

Cambridge University Press

0521574641 - The Political Economy of Merchant Empires

James D. Tracy

Frontmatter

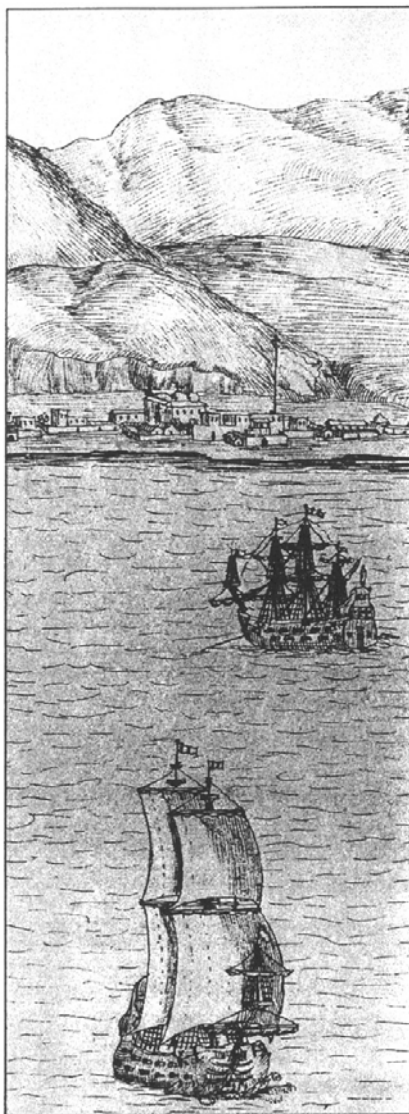
[More information](#)

---

Studies in Comparative Early Modern History

THE POLITICAL ECONOMY OF  
MERCHANT EMPIRES

Cambridge University Press  
 0521574641 - The Political Economy of Merchant Empires  
 James D. Tracy  
 Frontmatter  
[More information](#)



Studies in  
 Comparative Early Modern History  
 Center for Early Modern History  
 University of Minnesota  
 Cambridge University Press

*Editorial Board*

Thomas A. Brady  
*University of Oregon*

Edward L. Farmer  
*University of Minnesota*

Cornell Fleischer  
*Washington University*

Russell R. Menard  
*University of Minnesota*

Geoffrey Parker  
*University of Illinois*

Carla Rahn Phillips  
*University of Minnesota*

William D. Phillips  
*University of Minnesota*

Stuart B. Schwartz  
*University of Minnesota*

James D. Tracy, Editor-in-Chief  
*University of Minnesota*

Previously published in the series:

- I. *The Rise of Merchant Empires* (1990)
- II. *The Political Economy of Merchant Empires* (1991)

Cambridge University Press

0521574641 - The Political Economy of Merchant Empires

James D. Tracy

Frontmatter

[More information](#)

# THE POLITICAL ECONOMY OF MERCHANT EMPIRES

JAMES D. TRACY

*Editor*



**CAMBRIDGE**  
UNIVERSITY PRESS

Cambridge University Press  
 0521574641 - The Political Economy of Merchant Empires  
 James D. Tracy  
 Frontmatter  
[More information](#)

Published by the Press Syndicate of the University of Cambridge  
 The Pitt Building, Trumpington Street, Cambridge CB2 1RP  
 40 West 20th Street, New York, NY 10011, USA  
 10 Stamford Road, Oakleigh, Melbourne 3166, Australia

© Cambridge University Press 1991

First published 1991  
 First paperback edition 1997

*Library of Congress Cataloging-in-Publication Data*

**The Political economy of merchant empires / James D. Tracy, editor.**  
 p. cm.

Essays originally prepared for a conference on the rise of  
 merchant empires, organized by the Center for Early Modern History,  
 Oct. 1987.

Includes bibliographical references.

ISBN 0-521-41046-0 (hardback)

1. International trade – History – Congresses. 2. Shipping – History – Congresses. 3. Merchants – History – Congresses.
4. Europe – Commerce – History – Congresses. I. Tracy, James D.
- II. University of Minnesota. Center for Early Modern History.

HF1379.P653 1991

382'.09--dc20

91-7444

CIP

*British Library Cataloguing in Publication Data*

**The political economy of merchant empires.**

1. Foreign trade. History

I. Tracy, James D. 1938–

382.09

ISBN 0-521-41046-0 hardback

ISBN 0-521-57464-1 paperback

Transferred to digital printing 2003

Contents

Acknowledgments	page vii
Introduction <i>James D. Tracy</i>	1
1 Institutions, Transaction Costs, and the Rise of Merchant Empires <i>Douglass C. North</i>	22
2 Merchants and States <i>M. N. Pearson</i>	41
3 The Rise of Merchant Empires, 1400–1700: A European Counterpoint <i>Thomas A. Brady, Jr.</i>	117
4 Europe and the Wider World, 1500–1700: The Military Balance <i>Geoffrey Parker</i>	161
5 The Pirate and the Emperor: Power and the Law on the Seas, 1450–1850 <i>Anne Pérotin-Dumon</i>	196
6 Transport Costs and Long-Range Trade, 1300–1800: Was There a European “Transport Revolution” in the Early Modern Era? <i>Russell R. Menard</i>	228
7 Transaction Costs: A Note on Merchant Credit and the Organization of Private Trade <i>Jacob M. Price</i>	276
8 Evolution of Empire: The Portuguese in the Indian Ocean During the Sixteenth Century <i>Sanjay Subrahmanyam and Luís Filipe F. R. Thomaz</i>	298

Cambridge University Press  
0521574641 - The Political Economy of Merchant Empires  
James D. Tracy  
Frontmatter  
[More information](#)

vi	<i>Contents</i>	
9	Comparing the Tokagawa Shogunate with Hapsburg Spain: Two Silver-Based Empires in a Global Setting <i>Dennis O. Flynn</i>	332
10	Colonies as Mercantile Investments: The Luso- Brazilian Empire, 1500–1808 <i>José Jobson de Andrade Arruda</i>	360
11	Reflections on the Organizing Principle of Premodern Trade <i>K. N. Chaudhuri</i>	421
	Selected Bibliography of Secondary Works	443
	Index	484

## *Acknowledgments*

LIKE the essays that appeared in *The Rise of Merchant Empires*, most of those in this volume were originally prepared for a conference on "The Rise of Merchant Empires," organized by the Center for Early Modern History in October 1987. The conference, and hence the two volumes, was made possible by the generous support of the National Endowment for the Humanities, the Bigelow Foundation of St. Paul, and the University of Minnesota College of Liberal Arts. The smooth functioning of the conference owed much to the skillful-yet-cheerful management of Lucy Simler, associate director of the center. I also want to express my thanks for special help from some of the authors represented here: Douglass North and Michael Pearson took part in the discussions from the time of the center's original planning session (October 1984), and pushed us to make the conference a more ambitious undertaking than it would otherwise have been. After the conference, the thoughtful criticism and suggestions of Geoffrey Parker and Thomas Brady were most useful in sorting out the papers into two separate volumes: one dealing with changes that the new European ventures effected in traditional patterns of trade; the other with possible reasons for the eventual triumph of the Europeans over rival trading concerns. I am much indebted to Kurt Stadtwald for the Bibliography, and to John Jenson for the Index. Finally, if readers of this volume learn half as much and have half the pleasure I have had in working with all of those responsible for it, it may be accounted a success.