

Free-riding on European colonialism

– Swedish trade in colonial sugar during the early modern era

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“As they drew near the town [of Surinam] they saw a negro stretched on the ground with only one half of his habit, which was a kind of linen frock; for the poor man had lost his left leg and his right hand. “Good God,” said Candide in Dutch, “what dost thou here, friend, in this deplorable condition?” “I am waiting for my master, Mynheer Vanderdendur, the famous trader,” answered the negro. “Was it Mynheer Vanderdendur that used you in this cruel manner?” “Yes, sir,” said the negro; “it is the custom here. They give a linen garment twice a year, and that is all our covering. When we labor in the sugar works, and the mill happens to snatch hold of a finger, they instantly chop off our hand; and when we attempt to run away, they cut off a leg. Both these cases have happened to me, and it is at this expense that you eat sugar in Europe”¹

Voltaire, Candide (1759)

Introduction

In our contemporary political debate, ‘fair’ (vs. ‘unfair’) trade is a major issue of controversy. Even though such discussions seldom are put into a historical context, the debate is far from new, but was one issue at the heart of the debate concerning slave trade and slavery. In Voltaire’s famous novel, Candide visits the Dutch colony of Surinam. In his conversation with a former sugar plantation slave, the slave laments the cruel and unfair conditions for labour on the plantation. The former slave doesn’t only blame his former owner, or the Dutch colonial masters in general, for the miserable conditions, but seems to blame people in Europe as a whole.

The colonization of America is often treated as national projects undertaken by the Portuguese, Spanish, Dutch, British and so on. Colonialism was however a project with implications for more nations in Europe, other than just the core colonial powers. This article will try to analyze colonialism from the perspective of the trade in colonial commodities. It is the specific aim of this paper to study how the Swedish market – on the European periphery

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¹ Voltaire, 1901, chapter 19.

during much of the colonial era – was connected to a wider project of European colonialism in the Americas, through trade in the colonial commodities.

Many studies of commodity chains have in common that they give most emphasis to the exporters' perspective. A commodity chain can however also be studied from the consumers' end of the chain. This paper will focus upon the European imports of the most important colonial commodity, sugar, and in particular upon Swedish imports of sugar. While many scholars have studied the first nodes in the commodity chain of sugar – the production of the sugar in the Caribbean and Brazil, and the transatlantic trade in the commodity² – no-one has to my knowledge studied intra-European trade in this commodity. It is the aim of this paper to contribute such a study.

Colonialism required among other things both mercantile and governmental support. As Ekelund & Tollison have argued, rent-seeking behaviour such as mercantilist policies might be a way for individual parties to maximize profits. Acquiring monopoly rights to overseas trade was one such form of rent-seeking behaviour. Developing an overseas colony did, however, at least initially involve large expenditures and investments. If colonial goods could be had in some other way, it could from an economical perspective be more rational for the merchants and/or the state to seek such a solution.

Such a possibility did develop for semiperipheral actors in Europe, since most of the colonial powers re-exported large shares of the colonial commodities produced. Merchants from countries such as Sweden could thereby, in a sense, free-ride on European colonialism, by trading on an intra-European market for colonial commodities.³ For this reason, there might have been less interest in acquiring overseas colonies among an important group of Swedish actors.

² See for example Deerr 1949, Galloway 2005, Schwartz 1985, Dunn 1972, Sheridan 1994, Curtin 2002, Topik et al 2006.

³ This paper will for simplicity use terms such as 'Swedish merchants' for all merchants operating (mainly) in or from Sweden, thus in practice being subjects to Swedish laws and institutions. Many of these merchants originally came from other countries, such as the Netherlands or Scotland. Since the aim of this paper is to focus upon the interplay between individual parties and the state, the original nationality is of less interest in this context.

Colonial ambitions in the semiperiphery

Mercantilist ideas (prominent among them the interest in colonies) were important in Sweden during the 17th and especially the 18th century.⁴ The idea, as in other countries, was that colonies could provide the mother country with raw materials. For the short time the Swedish government was in control of the colony of New Sweden, the government had high hopes that the colony could develop plantations of tobacco, wine and sugar, among other things.⁵ There were also other attempts and expeditions to establish Swedish-controlled colonies in Africa and the Americas – apart from the lucrative trade on the East Indies, and a small share in the trans-Atlantic slave trade. From the colonizer’s perspective, however, all of these attempts were failures – the colonies were almost always lost to European competitors after a very short time.⁶ The only colony Sweden managed to maintain for any period of time (approximately 100 years) was the small island of Saint Bartholomew, in the Caribbean. This island, though, was a small and mountainous one, with few valuable assets apart from a natural deep harbour.⁷

How can we understand what seems like a Swedish exception to European colonialism, a process that was (or at least was seen as) quite important to other European nations? K.G. Davies has argued that colonies needed four components in order to survive and develop: “support of government; mercantile capital and management; leaders for the new community; farmers, artisans, laborers, and servants to make them self-supporting”.⁸

Sweden was a comparatively poor country, compared to many other European nations. It seems reasonable to assume that the country hardly could afford to finance any larger colonial adventures. Still, by the middle of 17th century, Sweden was a major power in European politics.⁹ The Swedish state could also afford to finance the building and maintenance of a comparatively large navy: during the 17th and 18th century, the Swedish navy was not much smaller than the Danish one, and significantly larger than the Portuguese, a major colonial power. During the 17th, until the middle of the 18th, century the Swedish navy was even larger than the Spanish one, one of the biggest colonial powers in Europe at the time.¹⁰ More

⁴ Lönnroth 1991.

⁵ Lönnroth 1987, p 408.

⁶ Loit 1984, Müller 2004, chapter 6, Sprinchorn 1923.

⁷ Hildebrand 1951.

⁸ Davies 1974, p 56.

⁹ Roberts 1979.

¹⁰ Glete 1993, chapter 2.

important than the absolute size of the available resources, the rulers of Sweden were generally more interested in devoting the available resources to gain political, military and economical control over the Baltic Sea, and thereby the Russian market, rather than overseas territories.¹¹ The Swedish state did thus in theory support many colonial adventures, but perhaps not as whole-heartedly in practice as many other European states.

Furthermore, the country was geographically large compared to a rather small population, but rich in many natural resources. At least some of the resources and raw materials that mercantilists hoped that the colonies would provide (agricultural lands, timber, metals, furs etc) could very well be found within the borders of Sweden (and/or Finland, which at the time was controlled by the Swedish state). ‘Internal colonialism’ could therefore be a substitute for obtaining foreign colonies. In fact, Lapland (the northern parts of Sweden-Finland) was even thought of in exactly this way by some: in 1635, count Carl Bonde wrote a letter to Axel Oxenstierna, high chancellor of Sweden: “Furthermore, a silver deposit was found in the mountain range in the Piteå sami lands last autumn [...] It is hoped that, with the help of God, this will become a West Indies for the Swedes, as plentiful for the pious as for the king of Spain.”¹² Gunlög Fur has analyzed the colonialist ambitions behind the establishment of the colony New Sweden in the Americas, and persuasively argues that these were similar to the ambitions behind the “internal colonization” of Lapland.¹³ Mercantile capital was thus not necessarily interested in investing in colonial adventures abroad, as long as investment opportunities could be found at home, and there was at this time no large population eager to migrate to some foreign colonies.

It is however the contention of this paper that these explanations lack a piece of the puzzle: the trade in colonial commodities that couldn’t (or could only with very great effort) be produced within the borders of the Swedish state – coffee, tobacco, sugar etc. Even though these products still were luxuries for a small elite in Europe, they were extremely important in the scramble for overseas colonies. In fact, many of the most coveted tropical colonies of the Americas had hardly any economic function other than to produce these kinds of products. Portuguese Brazil or the British and French West Indies did for example not serve as

¹¹ See for example Roberts 1979, Attman 1985 or Böhme 1994.

¹² Translated by the author of this article. The letter in Swedish reads: “Sedan är i förliden höst uti Piteå lappmark in mot fjällringen funnet ett silverstreck [...] Man hoppas här, näst Guds tillhjälp, så skall det bliva de svenskas Västindien, lika gott för de fromma som för konungen i Spanien.” Quoted in Bäärnhielm 1976..

¹³ Fur 2006.

important recipients of migrants from Europe during the early modern era, or produce many other ‘necessary’ commodities other than the luxuries of for example sugar. The luxurious colonial commodities – and the profits made possible in the production and trade thereof – were the key to a great deal of the struggle for the Americas. There was also a growing domestic demand for the products in Sweden as well as in other countries in Europe. Since they couldn’t be produced within the country, they were however a cause of concern from a mercantilist perspective, and a cause of opportunity from a merchant’s perspective.

Colonialism as rent-seeking behaviour

Robert Ekelund and Robert Tollison have argued that mercantilism ought to be considered as a form of rent-seeking behaviour:

“the balance-of-trade objective [of mercantilism] was nothing more than the by-product of the interplay of numerous self-interested parties who were seeking rents from monopolization in these early nation-states. And the literature defending the balance-of-trade objective was just so much propaganda to justify private interests.”¹⁴

Mercantilism was according to Ekelund & Tollison not profitable for the country and/or state imposing the policies – but certain private parties could gain monopoly rents from getting such policies imposed. If these parties could get mercantilist policies imposed, they would thus transfer wealth from other parties unto themselves (and transferred in a way that often was socially costly).¹⁵

Why would the state then want or accept to impose such policies? One possibility was incomplete information and/or irrationality of the ruler(s) of the state. The ruler(s) might have fallen for the propaganda of the self-interested parties, that such policies actually would be a boon for the country or the state. A second reason was state control over and/or participation in the chartered company, so that the ruler(s) of the state could gain as well from the monopoly rights. A third reason, according to Ekelund & Tollison, was that such policies could be mutually favourable both for the state and the private party, since monopoly rights

¹⁴ Ekelund & Tollison 1997, p 5.

¹⁵ Ekelund & Tollison 1997, p 28.

could be sold to the private party. This would be an easier way of raising revenue to the state than taxing the population.¹⁶

Colonialism could be seen as a prime example of such rent-seeking behaviour.¹⁷ It is questionable whether the colonial states really gained from the colonies, but individual, private parties could very well do so in many cases.¹⁸ In Britain and France private chartered companies were granted a monopoly on the trade both in slaves and in colonial commodities.¹⁹ The same goes for other countries as well, such as Denmark (and to some degree also Sweden). In cases where no private company was given a chartered monopoly, or when such monopolies were revoked, the colonizing state did anyway cover many of the costs of colonialism, most importantly the costs of defending the colonizers and the trade through military means. The issue for an individual, rent-seeking party would then be how to maximize the possible monopoly/monopsony rents (since the chartered companies in some cases also were given monopsony rights as to the buying of the commodities in the colonies). A chartered monopoly could on the one hand enable rent-seeking, but to acquire it could on the other hand demand much costly and/or time-consuming lobbying against the ruler(s) of the state, as Ekelund & Tollison argue.

If the expected monopoly/monopsony profits were small, interest in trying to acquire such a charter would naturally also be quite little. Assuming for the moment that we only look at the European imports of products from the colonies (a similar argument could however also be made about trade going in the opposite direction), the expected profits for the individual merchant depended on a couple of factors: the price the consumers were willing to pay for the commodities, the price a merchant would have to pay to purchase the commodities in a (monopsonized) colony and the alternative price a merchant would have to pay on an international (non-monopsonized) market for the same commodities, if any such existed.

In practice then, private interest in acquiring colonies depended to a large extent on the price gap between the prices for the commodities that could be obtained in a monopsonized colony, and the price on the international market for re-exports. If the price on the international market was quite high – for example through little or no effective competition between the

¹⁶ Ekelund & Tollison 1997, p 50.

¹⁷ Ekelund & Tollison 1997, pp 86–90.

¹⁸ See for example Coelho 1973 or O'Brien 1988.

¹⁹ Ekelund & Tollison 1997, chapter 6.

colonial powers (i.e. monopoly price setting by the involved parties is possible) or outright price cooperation between sellers – a private middleman’s expected profits from gaining monopoly/monopsony rights to the trade with a colony would be high. Individual parties would therefore be more interested in rent-seeking behaviour to obtain such privileges. A competitive intra-European market for re-exports of colonial commodities would on the other hand theoretically lead to less interest among middlemen in acquiring monopsony rights in relation to the producers of the commodities.

The triangular trade

To gather how the international market for colonial commodities was structured, we first have to deal briefly with the issue of the transatlantic trade during the period. There is a rather widespread idea that the transatlantic trade during the early modern era essentially can be described as triangular. Let us for example take a look at how Sidney Mintz, a rather typical scholar in this respect, argues. Mintz writes that two triangles of trade developed during the 17th and 18th century. The first triangle connected Britain to Africa and the Americas: British manufactures were exported to Africa, African slaves were exported to the Americas, and American tropical commodities (especially sugar) were exported back to Britain. The second triangle, according to Mintz, included New England, Africa and the West Indies: New England-rum was exported to Africa, slaves were exported to the West Indies and treacle was exported to New England.²⁰ Figure 1 is a rough illustration of the first of these two triangles. Other scholars are not as precise as Mintz in only talking about the British transatlantic trade being triangular, but include other colonialist powers in Europe as well at the European angle of the triangle.²¹

[Fig 1 somewhere around here]

Some scholars have questioned the concept of – or at least the emphasis on – a triangular trade. Gilman Ostrander has for example argued that the triangular trade largely is a myth, at least as far as New England is concerned. New England did, according to Ostrander, simply

²⁰ Mintz 1986, p 43.

²¹ See for example Williams 1964, chapter 5, Minchinton 1979, Wallerstein 1980, pp 237–238, Coughtry 1981; Kriedte, 1983, p 83, Page 1997, p 56, Marks 2002, p 83.

not play any important role in the transatlantic trade at the time.²² Herbert Klein does not seem to question the triangular pattern of the transatlantic trade *per se*. He has, on the other hand, argued that the idea of a triangular trade is incorrect, if we by that mean that the ships involved in the trade followed this triangular route. Most ships, Klein argues, did not do this, but were specialized in a bilateral trade across the Atlantic.²³ This has also been shown statistically as well, for example in the case of the Danish colonial trade.²⁴

The idea of a triangular Atlantic trade does provide us with a simple and powerful illustration of how and in what direction commodities mainly flowed across the Atlantic. The idea seems to have originated in the study of the transatlantic slave trade. As soon as we look at the transatlantic trade in other commodities, however, the patterns and structure of the trade immediately become more complex, involving agents in countries other than just the colonial powers.

Most importantly for this paper, many scholars have emphasized the economic importance of re-exports (mainly within Europe) of colonial commodities.²⁵ Walter Minchinton does for example estimate that re-exports of colonial and other commodities accounted for approximately one third of total British exports during the eighteenth century. Re-exports were also very dynamic and the main source of growth in the British foreign trade at this time.²⁶ Leos Müller has shown how important re-exports were to the Swedish and Danish East India companies: approximately 90 per cent of Swedish imports of tea from Asia was later re-exported to Western Europe and markets around the Baltic Sea. The Danish and Swedish re-exports accounted for approximately 25–35 per cent of the European market for tea during the 18th century.²⁷ The vice versa could be argued for much of the trade in the opposite direction, the exports to the colonies of Africa and the Americas. The manufactures exported from European colonial powers, such as Britain, were never solely domestic products of the exporting countries.

This paper will now focus on one single commodity-chain, namely the international trade in colonial sugar. This was probably the most important commodity traded across the Atlantic

²² Ostrander 1973.

²³ Klein 1999, pp 96–101.

²⁴ See for example Gøbel 1990.

²⁵ See for example Rider 1995, p 133.

²⁶ Minchinton 1969, pp 15–26; Davis 1954; Davis 1962.

²⁷ Müller 2003.

during the early modern era, certainly so if we only look at the imports to Europe from the Americas. Patrick O'Brien has, in a recent article, computed the commodity composition of 'third world' exports between 1830 and 1937. By 1830, a time when sugar already had started to lose much of its importance, especially in the transatlantic trade, this commodity alone was still the single most important commodity traded, responsible for approximately 25 per cent of the value of 'third world' exports. The two second largest categories of products – textile fibres on the one hand, and coffee, tea, cocoa and spices on the other – at the same time only accounted for approximately 15 per cent of the value of the exports, respectively.²⁸

The early-modern transatlantic sugar trade

Sugar was in early history extracted exclusively from the sugar cane. The use of sugar beet as a source of sugar is a quite recent development – the first tests were carried out in Europe by the late 18th century, but production of sugar beet of any quantitative significance would have to wait until the middle and end of the 19th century.²⁹

The use of sugar canes probably originates in Southeast Asia. During the European Middle ages, the growing of sugar cane reached Europe, and for a time became widely spread in the Mediterranean.³⁰ By the early modern era, sugar was about to make the leap across the Atlantic. On his second journey to the 'New World', Cristoforo Colombo (Christopher Columbus) brought with him the sugar cane from Europe, to be planted in the new surroundings. Colombo had earlier been a sugar merchant on Madeira.³¹

Growing of sugar cane would not get off to a great start in the Spanish colonies. It was instead Brazil that would develop into the first dominating producer for the European market.³² By the middle of the 17th century, competitors would follow suit – primarily Britain and France, establishing sugar plantations in the West Indies.³³ By the end of the 17th century, Caribbean and Brazilian sugar would dominate the European market totally. It is thus noteworthy that these new sugar plantation areas forced the old production areas of the Mediterranean out of

²⁸ O'Brien 2006a, p 263.

²⁹ See for example Deerr 1949, chapter 29.

³⁰ See for example Deerr 1949 vol 1, chapters 4–8, or Galloway 2005, chapter 3.

³¹ Vieira 2004, p 74.

³² Schwartz 2004b, pp 159–166.

³³ See for example Deerr 1949, vol 1, chapters 12–14; Galloway 2005, chapter 4.

competition. The Mediterranean sugar was simply not competitive against the more efficiently produced sugar of the Americas.³⁴

The sugar imported to Europe by the colonial powers was to a large degree re-exported to other countries on the European continent. Ralph Davis has shown that during the late 17th century, between one third and a half of total sugar imports into Britain later were re-exported. The lion's share of the re-exports went to northwest Europe, i.e. mainly the Netherlands and Germany (in turn re-exporting some of their imports throughout the Baltic region). By the early 18th century, British re-exports of sugar could not compete with the much cheaper French colonial sugar, at the same time as domestic demand in Britain increased. A larger share of imports of sugar from Britain's colonies was therefore retained at this time.³⁵

In Asia and Africa, many of the colonies initially took the form of trading posts – in some cases later to be expanded into what Philip Curtin has called “territorial empires”. On large parts of the American islands and continent, what developed was instead what the same author has called the “plantation complex”.³⁶ Sugar plantations constituted a large share of this plantation complex. This plantation complex did in time become totally dependent on slaves as a labour force. The transatlantic slave trade therefore forced the migration of approximately ten to twenty million people from Africa to the Americas.³⁷

Slavery would not last. Beginning in the late 18th century, anti-slavery opinions were on the rise in Europe, especially in Britain. Eventually, popular pressure and diverging economic development between countries would lead to the abolition of the slave trade, and later emancipation of all slaves, in all the countries of the Americas. But the process was complex and took due time. The first country to free the slaves was Haiti (formerly the French colony of Saint Domingue), as a consequence of the Haitian slave revolution in 1791. The slave trade was also abolished by the Danish and the British at the same time, but emancipation of the slaves in these countries would have to wait a couple of decades more. The last slaves of America, in Brazil, would have to wait for emancipation until 1888.³⁸

³⁴ See for example Solow 1987.

³⁵ Davis 1954; Davis 1962; Davis 1973, p 307.

³⁶ Curtin 2002, pp 14–15.

³⁷ Curtin 1969.

³⁸ See for example Drescher 1987 and Dubois 2004.

Clearly, slavery implied a competitive advantage to the producers of colonial commodities. When slavery was abolished in some colonies, other colonies still relying on slave production of commodities therefore became all the more competitive. Cuba and Brazil were the last two countries in the Western hemisphere to abolish slavery, by the end of the 19th century, and during this century the two became the major slave importing regions of the world (approximately 85 per cent of global slave imports during the 19th century reached Brazil or the Spanish colonies of America, foremost of them Cuba).³⁹ Not surprisingly, the two countries also became very important producers of colonial commodities during the same time. The development was most remarkable on Cuba. Just before the French revolution, the island produced approximately 13 000–14 000 ton sugar per year, approximately 10 per cent of the total production in the Americas (even less if compared to the whole world, though figures of this are at best shaky). By the end of the Napoleonic wars, the production had risen to 40 000–50 000 ton sugar per year. Half a century later, Cuba's annual production had increased dramatically. The years around 1870 – just before the production of sugar beet would break through on a grand scale in Europe – Cuba reached a production over 700 000 tons per year, more than half of total production of sugar in the world.⁴⁰

By the early 17th century, sugar was still very much a luxury in Europe, claiming a high price. Following the development of British and French colonies in the Americas, however, the price of sugar in Europe would fall very rapidly, as can be seen in graph 1.

[Graph 1 somewhere around here]

Competition between merchants in the sugar trade became quite fierce, keeping the price of sugar at depressed levels throughout the first half of the 18th century. With increasing conflicts in the Atlantic economy during the second half of the century, however, prices start to rise again.

³⁹ Szirmai 2005, p 55.

⁴⁰ Deerr 1949, vol 1, p 126.

Swedish imports and the international sugar market

Even though domestic consumption of sugar in Sweden was quite marginal at least until the 19th century, the imports of sugar were far from negligible for the balance of trade. At the middle of the 18th century, sugar was one of the ten most important imports and accounted for approximately 5–10 per cent of the value of total imports, falling to 2–5 per cent by the end of the century (due to rapidly falling prices of sugar in Sweden relative to other commodities), as is shown in graph 2.

[Graph 2 somewhere around here]

Prior to the 19th century, none of the imports of sugar came directly from the producing regions in the Americas. Everything was imported through ports in the European colonial powers. Until the end of the Great Nordic War, the Dutch were in control of much of the trade in colonial goods in the Baltic/Nordic region. In the import data for the port of Gothenburg, on the west coast of Sweden, sugar imports during the 17th century seem to have come almost exclusively through ports in the Netherlands, the German North Sea coast (i.e. primarily Hamburg) and Portugal, as is shown in graph 3.

[Graph 3 somewhere around here]

Sweden was in a position where she had little influence upon the major developments in the world-system, such as conflicts between core powers in Europe. This had repercussions on individual commodity chains, such as the trade in sugar, since the terms of trade could change rapidly due to international conflicts. The Swedish traders seem to have handled this by diversifying the source of imports. The Dutch dominance over the trade was broken, and sugar was increasingly being imported from Britain and especially France. The commodity chains could also change rapidly in response to a changing international market supply, as can be seen in graph 4.

[Graph 4 somewhere around here]

France – at the time claimed to be the most effective producer of sugar – was an important source of much sugar during the first half of the 18th century. During the Seven Years War (1756–1763), however, the French lost their market share in Sweden totally for a couple of

years. This did not impact negatively on the volume of Swedish imports – the Swedish merchants on the contrary quickly turned to Britain as a source of sugar. Prices did however increase during certain periods of intensive international conflict, such as the Seven Years War.⁴¹ As soon as the war ended, the French recaptured their market share almost as quickly as they lost it.

During and after the end of the Napoleonic wars, Swedish merchants developed new trade routes for the sugar commodity chain, i.e. direct trade with colonies and former colonies of America. Ingrid Hammarström, one of few Swedish historians who have shown any interest in the Swedish trade in colonial commodities, has argued that this – at least in part – was due to lower tariffs being imposed on the imported commodities if they were imported directly from the producing countries, instead of through intermediaries.⁴² The result can be seen in graph ZZZ, showing the imports of sugar into Sweden by country of origin in the period 1830–1870 (in the years in between graph 4 and graph 5, the countries where imports came from are unfortunately not registered in official trade statistics due to administrative reorganizations between different authorities).

[Graph 5 somewhere around here]

Until the middle of the 19th century, Sweden did import most of its sugar directly from overseas – Brazil and the West Indies were the two major areas, with the USA initially exporting some as well. The old entrepôts of the sugar chain – British, French and Danish colonies – would soon disappear almost totally from the Swedish trade networks. In time, sugar would also be imported from Asia, thanks to the extremely rapid development of cheap sugar production using forced labour in Dutch Java (initially directly imported from Java, but later on imported through the Netherlands as can be seen in the graph).⁴³

Swedish merchants free-riding on European colonialism

According to Patrick O'Brien: "Britain and the Netherlands [...] came into the imperial project as latecomers and free riders on the initial and sustained investments made by Iberians

⁴¹ Research undertaken by the author of this paper, not yet published.

⁴² Hammarström 1962, p 402.

⁴³ Deerr 1949, chapter 13.

in the research and development, conquest and colonization required for the establishment of regular and secure patterns of trade with the Americas, Africa and Asia”.⁴⁴ If Britain and the Netherlands can be argued to have been latecomers and free-riders, all the more so can a country like Sweden. Apart from the half-hearted and short-lived attempts at some colonial expansion mentioned earlier, the Swedish state took virtually no part in the European ‘investments’ that O’Brien talk about to secure the trade with the Americas.

Swedish merchants might have had to pay a somewhat higher price for sugar imported from an intra-European market, than they would have had to pay if Sweden had been in sovereign control over a productive sugar colony.⁴⁵ Prices on the European – including the Swedish – markets for sugar would however fall quite rapidly, especially at the time of the major colonial expansion in the Americas during the 17th century. As time went by, and prices for colonial commodities kept falling, Swedish merchants ought to have become less and less interested in pushing for or supporting further colonial adventures.

It might even be argued that it could be an advantage for the Swedish merchants that the country didn’t possess any sugar colonies of its own. After all, merchants were not the only parties interested in rent-seeking behaviour. On the contrary, in many colonial powers, planters were at least as active in trying to obtain favours for themselves – sometimes at the expense of the merchants. Since Sweden had no colonies, and thereby no planters’ interest to take into account, there was no reason to favour imports from any special region, in order to protect ‘Swedish’ settlers and subjects. Swedish merchants might in a sense then have faced a more level ‘playing field’, so that sugar could be imported from those areas where it was produced most competitively. Having no colony thus implied a greater flexibility, which in the longer run might have been advantageous to the merchants.

Since Sweden was a quite peripheral market, Swedish merchants were essentially price-takers on the intra-European market. This set merchants from peripheral or semiperipheral countries somewhat apart from merchants in the core powers – British merchants could hardly have acted in the same way, since that would have pushed prices on the intra-European market

⁴⁴ O’Brien 2006b, p 12.

⁴⁵ It is the aim of the author to try to study this issue in the near future, by comparing the prices of sugar in Sweden and Denmark with prices elsewhere in Europe.

upwards. Free-riding was only possible in the long run as long as the demand was quite marginal to the European market as a whole.

Rent-seeking behaviour in the sugar trade

Even though Sweden acquired no sugar colonies, the sugar trade was not free from rent-seeking behaviour. Swedish merchants did try, and succeed, in getting the Swedish state to impose protection on other nodes in the commodity chain of sugar. Policies with such implications were the so-called ‘whole- and half-freedom’ (*hel- och halvfrihet*), granting favourable tariffs for goods transported on domestic ships, and perhaps most importantly the Commodity Ordinance (*Produktplakatet*) of 1724. The Ordinance was inspired by the British Navigation Acts, demanding that imports were transported either on Swedish ships, or ships of the same nationality as the origin of the commodities transported (and vice versa for exports).⁴⁶

Furthermore, different policies were imposed specifically to favour the domestic refining of sugar. Already during the 17th century, raw sugar had been granted a more favourable tariff than refined varieties of sugar. In 1734, furthermore, imports of refined sugar to Sweden were prohibited altogether. At the time the policy was imposed, all refining of sugar was – due to mercantilist policies of other European nations – concentrated to Europe. No colonies were refining sugar themselves (more than the crudely refined sort clayed sugar, in Swedish statistics called *terres*, from the same French word for clayed sugar). The purpose of the Swedish policy was thus to enable the Swedish refiners to control nodes of the sugar commodity chain. In the words of Ekelund & Tollison, such policies might be classified as rent-seeking behaviour.

Preliminary conclusions

Colonies were an important feature of mercantilist thinking. The plantation complex of the American colonies, based on African slave labour, would not have been able to develop as it did without European demand for the products – tobacco, sugar, coffee and so on. A large share of the colonial commodities was not retained in the colonial powers themselves, but re-

⁴⁶ The Commodity Ordinance has been thoroughly studied by Carlén 1997.

exported on to an intra-European market. Colonialism ought therefore to be considered from a European-wide perspective, instead of much of the nation-based historical writing so far.

The focus of this paper has been the commodity chain of the economically most important colonial commodity, sugar. Much literature has been devoted to the first nodes of the commodity chain of sugar – the production of sugar in the Americas, mainly using slave or otherwise unfree labour. This article has instead looked at a later part of the chain, the trade in Europe. Focus has been on the Swedish connections to the European market, since Sweden can be considered as a rather typical semi-peripheral European state at the time.

The Swedish state repeatedly tried to take part in the struggle for the Americas, as well the scramble for colonies elsewhere. However, no Swedish colonial adventures were successful. This can partly be explained by the state instead devoting available resources to gaining control over the Baltic Sea region, and internal colonialism being an option in order to acquire at least some of the resources that colonies were supposed to provide.

This paper has argued that merchants in Sweden also were able to free-ride on European colonialism, through the intra-European trade in the colonial goods. The Swedish merchants could trade in tropical colonial commodities, such as sugar, without having to make the investments necessary to develop and maintain the exploitation of overseas colonies. This ought to have contributed to reduce interest among Swedish merchants in establishing (or pushing the Swedish state to establish) overseas colonies of its own.

In order to profit as much as possible from the colonial trade, Swedish merchants were able to get the state to impose mercantilist policies other than direct colonialism. Since the critical node of sugar producing colonies was lacking for the Swedes, the purpose of these policies was to get Swedish control over certain important nodes in later stages of the sugar commodity chain, such as the shipping of goods and refining of sugar. Domestic control over such nodes would, according to contemporary thought, lead to domestic profits which would enrich and empower the whole country. Following Ekelund & Tollison, the policies might rather be termed rent-seeking behaviour.

Klas Rönnbäck, born in 1974, is a graduate student at the department of economic history, Göteborg university. The paper presents some initial research to be included in the ph.d. -thesis.

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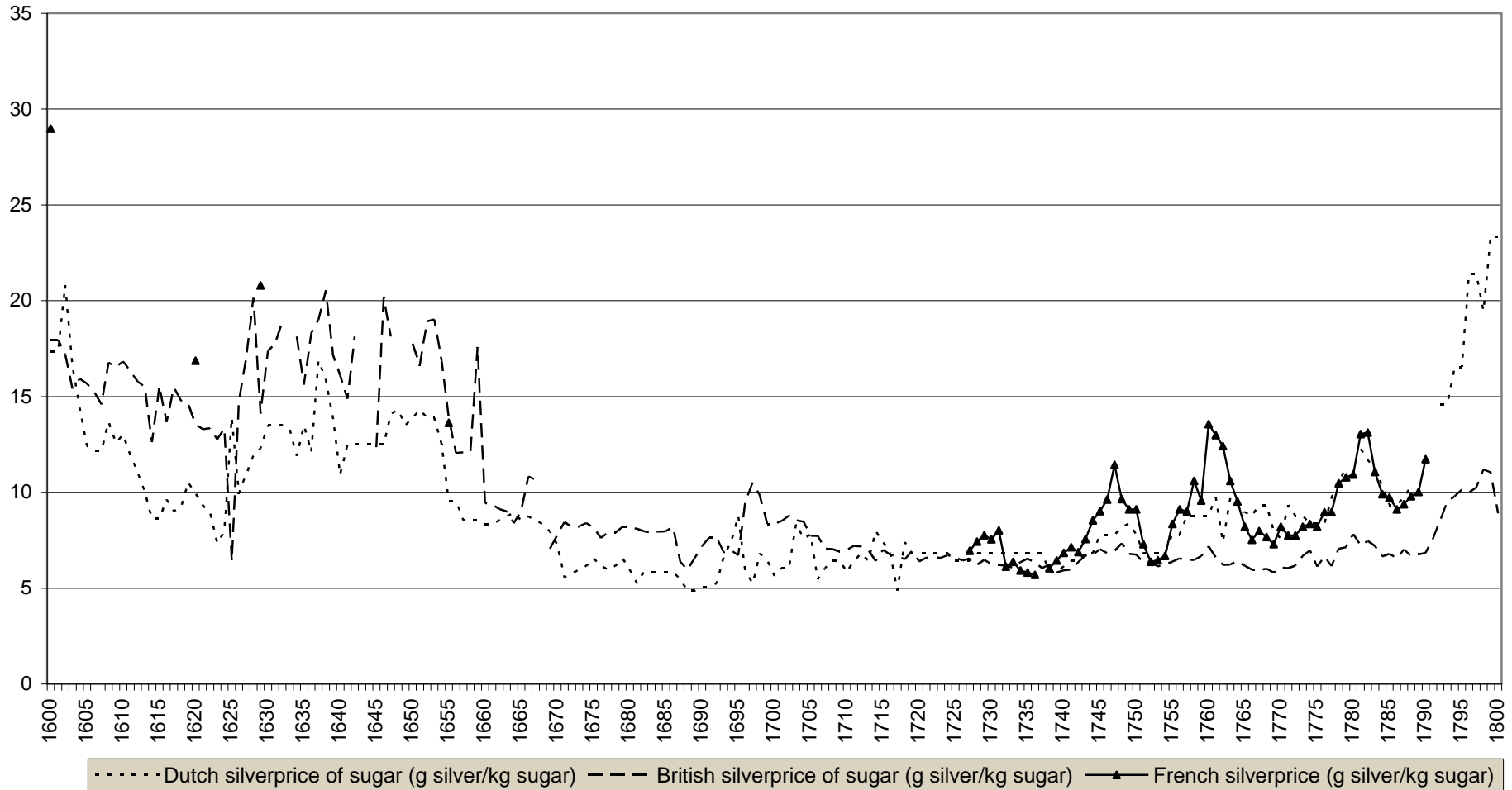
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Fig 1. The triangular trade across the Atlantic



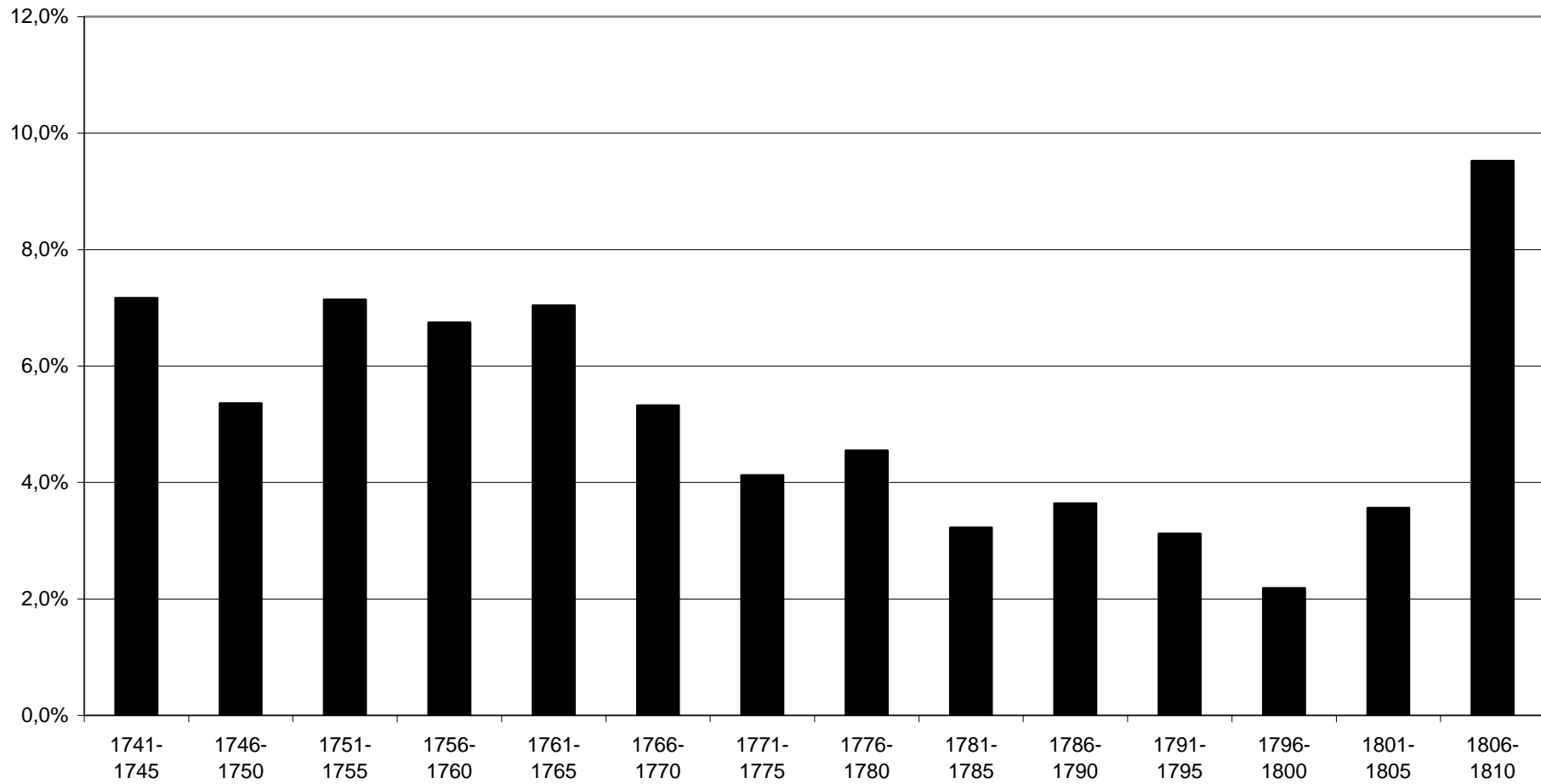
Source: free after description in Mintz 1986, p 43.

**Graph 1. Price of sugar in France, the UK and the Netherlands, 1600–1800
(g silver/kg sugar)**



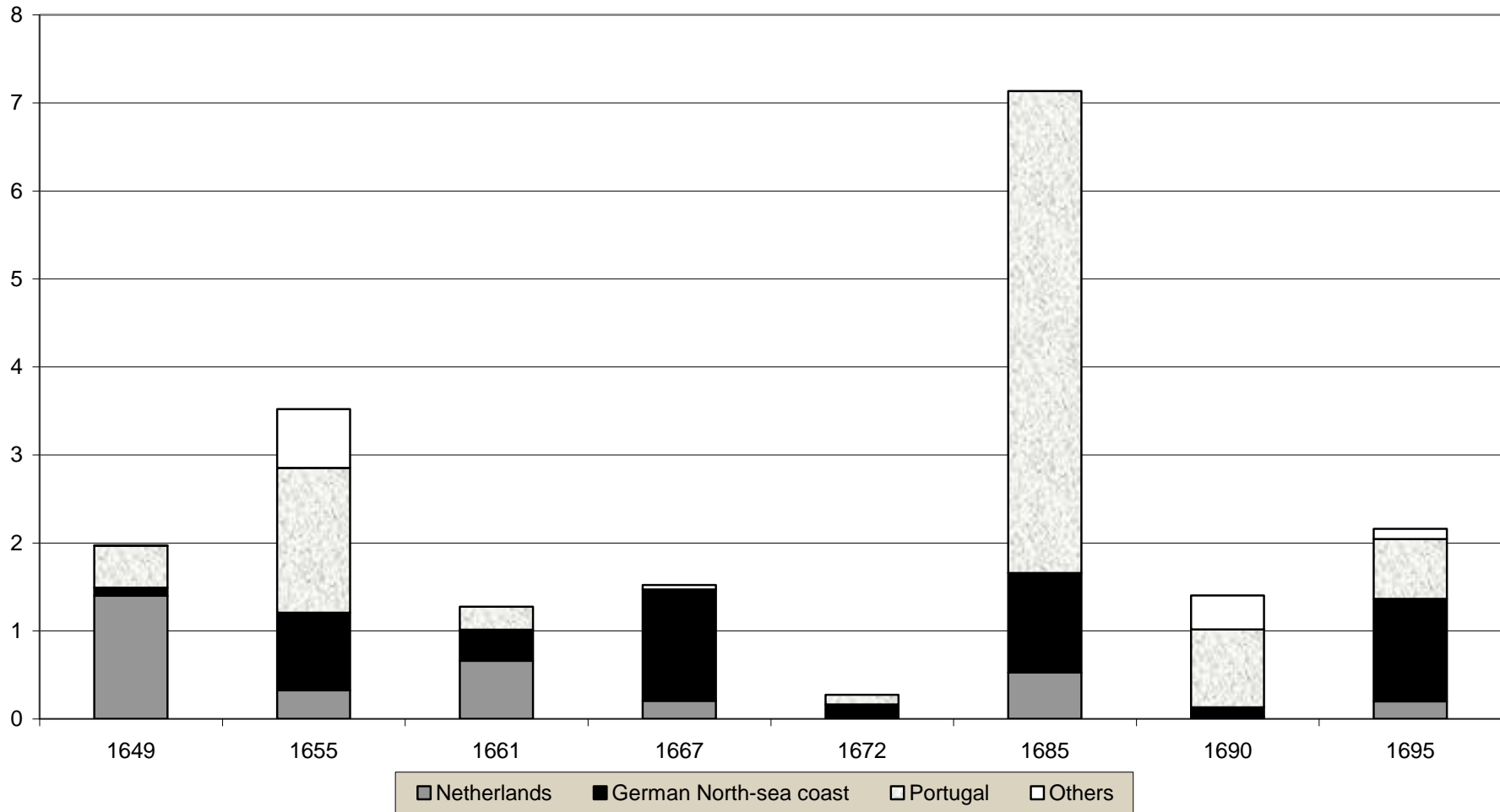
Source: British prices from Clark 2007, Dutch prices from Luiten van Zanden 2007, French prices from Hoffman 2005

Graph 2. The value of imports of sugar as share of the value of total imports into Sweden, 1741–1810 (percentages, 5-year averages)



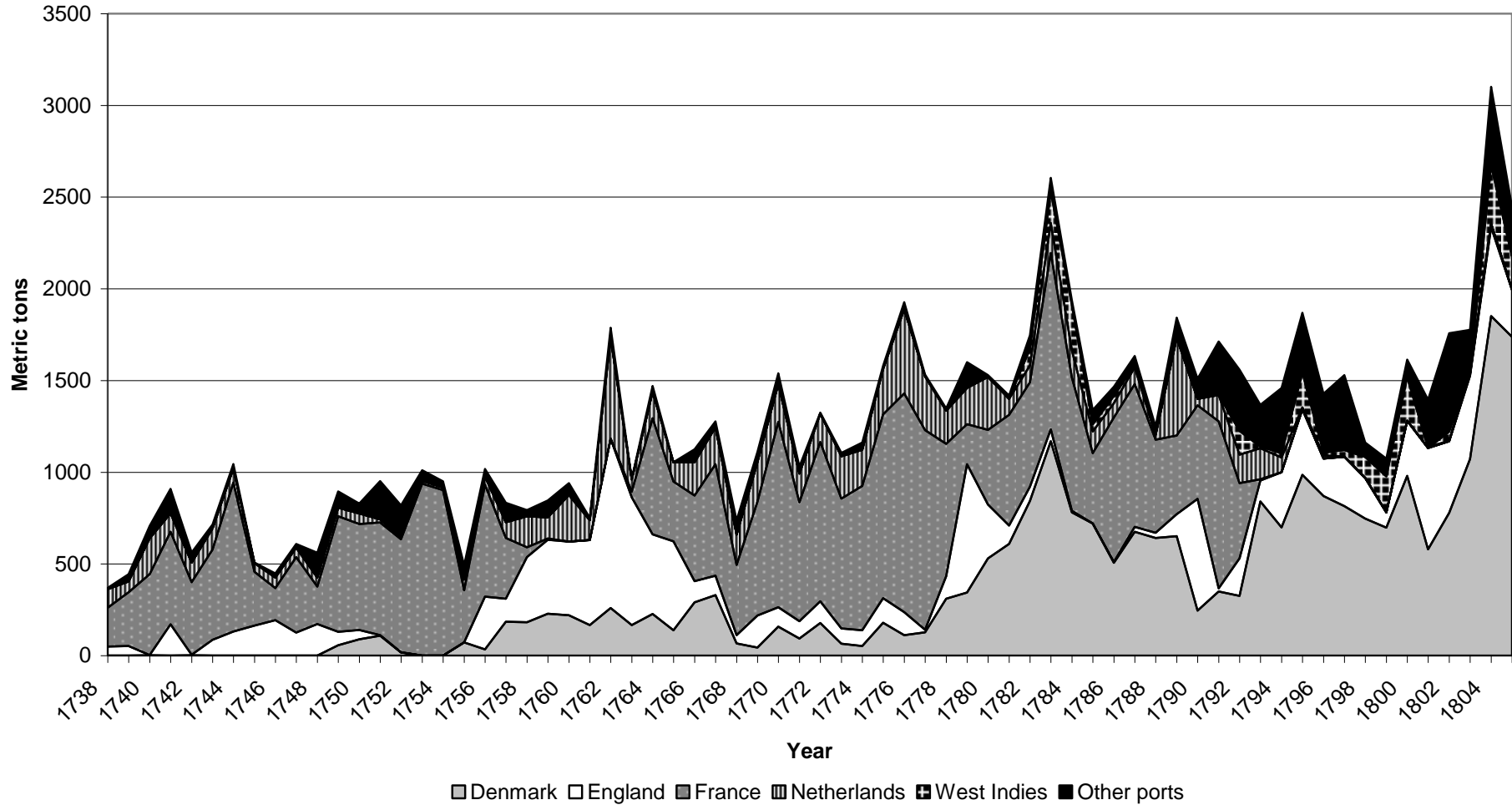
Source: *Kommerskollegium. Kammarkollegiet .Årsberättelser Utrikeshandel. Series 3*

Graph 3. Sugar imported through the port of Gothenburg, Sweden, by country of origin, during certain years 1649–1695 (metric tons)



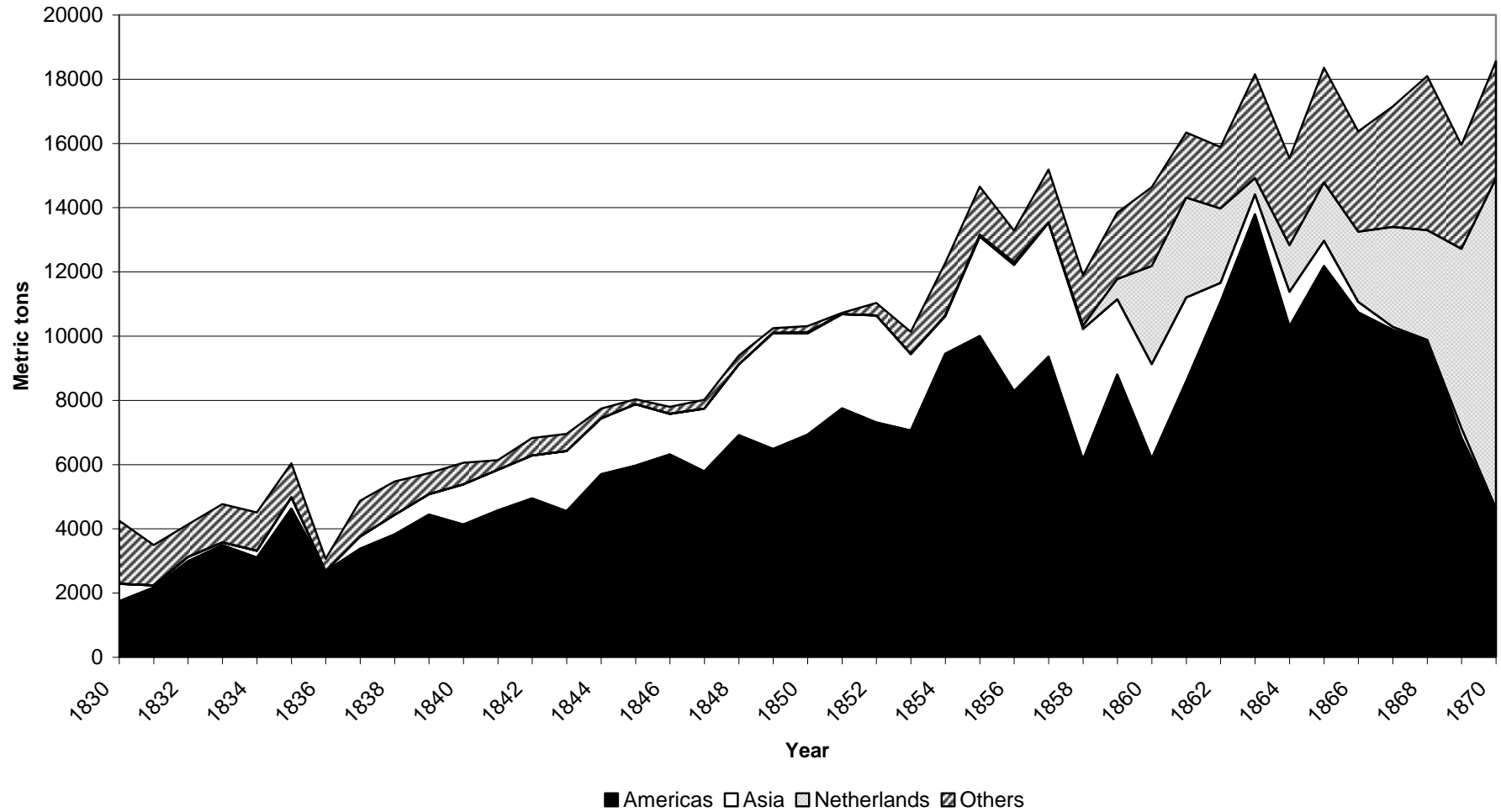
Source: Lind 1923, table 3-33

Graph 4. Sugar imported to Sweden, by country of origin, 1738–1805 (metric tons)



Source: Kommerskollegium. Kammarkollegiet. Årsberättelser Utrikeshandel. Series 2. Imports.

Graph 5. Sugar imported to Sweden, by country of origin, 1830–1870 (metric tons)



Source: *Kommerskollegium. Kammarkollegiet. Årsberättelser Utrikeshandel. Series 4. Imports.*