

Agents of Empire

To understand the foundations of American political institutions, it's necessary to understand the rationale for British colonial institutions that survived the empire. Political institutions in England's American colonies were neither direct imports from England nor home-grown creations of autonomous colonists. Instead, they emerged from efforts of the English Crown to assert control over their colonies amid limited English state and military capacity. *Agents of Empire* explores the strategic dilemmas facing a constrained crown in its attempts to assert control. The study argues that colonial institutions emerged from the crown's management of authority delegated to agents – first companies and proprietors establishing colonies; then imperial officials governing the polities they created. The institutions remaining from these strategic dynamics form the building blocks of federalism, legislative power, separation of powers, judicial review, and other institutions that comprise the American polity today.

Sean Gailmard is a professor of political science at the University of California, Berkeley. His research focuses on the development of American political institutions and strategic models of choice in politics.



POLITICAL ECONOMY OF INSTITUTIONS AND DECISIONS

Series Editors

Jeffry Frieden, Harvard University John Patty, Emory University Elizabeth Maggie Penn, Emory University

Founding Editors

James E. Alt, Harvard University
Douglass C. North, Washington University of St. Louis

Other books in the series

Faisal Ahmed, Conquests and Rents: A Political Economy of Dictatorship and Violence in Muslim Societies

Alberto Alesina and Howard Rosenthal, *Partisan Politics*, *Divided Government* and the Economy

Lee J. Alston, Thrainn Eggertsson and Douglass C. North, eds., *Empirical Studies in Institutional Change*

Lee J. Alston and Joseph P. Ferrie, Southern Paternalism and the Rise of the American Welfare State: Economics, Politics, and Institutions, 1865–1965

James E. Alt and Kenneth Shepsle, eds., Perspectives on Positive Political Economy

Josephine T. Andrews, When Majorities Fail: The Russian Parliament, 1990–1993

Jeffrey S. Banks and Eric A. Hanushek, eds., Modern Political Economy: Old Topics, New Directions

Yoram Barzel, Economic Analysis of Property Rights, 2nd edition Yoram Barzel, A Theory of the State: Economic Rights, Legal Rights, and the Scope of the State

Robert Bates, Beyond the Miracle of the Market: The Political Economy of Agrarian Development in Kenya

Jenna Bednar, The Robust Federation: Principles of Design

Adam Bonica and Maya Sen, The Judicial Tug of War: How Lawyers, Politicians, and Ideological Incentives Shape the American Judiciary

Charles M. Cameron, Veto Bargaining: Presidents and the Politics of Negative Power

Erin Baggott Carter and Brett L. Carter, Propaganda in Autocracies: Institutions, Information, and the Politics of Belief

Continued on page following index



Agents of Empire

English Imperial Governance and the Making of American Political Institutions

SEAN GAILMARD

University of California, Berkeley







Shaftesbury Road, Cambridge CB2 8EA, United Kingdom
One Liberty Plaza, 20th Floor, New York, NY 10006, USA
477 Williamstown Road, Port Melbourne, VIC 3207, Australia
314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre,
New Delhi – 110025, India

103 Penang Road, #05-06/07, Visioncrest Commercial, Singapore 238467

Cambridge University Press is part of Cambridge University Press & Assessment, a department of the University of Cambridge.

We share the University's mission to contribute to society through the pursuit of education, learning and research at the highest international levels of excellence.

www.cambridge.org Information on this title: www.cambridge.org/9781009316897

DOI: 10.1017/9781009316934

© Sean Gailmard 2024

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press & Assessment.

First published 2024

A catalogue record for this publication is available from the British Library

A Cataloging-in-Publication data record for this book is available from the

Library of Congress

ISBN 978-1-009-31689-7 Hardback ISBN 978-1-009-31692-7 Paperback

Cambridge University Press & Assessment has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.



To Lindsey, for making it happen, and making it all good



Contents

List of Figures		page XI	
Ack	enow	vledgments	xiii
I	Intr	oduction	I
	1.1	Historical Overview: The English Empire, English Colonies, and Their Institutions	5
	1.2	The Argument Summarized: The Principal–Agent Perspective of Institutional Development	n I4
	1.3	The Stakes of the Argument	20
		PART I FOUNDATION: CONTRACTUAL IMPERIALISM	
2	Economic Incentives: The Origins of Colonial Autonomy		31
	2.1	Colonization, Contractors, and the Crown	35
	2.2	The Terms of Contractual Imperialism	43
	2.3	The Strategic Logic of Contractual Imperialism	52
	2.4	Conclusion	65
	2.A	Appendix: A Formal Model of Colonial Production	66
3	Gov	vernance Incentives: The Balanced Colonial Constitution	77
	3.I	The Strategic Logic of Colonial Checks and Balances	82
	3.2	Checks and Balances in Contractual Imperialism	88
	3.3	Checks and Balances in Early Royal Colonies	105
	3.4	The Comparative Question	114
	3.5	Conclusion	117
	3.A	Appendix: A Formal Model of Colonial Checks and Balances	118



viii Contents

4	From Incentives to Institutions: Contractual Imperialism in Practice			
		Virginia	126 128	
	4.1	Massachusetts Bay		
	4.2	Barbados	139	
	4.3	Problems of Contractual Imperialism	148 158	
	4.4	Conclusion	162	
	4.5	Conclusion	102	
		PART II PIVOT: REGULATORY IMPERIALISM		
5	The	Rise and Fall of Autocratic Imperialism	167	
	5.1	Rent Extraction, Resource Endowments, and State Capacity	170	
	5.2	Royalizing the Colonies	173	
	5.3	Restraining Colonial Autonomy: The Crown and Assemblies	178	
	5.4	Reshaping the Colonies: The Dominion of New England	183	
	5.5	Conclusion	191	
6	Economic Regulation: Imperial Administration			
	in the Colonies			
	6.1	The Navigation Acts	195	
	6.2	Administration in the Colonies	200	
	6.3	Adjudication in the Colonies	207	
	6.4	Oversight in England	209	
	6.5	The Navigation System in Practice	212	
	6.6	Conclusion	220	
7	Political Regulation: Legislative Review			
	and	Colonial Autonomy	222	
	7 . I	The Process of Legislative Review	224	
	7.2	The Strategic Logic of Colonial Legislative Review	229	
	7.3	Legislative Review in Practice	236	
	7.4		244	
		Appendix: A Formal Model of Legislative Review	245	
8	Colonial Assembly Power under Regulatory Imperialism			
	8.1	Policy Bargaining and the Governor's Accountability	258	
	8.2	The Strategic Logic of Assembly Power	263	
	8.3	Assembly Power in Practice	271	
	8.4	Regulatory Imperialism: Assessment and Conclusion	277	
	8.A	Appendix: A Formal Model of Assembly Power	279	



		Contents	ix
9	The Institutional Bequests of Empire		284
	9.1	Imperial Institutions and American Bargains	285
	9.2	Colonial Counterfactuals	292
	9.3	Summary and Conclusion	296
References		299	
Index		313	



Figures

I.I	Schematic argument	page	16
2.1	Total payments to A with unknown resource endowments		61
3.1	Extraction under unitary government vs. checks and balance	es	88
7.1	Probability G approves low-merit bills as a function of cost	of	
	review	2	35
8.1	Feasible policies for each agenda setter	2	69
8.2	Policy as a function of agenda power	2	81
8.3	Dismissal cost threshold	2	82



Acknowledgments

This book has had a long gestation. The first vague thought I had about the topic was in graduate school, when I supposed there must be some kind of principal–agent logic to American colonial institutions under English government. I took a stab at a model, long since lost (for my own good), and moved on to other work. My enthusiasm was renewed in 2014 when I met some longtime friends of my wife's family. They knew a lot about their family's history; we discovered we were ninth cousins through a family of eighteenth-century French colonial fur traders in the Mississippi River valley. We talked about how those traders worked on the boundary of multiple colonial empires, and I started wondering again about the institutions of those empires. Looking at the political economy literature on this topic, I found some very significant, indeed field-changing work. But, true to my own interests, I wanted to look more into strategic and historical aspects of their administration. That resulted in a few papers and, finally, this book.

A number of colleagues were kind enough to provide essential feedback and conversations about various parts of the book. Avi Acharya, Dan Carpenter, Tiberiu Dragu, Lindsey Gailmard, Rod Kiewiet, John Patty, and Emily Sellars read early drafts of the entire manuscript (or large parts of it) and improved it very significantly with their comments. Tony Bertelli, Ruth Bloch Rubin, Ruth Collier, Alexandra Chinchilla, Gary Cox, John Dearborn, Valentin Figueroa, Sandy Gordon, Ryan Hübert, Dan Lee, Gabriel Leon-Ablan, Dave Lewis, Rob Mickey, Austin Mitchell, Jack Paine, Bob Powell, Eric Schickler, David Stasavage, Mike Ting, Jan Vogler, David Waldner, and Barry Weingast read chapter drafts and provided immensely helpful feedback. I am also grateful for engagement from



xiv

Acknowledgments

seminar participants at Bocconi, Caltech, Chicago, Harvard, New York University Law School, Princeton, Stanford, University of California, Davis, University of California, San Diego, the University of Michigan, the University of Wisconsin, and Yale. Jeff Jenkins organized a book talk for me at the University of Southern California Political Institutions and Political Economy Symposium on the political economy of empires. None of these generous colleagues deserve what I inflicted on them (and no blame for the end product); I thank them for making the result better.

I am thankful to my family, especially my children and my parents: William, Abby, Collin, Reed, Sophie, Dad, Sue, Lesley, and Mom. They were all very supportive and interested to hear about the project. Everyone politely ignored that I said it would be done in six months, for four consecutive six-month periods.

My greatest debt and greatest thanks are to my wife Lindsey. Her enthusiasm to hear about the project was often the major reason I continued writing it. Her commitment to the project was the main reason I had time to write it – mostly during a pandemic with five children at home. Her feedback on every part of the manuscript made it better. Lindsey made this book exist, and I dedicate it to her.