so long it hath stood out of use that I and my council cannot think to see silver coined there againe in our time. How this may be redressed it concerneth you to consider now in Parliament and let your King have your best advice about it.

(CD 1621, VI: 371-372)¹

James thus manifested his personal concern over what was generally perceived as a liquidity crisis, and the theme was duly pursued in parliament during the following months. The scarcity of money remained under the care of a committee comprising the whole House of Commons (CD 1621, II: 29-30, 137; IV: 19, 104-105; V: 3-4, 261, 439-40, 524-5; VI: 16), and the decay of the cloth trade received a similar assignment only a few days later (CD 1621, II: 76; V: 456-458).² What is noteworthy, however, is that these two problems were at first treated as if they were distinct phenomena. The reasons initially ascribed for the scarcity of money were: exportation of money due to an imbalance between the value of domestic and foreign currencies; melting of coin into plate; excessive consumption of foreign goods; the East India Company silver exports; and the granting of a patent for the manufacture of gold and silver thread, which allegedly both forbade the importation of bullion and implied the consumption of domestic stocks (CD 1621, II: 29-30; IV: 19-20; V: 3-4, 439-440). Only two of them were in any way related to the state of the foreign trade, and even these had no direct bearing on the cloth trade itself.

The decay of the latter, in its turn, was at first related to six main causes: a price boycott practiced by the Merchant Adventurers in order to recover the expenses incurred with the renewal of their charter; fraudulent bankrupts who did not settle their debts with clothiers; the preter-

¹ The standard source for parliamentary debates used in this paper is the seven-volume collection edited by Wallace Notestein, Frances Helen Relf and Hartley Simpson, *Commons Debates 1621*, referred here as 'CD 1621'.

² When a bill was directed to a committee of the whole house, this meant that it would be the sole object of parliamentary attention during meetings that occurred regularly, according to the committee schedule. However, differently from what was the case in smaller committees, attendance to these sessions was open to all members of parliament.

mitted customs,¹ which raised the price of English cloth in foreign markets; the dismantling of trade brought about by the Cockayne project; the exclusive privileges for buying wool enjoyed by the Company of Staplers; and the exportation of raw wool to foreign markets, which enabled cloth manufacturing abroad (CD 1621, v: 456-458). Once again, the whole debate took place with scant reference to the other major economic grievance under discussion in the house.

As the session progressed, the two themes were gradually reconciled, although always in a hesitating and uneasy manner.² After the Easter recess, the scarcity of money and the decay of the cloth trade were already being referred to joint committee investigation, but even at this late moment doubts still lingered regarding the appropriateness of this course of action. When the matter was discussed on April 17, the following statement was recorded: «Some are of opinion that, as the issues are varied, several sub-committees must be established; others, that the whole matter is one and the same issue, therefore more suitable to be debated in a committee of the whole house where everyone interested could speak» (CD 1621, III: 3-4). Even as late as May 31, on the eve of summer recess, Sir Thomas Roe – a prestigious diplomat who had served as an ambassador to India in the late 1610s, thus developing close relations with the East India Company – still pleaded, «Lett us doe sommwhat in matter of mony in this interim, but not in matter of trade. The one way for Bullion coming in, and prohibition of exportation; but trade depends on patents and Monopolies and askes long debate and it cannot now be determined» (CD 1621, III: 371).

After joint examination of the two issues began, parliamentary reports enumerated a large number of reasons that supposedly underlay England's economic misfortunes (CD 1621, II: 212-213; IV: 149-150). Trade imbalances were mentioned side by side with strictly monetary phenomena, but without any clear connection between them – an eclecticism that would be the hallmark of all general assessments yielded in parliament. Nevertheless, some of the participants did further more rigorous interpretations of current events. Voices were heard, from time to time, arguing that imbalances in international monetary markets were the main reason behind the liquidity crisis. Sir Dudley Digges argued that the scarcity of money «begin with Spaine, because the Mint

¹ The pretermitted customs were a highly polemical export duty imposed by James on English cloth without parliamentary approval, under the excuse that it merely compensated for the differential revenue that could be obtained if the wool were exported in raw state, and paid the due customs.

² SUPRINYAK (2014) contains a more thorough and detailed assessment of debates on the crisis during the parliament of 1621, showing how the initially separate issues gradually became connected amidst parliamentary proceedings.

gives not valuation» (CD 1621, v: 517), whereas representatives of the French Company stated, «no pollycy can prevent the importation [of money] into Spain nor exportation oute of England while the standard is inequall» (CD 1621, III: 48-49). Similarly, there were those who believed the state of the balance of trade to lay at the root of the crisis. Among the latter, the most prominent and vocal was undoubtedly Sir Lionel Cranfield, a former London businessman who had for some time been serving as the crown's main advisor for economic matters, and who would still in 1621 rise to the position of Lord Treasurer of England. During his time with the Commons, Cranfield often urged his fellow members «to see the customes Bookes, where you will see that which will greive you» (CD 1621, v: 517). To him, the scarcity of money could be explained in the following terms:

[T]he unequal balance of Trade, the Goods imported exceeding those that were exported, which would appear, and means to satisfy the House, not by discourse but by Record, which was by examining the Custom Book, and to see what the Merchants carried out and what they brought in. If that which they bring in be of more value that what they carry out, then the balance must needs be unequal. Which would appear by Demonstration.

(CD 1621, v: 492)

Whenever debate in parliament turned towards the international money market, Cranfield hastily intervened arguing that «wee are to assure ourselves that the want of money is because trade is sick, and as longe as trade is sick, wee shalbee in want of money» (CD 1621, VI: 296). Thus, while parliament could not agree on any positive policy measures, two different standpoints regarding the reasons behind the crisis began to emerge as a result of the Commons' efforts to reconcile the decay of the cloth trade and the scarcity of money as related phenomena.¹ The parliamentary debates worked as a catalyst for numerous economic ideas that had been floating in the English public sphere for the past few decades, which were now rearranged in bold new ways due to that sort of catharsis so typical of critical junctures. Although parliament was dissolved early in 1622 without reaching any clear conclusions, the agenda for further investigation had been set.

¹ When briefly discussing the early 1620s debates, Mary Poovey states: «Even though contemporaries, like modern historians, tended to view the decay of trade and the scarcity of money as related problems, the English government initially responded to them as if they were separate» (1998, 69). The evidence she offers in support of this claim is a port report from 1621, quoted by Barry Supple, arguing that the trade crisis and the scarcity of money «grew both from one and the same cause». The analysis presented in this section offers ample evidence that, on the contrary, most contemporaries tended to view the two issues, at least initially, as distinct phenomena.

4. INTERLUDE: LIONEL CRANFIELD

The rise and fall of Sir Lionel Cranfield, 1st Earl of Middlesex, is a story of epic overtones, filled with drama, intrigue, and symbolic meanings – so revealing, indeed, as a window into the political world of Jacobean England as to be recounted in detail twice, by R. H. Tawney (1958) and Menna Prestwich (1966). Although he was not a courtier, nor had an aristocratic background, Cranfield managed to ascend to the position of Lord Treasurer, and shortly thereafter to enter the peerage of the kingdom – an experience completely without parallel at the time.¹ A typical representative of the London business community, Cranfield spent the early years of his professional life as a merchant trading to the Baltic and Germany. During the first decade of the 17th century, he started to diversify his activities in the City, getting involved in several crown concessions, among which was the farming of the English customs. His first entrance at court became possible due to his first-hand knowledge of foreign trade and customs farming – when called upon to help the Treasury Commission with the renewal of the farm contract, he disclosed the fraudulent practices of his former associates, thus obtaining new terms far more favorable to the English crown. As a reward, he was knighted and made Surveyor-General of the Customs (Prestwich 1966, 107-132).

From that moment on, Cranfield's services as an economic advisor were increasingly demanded. During the Cockayne episode in 1615, he and John Wolstenholme – another customs officer – elaborated an estimate of the English balance of trade, with the purpose of demonstrating the adverse effects that recent changes in international cloth markets had on the mercantile activity of the kingdom² (Tawney 1958, 128-134; Thirsk & Cooper 1972, 454-457). It was also around this time that he began developing a project for fiscal reform that involved an ostensibly protectionist revision of the customs rates – a rather unusual practice by then. Although his project was never put in practice due to the absence of parliamentary meetings in the late 1610s, it was very well received among court circles, being famously deemed by Lord Chancellor

¹ Although some financiers and other members of the business world, such as Sir Thomas Gresham and Sir Horatio Palavicino, had in the past played influential roles in the management of the economic affairs of the English crown, their position had always been rather informal, as either consultants or financial agents – never as public officials.

² The Lords of the Council received this initiative very well, and seem to have increasingly relied on similar efforts from then onwards. A few instances when the Privy Council resorted to estimates of the balance of trade in order to decide on measures of public policy during the period 1615-1620 can be found in THIRSK & COOPER (1972, 459-461), and *Acts of the Privy Council of England*, vol. 4, 250; vol. 5, 127.

Sir Francis Bacon as something «more indeed than I could have looked for in a man of his breeding» (Spedding 1869, vol. v, 187).

When the Duke of Buckingham came to power in the late 1610s, the crown's finances had deteriorated to an unsustainable state. Bacon and Cranfield were put in charge of an ambitious program of financial reform, which involved severe austerity in most areas of royal expenditure. The highly successful measures implemented by the two of them brought the crown's ordinary budget close to balance already in 1619 (Cramsie 2002, 137-140, 159-169; Prestwich 1966, 158-211), earning Cranfield the highly prestigious and lucrative position of Master of the Court of Wards – his first major public office. By this time enjoying the personal confidence of the king himself, Cranfield subsequently joined the Treasury Commission and began having a higher say than ever before over the course of English economic administration. He joined the parliament of 1621 in order to act as an agent for the crown in the House of Commons, but during summer adjournment, his political ascension was finally complete: after becoming Lord Treasurer, he sat with the Lords for the remainder of the session. Cranfield occupied this enormously influential position until 1624, when he was brought down by a coalition of his former patrons and old business foes¹ (Cramsie 2002, 180-204; Prestwich 1966, 330-374, 423-468).

5. THE PRIVY COUNCIL AND THE INVESTIGATIVE COMMITTEES

During the parliamentary summer recess, the Privy Council – under the strong influence of Cranfield – had already begun to bring the assessment of the crisis closer to its own hands. Several of the measures that had been suggested by the Commons during the previous months were brought to fruition,² and the Council, following recommendations from the king himself, carried further the main lines of inquiry that had been opened in parliament (APC 5, 393; 6, 40, 71).³ Accordingly, a document entitled *Causes of want of money in England & Wales* was elaborated in June, containing the same eclectic mix of arguments that was

¹ By that time, the austerity program no longer fit well in the political agenda of Buckingham and Prince Charles, who both led the parliamentary campaign that culminated in the Lord Treasurer's impeachment – among other things, ironically, on the grounds of squeezing foreign trade too heavily with extra-parliamentary tariffs.

² Among these measures were the opening of the trade in new draperies to merchants from the outports, to the detriment of the exclusive privileges of the Merchant Adventurers; relaxing regulations on the Welsh cotton trade that restricted it to local drapers at the Oswestry market; reinforcement of provisions against the exporting of wool; and strengthening of surveillance against interloping in the Eastland trade (CD 1621, III: 415-416; *Acts of the Privy Council of England*, vol. 5, 391-392).

³ The source for Privy Council register documents used in this paper is the 14-volume collection *Acts of the Privy Council of England (1613-1631)*, referred here as 'APC'.

commonly heard in Westminster. The last item in the document, however, read as follows:

The importation of for[eign] co[m]oddities surmounting the exportation of our home & native co[m]oddities by many thousand yerely causeth the want of so much money at the least, as that surplusage & excesse amounteth unto, w[hi]ch hath bene reported by some officers of trust of late about 300,000 *lib.* sterling in one yere.

(*ADD. MS 34.324*,¹ f. 181)

There remains little doubt that the ‘officers of trust’ responsible for evaluating the state of the kingdom’s foreign trade were Cranfield and his closest associates, who continued to focus on the balance of trade in their attempts to explain the crisis.

On January 1622, a new report on the causes of the scarcity of money was produced under the auspices of the Privy Council. All the items enlisted in the June report were again included, with only minor differences in phrasing. The only significant difference between the two documents rested on the inclusion of one last article, which read: «The want of a Royall Exchanger, to p[re]vent the daily losses w[hi]ch our marchants susteine, by the forraine exchanges and Exchangers» (*ADD. MS 34.324*, f. 183). This was, however, a significant departure, for it ran directly contrary to the emphasis that Cranfield, by now already Lord Treasurer, had been trying to lay on the balance of trade. Actually, the reestablishment of the office of Royal Exchanger – a crown officer responsible for centralizing and controlling all of the kingdom’s exchange operations – was a proposal that Gerard de Malynes had been advocating for a long time.² The phrasing itself of the newly appended item, stressing not only the exchange mechanism but also the behavior of «Exchangers», strongly suggests that it was included due to the influence of Malynes or some of his sympathizers at court. In either case, this indicates that, even with Cranfield’s public position being stronger than ever, the advocates of a balance-of-trade interpretation for the crisis had not yet been able to gather unconditional support. Other perspectives, which focused mainly on international monetary imbalances, were still on the table.

In an effort to preserve good relations with the Commons, the Council had created, by the end of 1621, a large investigative committee to evaluate the decay of trade, which counted with several MPs among its members (*APC 6*, 79-80). As this committee failed to produce a report, a

¹ ‘*ADD. MS*’ refers to the British Library collection of Additional Manuscripts.

² The most elaborate exposition of this argument is in Malynes’ 1601 pamphlet *A Treatise of the Canker of Englands Common Wealth* (95-125). Malynes’ associate William Sanderson was also advocating the project around the same time (*ADD. MS 48.160*, ff. 196-238, *HARLEY MS 5208*, ff. 1-32). See also McINTYRE (1956).

new, smaller group was instituted by the end of April with the task of hearing representatives from the textile counties and merchant companies. The new committee was composed of four crown officers and a few other prominent City merchants – among them, Thomas Mun (APC 6, 190-191, 201-203). Around the same time, the Council also asked a group of specialists to elaborate a report on the state of foreign exchange markets, a task commissioned to Sir Robert Cotton, Sir Ralph Maddison, William Sanderson, John Williams, and Gerard de Malynes.

It is important to pause for a while to reflect on the composition of these two groups. Malynes was already an old man by that time, an Elizabethan merchant who had served the crown on several occasions during the latter decades of the queen's reign, thereafter turning his attentions to projecting and pamphleteering (Gauci 2004). Sanderson was also a typical Elizabethan businessman, a wealthy member of the Merchant Adventurers who helped finance several maritime expeditions, including Raleigh's voyage to Virginia (McIntyre 1956, 184-188). John Williams was a member of the Goldsmiths' Company and a royal goldsmith for the most part of James I's reign. Maddison, the youngest of them all, was actually a member of the gentry who occasionally invested in the exploration of coalmines (Gauci & McConnell 2004). Finally, the prominent Elizabethan and Jacobean courtier Sir Robert Cotton was a close relative of the Montagu clan, which had one of its leading members in Henry, Viscount Mandeville – Lord Treasurer of England between 1620 and 1621, and Lord President of the Privy Council from then onwards (Sharpe 1979, 12-14). Indeed, Mandeville himself presented the report on the exchange to the king (*ADD. MS 34.324*, ff. 153-4), corroborating Malynes' intimations that he had pushed for the preparation of the document.¹

The members of the exchange group and of the new trade committee thus occupied very different social spaces. The latter group was mostly composed of individuals actively engaged either in royal administration or in the business and civic life of the City of London, such as: Sir Paul Pindar, Levant Company merchant and former royal ambassador to the Ottoman Empire; Heneage Finch, Recorder of London; Sir Richard Sutton, Auditor of the Imprests at the Exchequer; Sir John Suckling, Master of Requests and Comptroller of the Royal Household; and, of course, Thomas Mun, a member of the directing committee of the East India Company (APC 6, 201-203). Thus, not only a generational gap separated the two groups, but also their different socio-political alignments. Whereas Sanderson and Malynes had ties, respectively, to the

¹ Malynes makes this claim in both *The Maintenance of Free Trade* (1622, iv) and *The Center of the Circle of Commerce* (1623, 76-77).

Merchant Adventurers and the Merchants of the Staple – two prominent merchant companies of the Tudor era – Pindar and Mun were members of the Levant/East India group, which was quickly coming to dominate English mercantile activity during the Early Stuart period (Brenner 2003, 74-91). The dispute between the exchange experts and the trade committee thus contrasted old vs. new mercantile elites, and traditional nobility vs. up-and-coming crown servants. Within this divide, it seems clear that Cranfield's sympathies would lie with the latter.

In stark contrast with the lethargy of the first trade committee, the report on the exchange was already at the Council's disposal by early May (*ADD. MS 34.324*, ff. 153-4). The reasoning that permeated the report was clear from the very beginning, when the authors stated:

For mony beinge the com[m]on measure w[hi]ch setteth price of all things, this mony ought to be knowne, and used one, & the like in all places, eyther by denominac[i]on, or by Reall Reduc[i]on, denominac[i]on hath of later tymes altered most of the forren Coynes, to the p[re]iudice of the estate in the Exchange.

(*ADD. MS 34.324*, f. 153)

Money, as the standard of value, should have a known intrinsic content so that monetary exchanges could take place adequately; in case the "denominacion", or face value, did not correspond to the intrinsic value, relations among currencies should be established by "reducion", using tables of equivalence. According to the argument, during the Elizabethan period there was a stable, publicly known relation of equivalence between the English currency and its Western European counterparts. Under these conditions, «the Exchange went constant [...] in one equalitie of waight and fineness» (f. 153). Shortly thereafter, however, the authors stated, «Thereupon followed an even ballancinge of trade the Exchange rising & falling in price according to plenty & scarcitie of mony or distance & place». They thus recognized that exchange rates were subject to fluctuation according to the supply and demand of international currencies; the argument, it seems, was that their metallic equivalence should be clearly established as a reference for exchange operations.

The problem was that exchange rates had not incorporated recent alterations in Continental monetary standards, «soe that in effect wee exchange parte of o[u]r intrinsicke valewe for their owtward denominac[i]on» (f. 153). Such an imbalance stimulated the exportation of English money, which held a higher value abroad as bullion than as a currency in exchange markets. It also affected the course of foreign trade, «For it is a Rule that wheresoev[e]r the exchange goeth heigh, there the forraine wares are sould the cheaper, in respect of gaine to be made by the exchange». In other words, the possibility of profiting from exchange operations induced English exporters to sell their commodities cheaper

abroad, whereas English imports, on the contrary, were sold at higher prices as a means of compensating for losses in the exchange market. The most adequate remedy, according to the report, was to bring all exchange operations under public supervision, so that they would only take place according to the intrinsic parity. Nevertheless, the authors also recognized the effectiveness of other, complementary measures, as evidenced in the concluding sentences:

If w[i]th this Care of exchange it may be pleasinge to yo[u]r Sacred Ma[jes]tie to take into your Princly considerac[i]on a Course concurrant w[i]th yo[u]r lawes to worke downe in tyme the improportionable (now lately risen to neare 2 thirdes increase upon the people) prices of all forraine wares, & to restraine the vaste & imoderate expence of forraine needles wares growne in this yo[u]r Realme to an im[m]esurable proporc[i]on, a[nd] w[i]th lib[er]tie of free trade to keepe, & put in execu[i]on the statute of strangers imploym[en]ts, ther is noe doubt but the native com[m]oddities, of yo[u]r kingdome & the industry of yo[u]r people will w[i]thin yo[u]r Realme be dayly improved, & the outward trade of yo[u]r Marchants be restored againe to ther former Riche & flourishing estate for w[hi]ch w[i]th the longe & happie prosperitie of yo[u]r sacred Ma[jes]ty we doe as wee are ev[er] bound dayly praye

(ADD. MS, 34.324, f. 154)

Following the king's own instructions, this report was submitted to the evaluation of a second group of specialists, composed of six representatives of the mercantile world: Robert Bell, George Kendrick, Thomas Jennings, Henry Wood, John Skinner and Thomas Mun. In their reply, Mun and his colleagues diverged from the ideas contained in the original report in almost every respect. Initially, they discredited the notion that foreign exchanges had ever followed the intrinsic parity between currencies, arguing that they were instead determined by supply and demand in international monetary markets:

[T]he course of exchange by Marchants Bills hath ev[er] varied in the rate accordinge to the plenty or scarcitie of monyes and the occasions of the p[ar]ties takeinge and deliveringe the same respectively, neyther hath the exchange by Bills (as far as we can learne) ev[er] gone constantly accordinge to the true valew of the monyes.

(ADD. MS 34.324, f. 155)

After replying to some of the arguments advanced in the report, the authors recognized that an international agreement for controlling exchange operations could be a reasonable solution, but then proceeded to offer their own diagnosis:

[B]ut haveinge more diligently & deeply considered of the principall and p[re]dominant cause of the plenty and scarcity of monyes in all Com[m]on wealthes, we finde that as longe as we spend in this Kingdome a great[e]r valewe of forraine com[m]oddities, then forraine p[ar]ts doe of o[ur]s, soe longe there must be of necessity exported as much of o[ur] monyes, as will balance and level that difference, and this is soe necessarily and univ[er]sallie true, as that noe lawe, noe treaty noe

losse to the Marchant, nor par upon the exchange, nor dang[e]r to the export[e]r can p[re]vent it, but if it be mett w[i]thall in one part yett it must out at another

(ADD. MS 34.324, f. 156)

There is a significant change in tone here. First, it is important to recall that the original report had duly recognized that exchange rates could fluctuate around the intrinsic parity due to conditions of supply and demand. The ideas actually contained in that document were thus represented, consciously or not, in more radical terms than those originally used. Furthermore, the relevance of the balance of trade for England's liquidity problems was stated very strongly. Not only was the excess of imports over exports the «principall and predominant cause» of the scarcity of money in all nations; the relationship was a «necessarily and universallie true» phenomenon, and therefore inescapable. This rather unyielding line of reasoning was later pushed even farther. Despite the whole array of monetary forces that carried English money away,

yet this ov[er]ballance of o[u]r comodities, will force it againe w[i]th an increase by a necessitie of nature beyond all resistance, other remedy than this wee consider none to be effectual, and this beinge applied, all other to be needlesse and useless [...], but as the balance of the trade swayeth soe necessarilie, & so onely must the exportac[i]on or Ymportac[i]on of Treasure proporc[i]on it selfe for the eveninge of the same ballance

(ADD. MS 34.324, ff. 156-157)

Thus openly confronted, Malynes and his group started a new round in the debate, duly reacting to the misrepresentation of their views on the possible fluctuation of exchange rates. When discussing their opponents' argument that exchange operations had never obeyed a constant rate, they stated:

This asserc[i]on is not denied, neither is there any constant course in exchange affirmed or [pro]pounded by us, for the price thereof hath ev[er] bene rising and fallinge in all places where exchanges are used, and non[e]theless the foundac[i]on or par of exchange is in all other Countries more seriously established & observed then w[i]thin the Realme of England. [...] [I]t is well knowne, that there is such p[ro]porc[i]on in the valuac[i]on of forraine Coynes, that in all Countryes they keepe a par in their exchanges, as the foundac[i]on thereof, rising and falling nev[er]theless accordinge to the plenty, or scarcitie of mony, soe that when monyes are inhauced in price, or imbaud by allay, that rule or par altereth accordingly, to answere the value, w[hi]ch in England is allsoe partly effected

(ADD. MS 34.324, ff. 159-161)

However, although their original arguments did not possess the radical tone ascribed to them by the opposing camp, the vehement discourse of the latter made conflict unavoidable. When restating their position, the authors now partially adopted the uncompromising tone of their antagonists:

[Y]o[u]r Ma[jesti]es proclamac[i]on is like to prove effectuall, [...] w[hi]ch can nev[e]r be done by a more ample vent of our Com[m]oddities, w[hi]ch are daylie more vilified in price and increase the said ov[e]rballancinge, making us to hunte after o[u]r owne shaddowe, but the efficient cause of this overballancinge p[ro]ceedeth from the abuse of exchange [...] all doe consist in the matt[e]r of exchange, for even as mony is the publike measure betwene man & man w[i]thin the Realme, even soe is exchange of mony by bills the publike Measure betwene this kingdome & forraine Nac[i]ons, & ov[e]rruleth the course of Com[m]oddities & mony

(ADD. MS 34.324, f. 161)

Around the same time, the trade committee also presented its final report, which resembled the eclectic assessments produced in parliament. When discussing the scarcity of money, the report recognized that the debasement of Continental currencies could be one of the reasons behind the problem, but stated, «the most important remedy as we conceive is to provide against the overbalance of trade» (Thirsk & Cooper 1972, 214). Monetary and trade disorders were thus still mentioned side by side as explanations for the crisis, but much more emphasis was given to the latter. The report concluded by recommending the establishment of a permanent commission responsible for monitoring the state of the cloth trade, a suggestion that was well received and resulted in the creation of the Standing Commission for Trade in October. Besides several prominent public officers, membership in the Commission was extended to all those who had participated in the second trade committee – John Wolstenholme, Cranfield's partner in the 1615 balance-of-trade project, was also appointed a member. Of all the involved in the recent exchange controversy, only Mun and Maddison were included (England and Wales, 1622). However, although Malynes was left out, the presence of Maddison indicated that the exchange party still had some influence at court, guaranteeing that the debate would be further pursued within this new institutional arena. The very form in which the proclamation that created the Standing Commission stated the problem pointed in that direction:

That to prevent an apparant consumption and confusion, which cannot otherwise be avoided, ye diligently observe the true ballance of the trade of this Kingdome, least the importation of Marchandize from forren partes, exceed the exportation of our owne native Commodities, and consider of some fitting courses to reduce the same to more equalitie, and to thinke upon the gaine or losse that comes to our Kingdome, by the course of exchange now used by our Merchants

(England and Wales 1622)

As the above quotation indicates, the balance of trade was quickly gaining strength as a heuristic device for understanding the crisis, but the themes of exchange volatility and commercial imbalance remained interwoven in public discourse.

The following December, Malynes' group submitted two documents to the Standing Commission restating its interpretation of current economic events. To them, prices were more important than quantities in determining the overall result of the balance of trade. A high exchange rate thus had a positive effect on total exported value. After remarking on the prosperity of those nations that could profit from highly-valued currencies, they stated: "The like benefit would redound to the Realme of England, if o[u]r exchange were kept accordingly, notwithstanding the inordinate use of forraine Commodities wherin the said Nac[i]on doe exceede allsoe, whereas all other means will prove defective" (*ADD. MS 34.324*, f. 164). In another passage, they tried to discredit their opponents by arguing that trade would remain imbalanced «as long as this course of exchange is p[re]dominant ov[er] the Commodities and mony, w[hi]ch fewe Marchants understand, and they that doe understand it doe retaine it as a secret for their owne benefit». The solution proposed by Mun and the others – «remedy by commerce» – was inadequate because, even if there were a positive balance of trade to be remitted to the kingdom as money, it would again be carried away through arbitrage operations as long as the exchange disorder persisted (f. 165). The discourse of those who supported the 'par of exchange' thus gained tones that were more uncompromising.

During the course of 1623, Malynes and Mun began submitting documents of their personal authorship to the Standing Commission. As the debate gravitated towards these individual characters, it became increasingly fierce and even truly acrimonious at times. Malynes began questioning the adequacy of the balance of trade as an instrument for evaluating the economic health of the kingdom, arguing that several important items, such as capital gains with exchange operations, were left out of the equation (*ADD. MS 34.324*, f. 167). Here, he had the help of Maddison, who also penned documents questioning the conceptual structure of the balance of trade (f. 173). Mun, in his turn, remained adamant in the conviction that trade imbalances were the ultimate cause of monetary flows, and that even speculative exchange operations were grounded in the state of the balance of trade. About the latter point, in a veiled reference to Malynes, he caustically remarked: «[T]his objection & divers other argumen[t]s of this kinde w[hi]ch I have lately seen in a printed booke Concerning exchanges by bills are meere fallacies and froth» (f. 169). Although there were several reasonable ways of managing the balance of trade, to look beyond it was useless:

[L]et this Marchante exc[hange] by bills bee at a high rate or at a lower rate or at a Par or put downe altogether, lett forreigne Princes enhance their Coines or debase their Standards and lett his Ma[jes]ty doe the like or keepe them Constant as they now stand, Let Forraigne Coines passe Currant here in all paym[en]ts at higher rates then they are

now worth at the Minte [...] And lastlie lett all Marchants have lybertie to Carrie out of the Realme what money they please to employ in trade yet notw[i]thstanding so much money onley willbee Carried out or brought in to the benefit or losse of the kingdome as wee shall over or underballance in valewe by our generall Trade w[i]th strangers, and this must come to passe by a necessity beyond all resistance

(ADD. MS 34.324, f. 172)

6. THE PAMPHLET LITERATURE

As the debates sponsored by the Privy Council evolved, they increasingly took the form of an open confrontation between Gerard de Malynes and Thomas Mun, along with their supporters. The loose, encompassing, and eclectic reasoning that had prevailed in parliament gave way to the gradual entrenchment of two alternative and mutually exclusive perspectives, each adopting increasingly uncompromising tones in order to provide a convincing case in the face of challenges posed by the opposing camp. However, the debate was also carried out, simultaneously, in a different arena: the printed pamphlets that increasingly circulated within the capital of the kingdom.¹ The purpose of this section is not to examine in detail, once again, the content of this literature, but rather to place these well-known printed works within the larger context of the public debates that took place at the time.

Actually, neither Mun nor Malynes started the pamphlet controversy. Rather, it was Edward Misselden, a member of the Merchant Adventurers not actively involved in the investigative committees, who initiated the altercations. In June 1622, Miselden published *Free Trade, or the Meanes to Make Trade Flourisheth*, explicitly addressing the perennial theme of how to promote order in foreign trade, but with the clear ulterior motive of justifying his company's practices in face of the public scrutiny springing from both parliament and the Privy Council. Miselden was fully aware of the public consultations about the crisis, asking right at the beginning of the first chapter: «For what is at this time more enquired after then the *Causes of the decay of Trade?*» (1622, 4). After mentioning the recent audiences held among the «choicest wits» of

¹ Historical investigation about the development of a 'print culture' and the rise of the pamphlet as a form of social communication has gone hand in hand with the aforementioned renewal of interest in the emergence of a public sphere in Early Modern England. ALEXANDRA HALASZ (1997) and JOAD RAYMOND (2003) have documented the place occupied by printed pamphlets in the late Elizabethan and Early Stuart periods, as a cheap instrument for disseminating information about topical matters – political, religious, or otherwise. In urban areas, moreover, pamphlets had the additional role of spreading information through oral communication, being read aloud and debated in places of public gathering. This peculiar and volatile literary form thus constituted an essential tool for forging public opinion and engaging in propaganda in early 17th century England. As far as economic pamphlets are concerned, JOYCE APPEBY (1978, 4-5) has stressed their emergence as an outgrowth of the more general popular literature that dealt with political and religious subjects.

the kingdom, he proceeded to offer his own account of current events, which listed both monetary and commercial mechanisms as equally important causes of the crisis. In fact, one of the points given more emphasis was the «under-valuation» of English currency, by which he meant the low mint rates practiced by England compared to other Continental nations (7-8). To Misselden, an enhancement of the English currency would thus be the most efficient way of inhibiting the exportation of money and stimulating its entry into the kingdom, «neither of which can be done by that *Par* of Exchange, which is now againe in agitation, and hath taken more then twenty yeeres to bring it to perfection» (104).

The latter remark was a clear reference to Malynes, who Misselden accused of secretly promoting Dutch interests in England (p. 105). Malynes was thus forced to defend his case also in print, publishing *The Maintenance of Free Trade* in October. The reasoning in the pamphlet mimicked his petitions to the Standing Commission: exchange imbalances were depicted as the «efficient» and «predominant» cause of international monetary and commercial flows (1622, 5), or in Malynes' phrasing, «*exchange of moneys* betweene Countrey and country [...] being therein the thing *Active*, and *Commodities & Moneys* are become things *Passive*» (6). Thus, contrary to the arguments of Misselden – whom Malynes referred to as a «*Moderne Merchant of Hackney*» – exchange disorders were deemed the fundamental cause behind the crisis, to the detriment of all other alternative explanations.

The second round of the controversy began in June 1623, with a sudden reversal of Misselden's standpoint. He now had an openly virulent attitude towards Malynes, insinuating that he had never actually been a merchant, and accusing him of plagiarizing ideas – «Himself, his subiect, much more his rude stile, and unmannerly manner of writing, deserve contempt rather than the honour of an answer» (1623, 4). However, the most significant departure lay in his interpretation of the crisis. The very title of his second pamphlet – *The Circle of Commerce, or the Balance of Trade* – already signaled his new position: it was to the state of the balance of trade that all legitimate explanations of the crisis should ultimately refer. All allusions to currency under-valuation and enhancement policies disappeared in favor of a single-minded focus on a favorable balance of trade.¹

¹ Although Misselden tried to imply some continuity between his two pamphlets, directing the readers of *The Circle of Commerce* to consult *Free Trade* for a more detailed description of the «causes and remedies» for the decay of trade (1623, 131), this notion is undermined shortly thereafter when he states that «until the Kingdome come to an *Over-balance of Trade*, the *causes* of the decay of trade cannot be taken away» (131), and further that the remedy to be applied «is nothing els, but to make our *Importations lesse*, and our *Exportations more*» (134).

In his final response, noticing the new standpoint adopted by his opponent, Malynes insinuated that Misselden was nothing more than a hand puppet for Mun. In *The Center of the Circle of Commerce* (1623a), Malynes remained steadfastly committed to his original interpretation, arguing that as long as the exchange market remained out of balance, «moneys and Bullion will then be imported by necessitie of nature beyond all resistance» (52) – a choice of words clearly reflecting the influence of the debates on his rhetoric. Although he conceded that the balance of trade was in disarray, this was merely a symptom, not a true cause: «We all agree that there is an overbalance, which must be remedied by the redresse of the causes, and not by the study of Ballances, which demonstrate little in truth and certainty, but much in imagination and conceit» (60).

Thomas Mun published his first pamphlet – *A Discourse of Trade, from England unto the East Indies* – in 1621 in an attempt to influence parliamentary proceedings. His aim was to defend the East India Company against charges that its bullion exports were depriving England of money, and while his focus was on the assessment of the net result of the company's trade, he acknowledged that several reasons should be accounted for in explaining the scarcity of money. Among the causes listed were «the breach of Entercourse by forraine Nations» and «the abuse of the exchanges betwixt us and other Countries» (1621, 51) – two exchange-related channels that were also stressed by Misselden in *Free Trade*, and by Malynes on a dozen other occasions. In fact, Mun's arguments are remarkably similar in tone to those developed elsewhere by Malynes:

[M]any times money may be made over hither by strangers, to a good gaine, and presently carried beyond the Seas to a second profite, and yet the mischefe ends not here: for by this means the takers up of money in forraine Countreys must necessarily drive a Trade to those places, from whence they draw their moneys; and so doe fill us up with forraine Commodities, without the vent of our owne wares.

(Mun 1621, 53)

This standpoint, of course, was very different from the one found in the posthumously published *England's Treasure by Forraign Trade* (1664), where Mun disqualified Malynes' arguments as a «mere fallacy of the cause, attributing that to a Secondary means, whose effects are wrought by another Principal Efficient». Adopting his opponent's own rhetoric, he then argued:

[T]he profit and loss upon the Exchange is guided and ruled by the over or under balance of the several Trades which are Predominant and Active, making the price of exchange high or low, which is therefore Passive, the contrary whereof is so often repeated by the said *Malynes*.

(Mun 1664, 119)

In his second printed work, therefore, Mun's arguments resembled very closely, both in content and form, the reasoning adopted by him in the petitions and reports presented to the Privy Council and to the Standing Commission throughout 1622 and 1623 – while standing in contrast to his own position as expressed shortly before, in 1621. Such a reversal of opinion by both Mun and Misselden, happening as it did during the course of the public debates, was surely not a coincidence.

7. PUBLIC DEBATES AND ECONOMIC DOCTRINES

Whereas the sudden change in tone and argument between Misselden's two pamphlets has usually been rationalized as springing from his changing mercantile allegiances at the time, the same does not easily apply to Mun, who remained steadily affiliated to the East India Company throughout his career. These unexpected intellectual departures had already intrigued Max Beer, leading him to state:

[S]omething very important must have occurred in the public life of the country, which either gave a new turn to the thoughts of Misselden and Mun or merely precipitated floating ideas into a well-defined doctrine. For we see them jettisoning much of their former views and taking up a new position. The year 1622 formed evidently a caesura in the activities of Misselden and Mun.

(Beer 1938, 150)

Indeed, something must have happened between 1622 and 1623 to make Mun and Misselden reverse their positions and embrace an uncompromising defense of the balance of trade as the sole and ultimate determinant of England's economic hardships. However, rather than the alleged deepening conflict between the crown and mercantile interests pointed out by Beer, I argue that the critical event was precisely the development, in England, of a wide-ranging public debate over economic issues.

This debate evolved in such a way as to induce the entrenchment of both camps behind increasingly radical positions. Malynes, Misselden, and Mun did not define an agenda for inquiry; rather, they found a ready set of problems, established through deliberation within the kingdom's political arenas. However, while trying to bring their own perspectives to bear upon a matter as pressing as the trade crisis, they became engaged in a bold confrontation that forced them to abandon all middle ground. The eclectic assessments commonly found during the early stages of the debate were gradually replaced by uncompromising explanations that emphasized one factor as the single causal root of all the economic grievances of England. The pamphlet litera-

ture produced during the period was simply a logical conclusion to this process.¹

According to this view, Misselden's *Free Trade* (1622) and Mun's *A Discourse of Trade* (1621) are works that still reflected the kind of reasoning that prevailed during the early stages of the crisis: the focus is on enumerating factors that might partially explain the economic difficulties of England, rather than establishing clear-cut causal relationships. The same cannot be said of the pamphlets subsequently written by Malynes, Misselden, and Mun, already under the strong influence of the public debates. Carl Wennerlind, to take one recent example, misses precisely this point when he states that Misselden «argued that the outflow of coin was caused, first and foremost, by a negative trade balance, and secondarily by an undervaluation of silver vis-à-vis gold at the English mint» (2011, 32), and also that Mun

primarily blamed excessive imports and a lack of domestic industry for the unfavourable trade balance, but he also acknowledged that monarchical manipulations of the coinage on the continent and currency speculations by merchants and bankers added to the problem. While Mun believed that the bimetallic mint ratio and the exchange rate contributed to the outflow of silver from England, he argued that the flow of goods had a greater influence on the flow of money than vice versa.

(Wennerlind 2011, 33)

When lumping together the separate works of Mun and Misselden as complementary elements in the same argument, Wennerlind loses sight of the truly qualitative difference between them.² In Misselden's *The Circle of Commerce* (1623) and Mun's *England's Treasure* (1664), there is no longer any room for the sort of inclusive, many-sided reasoning found in their earlier pamphlets. The argument now rests on an attempt to establish the predominance of a single causal factor over all others – the balance of trade for Mun and Misselden, the exchange market in the case of Malynes. As a result, the analysis inevitably reaches a significant-

¹ A similar argument was made by LYNN MUCHMORE (1970, 500), who stressed Mun's conversion, during the course of the debates, to the more rigid standpoint that would later appear in *England's Treasure*.

² Similar objections can also be raised with regard to the interpretation of the episode offered by MARY POOVEY, who explicitly chooses to focus her analysis exclusively on the second round of the Malynes/Misselden debate and on Mun's *England's Treasure*, to the detriment of their earlier printed works and the manuscript documents presented before the public committees (1998, 66). It is precisely this decision that allows her to state the following: «Like Misselden, [...] and unlike Malynes, Mun sees commerce as a semiautonomous domain. Unlike Misselden, however, Mun moves this domain one step closer to the domain of nature, which is governed by its own (God-given) laws. When he refers to 'the plenty or scarcity of the said money' ruling price and to 'a Necessity beyond all resistance', Mun removes the 'natural liberty' of trade from the domain of justice and attributes to it a mode of lawfulness that seems innate» (POOVEY 1998, 82). As argued above, the debate itself produced such rhetoric, and both Malynes and Mun indulged in it.

ly higher level of abstraction. At this point, we witness the birth of what one could properly call economic *doctrines* – conceived here as coherent bodies of concepts, ideas, and values that serve as the basis for concrete policy prescriptions (Gordon 1965).

This interpretation helps to put the idea of a ‘favorable-balance-of-trade doctrine’ in a new perspective. As W. H. Price has shown long ago, the notion that bullion transfers had to compensate for any foreign trade imbalances stretches back, in England, at least as far as the 14th century (1905, 157-8). Lord Burghley, Elizabeth’s Secretary of State and later Lord Treasurer of England, frequently made use of similar arguments, even illustrating his reasoning with numbers extracted from the customs records (Price 1905, 158-161). Framed like this, however, one may hardly call this notion a doctrine, since its normative content is very limited. It is, in fact, little more than a tautological statement, accepted by virtually everyone. A ‘favorable-balance-of-trade doctrine’ worthy of the name needs to make bolder assertions, so that its validity would be open to dispute, and one could no longer take allegiance for granted. This is precisely what happened in the wake of the 1620’s debates, when some began to see the state of the balance of trade as the single most important factor explaining the flow of bullion in and out of England – and hence the necessary focal point for any policy measures.

If such is the case, the eventual emergence and dissemination of a ‘favorable-balance-of-trade doctrine’ seems to have owed much to the overwhelming influence of the figure who loomed large in the background of this whole story, Lionel Cranfield. Although he neither wrote memoranda to the committees, nor published any pamphlets, Cranfield was one of the most prominent officials of the Jacobean court by the early 1620’s, and undoubtedly the most influential economic advisor to the king at the time. His own vision on the workings of the English economy, as discussed above, relied heavily on the balance of trade as a heuristic device with which to assess prosperity and hardship. Given his leadership in the investigative proceedings following the dissolution of the parliament of 1621, it seems likely that Cranfield would try to give voice to people who shared in his views of the matter. The case obviously defies conclusive demonstration, but a number of circumstantial evidences considerably strengthen its appeal.

Cranfield and Mun were actually old acquaintances. They had been involved in business transactions back in Cranfield’s days in the City,¹

¹ According to evidence found by R. H. Tawney, the future Lord Treasurer actually borrowed money from his merchant colleague in 1610, in order to finance a speculative land deal (1958, 111-112).

and the merchant background of the latter certainly made social interaction easier between them. In April 1622, Mun joined the ranks of the new trade committee, and was shortly thereafter put in charge of evaluating the exchange report – all that without ever before having served the crown in any public consultations, and to the detriment of several other East India Company merchants who had actively participated in the debates so far. His contributions now stressed the primacy of the balance of trade as an explanation for the crisis – an argument that, as already mentioned, Cranfield had been consistently advocating since at least 1615.

Later that year, Misselden was appointed a commissioner for the East India Company in the United Provinces, and he, too, changed his mind, pointing to the balance of trade as the sole cause of the economic collapse. Besides dedicating a few lines to praise Mun's capacity as a merchant (1623, 36), Misselden wrote several laudatory pages to Lord Treasurer Cranfield, who had by now become Earl of Middlesex. His second pamphlet was actually dedicated to Cranfield, whose magnificent works he described in the following manner:

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, iv-v)

That same year, Malynes wrote a letter to Cranfield asking for permission to dedicate his merchant companion *Lex Mercatoria* to the Lord Treasurer.¹ A few months later, the work was published with an epistle to the king instead. Lionel Cranfield, it seems, had no use for an old-fashioned merchant who believed that exchange markets could actually obliterate the balance of trade.

Finally, the interpretation advanced here may shed some new light on the reasons behind the often-discussed delay in the publication of *England's Treasure by Forraign Trade*. Authors such as Max Beer (1938, 182-183) and Andrea Finkelstein (2000, 78-79) attribute this to the potentially sensitive themes contained in the pamphlet, in particular the proposal for eliminating restrictions on the free exportation of bullion. One must bear in mind, however, that the underlying motivation for all the intellectual output of the period was addressing the economic grievances brought about in England by the trade crisis. Within

¹ Centre for Kentish Studies, *Sackville Manuscripts* U269/OE461.

this context, it seems reasonable to suppose that Mun's active participation in the Privy Council committees, and later in the Standing Commission, did much to mitigate his interest in circulating his own work in print. Given their exclusion from the official arenas of debate, Malynes and Misselden probably resorted to communication in print not as a clearly defined rhetorical strategy, but rather as a second-best option. To people like Mun, Maddison, and Cranfield, who could directly interfere in the course of events, publishing pamphlets must indeed have seemed like a roundabout and inefficient way of exerting their influence.

8. CONCLUDING REMARKS

The arguments that made their way into the economic literature produced by Gerard de Malynes, Edward Misselden, and Thomas Mun were only part of a rather late stage in a process that saw the gradual emergence of two polarized standpoints – built nonetheless from the same pool of ideas that had been circulating in England for decades. After parliament defined the relevant problem as the reconciling of money and trade as two aspects of the same underlying malady, the Privy Council investigative committees, pressed as they were by the urgency of the crisis, left aside the eclectic attitude that had prevailed so far and began to rely on increasingly uncompromising accounts of the phenomena at hand. This is a historical process, thus, in which public alarm led to debates, which led to radicalization, which led to higher abstraction, which led to the development of clearly articulated doctrines.

This is not to say, of course, that different ideas about the functioning of the British economy and its position within international commercial and monetary markets were irrelevant for producing these doctrines. Malynes and Maddison, on one hand, and Misselden and Mun, on the other, reasoned from different standpoints, at least partially explained by their social and economic backgrounds, as argued by Supple (1964, 215) and Magnusson (1994, 65-88). The argument here developed is rather that such differences do not explain, of themselves, why both parties ended up so adamantly subscribing to one-sided explanations of a notoriously complex phenomenon. As their early works attest, despite their divergences, all the characters involved could recognize, at first, the reasonableness of each other's position. That was no longer the case in 1623, and it seems very unlikely that the specific form and content of the arguments presented in their later pamphlets would have been the same were it not for their involvement in the public debates. This intervening episode, in sum, sharpened differences, obliterated

common ground, and led to the emergence of an economic discourse that contrasted sharply to what had so far prevailed.

The unparalleled influence over the Council exerted by Lionel Cranfield at the time must have certainly tipped the balance in favor of the Lord Treasurer's own favored interpretation, which stressed the balance of trade as the ultimate determinant of the economic health of a nation. If the argument developed in this paper is correct, and the emergence of a 'favorable-balance-of-trade doctrine' owed more to the particular course taken by the 1621-1623 debates than to the insights of economic pamphleteers, we are thus compelled to consider Cranfield, alongside Edward Misselden and Thomas Mun, as one of its original supporters and disseminators. He was, after all, the only one of them with any power to make decisions on matters of public policy and act upon them. Regardless, however, of whose influence was felt the greatest, one should understand the economic literature from the 1620's as the logical conclusion to the radical overtones assumed by the economic debates of the time, which converted the exchange market and the balance of trade into universal causal principles that alone determined the course of an abstractly conceived economic life.

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