The economic history profession has recently witnessed a resurgence of interest in the cultural underpinnings of past economies. Prominent examples, to name just a few, can be found in Peter Temin’s Presidential Address to the Economic History Association in 1996, in the sweeping argument of David Landes’ The Wealth and Poverty of Nations and of most direct relevance to the work in question here, Deirdre McCloskey’s Presidential Address to the EHA in 1997. Muldrew’s book then makes a timely appearance, given its dedication to a reconstruction of the “culture of credit” as it existed in England between the sixteenth and eighteenth centuries.

Craig Muldrew (Department of History and Civilization, European University Institute—Florence) takes as his broad subject both the material realities of the early modern English marketplace, and the cultural milieu in which those realities manifested themselves. Thus, he investigates probate inventories, shop account books, household expenditure diaries, and civic tax schedules, as well as the court records of debt litigation, family correspondence, personal diaries, sectarian sermons, and a large prescriptive literature written for the middling household and small tradesman. The intellectual reach of his sources even extends to the natural law theorists of the seventeenth century, such as Thomas Hobbes, Richard Hooker and Gerard de Malyes to name just the most famous. In this literature he finds, as did Max Weber and countless others after him, an almost excessive attention paid to themes of diligence and frugality. But contra Weber, Muldrew does not see this primarily as evidence for the profit motive of capitalism in its early manifestations. Rather he argues that all this advice was fundamentally about the preservation of reputation in a society where credit was the key to market participation, and thus wealth. It should be further noted that the word credit for Muldrew means more the “social communication and circulating judgment about the value of other members of communities” than it does our more typically modern usage as a financial sum or a claim on assets (p. 2). Thus, early modern marketplace exchanges dependent on credit were typically solidified only after hours of negotiation in a local tavern, over drinks and in front of witnesses. In this insistence on the communicative (even persuasive) aspects of the marketplace, Muldrew’s work strongly reinforces the argument made by McCloskey that economic historians can only ignore social variables (which McCloskey sometimes short-hands as “sweet talk”) at their peril.

The first part of the book will be the most familiar territory for economic historians. For it is here that Muldrew makes most use of quantitative techniques to answer a number of important questions of fact, as it were. He begins with an effort to reconstruct the sheer magnitude of market transactions in early modern England, and to date with some precision the impressive rise in marketing during the sixteenth century, from what was already an arguably “commercial” medieval England. He attributes the economic boom of the decades after 1550 to the expansion of marketing stimulated by the demand generated by the demographic expansion then underway. In fact, on the basis of a limited number of probate inventories, a handful of account books, and a more voluminous court record, he argues that this was England’s “most intensely concentrated” period of economic growth before the late eighteenth century” (pp. 20–21); and moreover, that the late sixteenth century was not the
period of absolute immiseration that it would appear to
have been on the basis of the Phelps-Brown and Hopkins
real wage index. Relative poverty may indeed have been
on the rise, but he claims that at least the poor house-
holds which were inventoried lived about as well, if not
better, than their fifteenth-century peasant equivalents
(p. 32). This latter claim is a very strong one, and prob-
ably needs much more evidence before we disregard the
implications of the real wage series entirely. Nonethe-
less, much of the argument is compelling, despite the
fact that it rests only on indirect types of evidence (ad-
mittedly from several different types of sources). What
these strong claims should really do is stimulate the pro-
fession to dig anew for yet more data which can either
confirm or refute his revisionist position, particularly as
it pertains to the lower end of the economic spectrum.

The sixteenth century is not the only place, how-
ever, where Muldrew takes on one of the sacred tenets
of the historiography of the English economy. Part of
his project also challenges the long accepted figures for
the size of the English economy at the end of the seven-
teenth century as devised by the contemporary political
arithmeticians Gregory King, William Petty and Charles
Davenant. Muldrew argues that their figures, designed
as they were to evaluate the taxable and thus cash por-
tion of the economy, grossly underestimate the scale of
all marketing in England, dependent as most of that was
on the extension of local (oral) credit. Muldrew’s es-
imate for total national consumption in the latter part
of the seventeenth century (146,000,000 pounds) is over
three times greater than King’s contemporary estimate
of total household income (p. 90). While this calculation
depends critically on the representativeness of only sev-
enteen household account books from a period of over
a century and across the social scale, it does have the
significant advantage of including purchases made on
credit. If Muldrew’s calculations can be confirmed by
further research (preferably with a much larger data base
than his seventeen account books), they will force us to
fundamentally rethink the magnitude of the economic
transition from the early modern to the industrial period.

This however is not Muldrew’s main agenda, but
merely a by-product of his work for other purposes. The
real agenda here is to demonstrate, given the extreme
scarcity of metal coinage throughout this period, the in-
tense reliance that commerce of this magnitude placed
by necessity on mechanisms of informal credit. Even
more importantly, Muldrew stresses the implications of
such widespread and interlocking networks of credit for
the exacerbation of tensions between the households of
consumers and producers, which were, of course, merely
the same households wearing their various many hats.

With the initial mid-sixteenth century boom, these ten-
sions played themselves out in an explosion of debt lit-
gigation and an outpouring of moral literature on the perils
of the prodigal (that is the indebted) life. With time, ad-
justments were made to the legal system and new forms
for public credit were established which allowed credit to
“become less dependent on individual morality” (p. 329).
Marketing could not only continue at its new high level,
but even expand, without the security of the social fabric
being irreparably damaged.

This is a fascinating book and one which I highly rec-
commend. It moves comfortably between the quantifica-
tion of material life in early modern England, and the
way that life was understood by contemporaries. His-
torians of the economy and historians of ideas will both
find much in this book to stimulate further research in
their respective fields. Finally, it offers a potent reminder
that the now dominant utilitarian understanding of eco-
nomic behavior as essentially individualistic and funda-
mentally competitive, is not always an appropriate model
for studies of even strongly market-centered economies.

Trust (and trustworthiness), and by extension, coopera-
tive behavior, were essential to the generation of wealth
by households in early modern England. Thus it is that
Daniel Defoe could write as late even as 1726 that “He
that gives no trust, and takes no trust, either by whole-
sale or by retail … is not yet born, or if there ever were
any such, they are all dead” (quoted on p. 95).

References

David S. Landes, The Wealth and Poverty of Nations:

Deirdre N. McCloskey, “Bourgeois Virtue and the

Peter Temin, “Is It Kosher to Talk about Culture?,”

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