



PIRACY, SLAVERY, AND THE BIRTH OF CORPORATIONS



The gray-haired clerk and her teenage assistant sat silently behind the sales counter gazing out the window at the abandoned building on the far side of Victoria Street. It was a quiet May afternoon in Thunder Bay, Ontario, in the pause between the thawing of the ice and the first appearance of buds and birds. On one side of the store stood assorted stacks of serious winter equipment, including fur parkas, heavy mittens, and gargantuan scarves. On the other side hung the pelts of rabbits, muskrats, raccoons, and squirrels interspersed with miniature tomahawks crowned with bright blue and red feathers, little buckskin dolls dressed as Ojibwa or Cree children, and small drums stamped "Souvenir of Canada." A black velvet painting depicted a naked Eskimo woman reclining seductively on a bed of white fox fur.

One case displayed delicately made boxes of birch bark decorated with colored porcupine quills that had been woven into flowers and bordered in sweet grass that saturated the boxes with a fragrance pungent enough to pierce the layer of dust covering them. Eskimo soapstone carvings lined the edge of the shelf, mixed with miniature totem poles in garish colors. On the wall hung a shelf of caps with epigrams on the bill such as "Wine, Women, and Walleye," honoring the walleye pike common in Canadian lakes and rivers. On the walls hung racks of steel

mosquito traps for the "giant Canadian mosquito" and clamp pins made to resemble a pink panther and his pastel animal friends, and plastic Indian beads ready for the customer to make a personal "genuine Indian" belt or necklace.

The store scarcely differed from hundreds of other souvenir shops littering North America. It sat in a slightly deteriorating part of town only a block from the nicely renovated downtown mall and the Scotia Bank and only blocks from the northern shore of Lake Superior. The local chapter of the American Hockey Association occupied the building next door, and a cluster of small retail clothing shops took up the remainder of the block. And on the corner by the shopping mall a mixture of Nordic and Indian teenagers loitered in small clusters, apparently waiting for nothing in particular but thoroughly enjoying being outside after another long and freezing Canadian winter.

But this store is special. It belongs to the Hudson's Bay Company, the oldest company in the world. The company has operated continuously since May 2, 1670, when King Charles II chartered it as the Honourable Company of Adventurers of England Trading in Hudson's Bay; it was both the last of the great mercantile companies and the first modern corporation. The origins of this tawdry little store and its parent company go back ultimately to the silver trade from Potosí and the British pirates who stalked and harassed it. Even though the company encountered difficult financial times and sold off some of its retail stores in the 1980s, it is still the world's largest dealer in furs.

Some of the modern Hudson's Bay stores in cities such as Winnipeg operate as completely contemporary department stores with indoor parking garages and merchandise ranging from televisions and personal computers through fine jewelry and imported clothes. Other retail outlets in the more remote corners of Canada stick to simple kitchen utensils and work tools along with basic food items and, of course, the traditional Hudson's Bay blanket.

The present city of Thunder Bay houses approximately 150,000 people, who were united when the two towns of Port Arthur and Fort William consolidated their governments. Today Thunder Bay is Canada's third-largest port, and it is Mile Zero on the St. Lawrence Seaway, which wanders two thousand miles through the Great Lakes and up the St. Lawrence River before spilling

into the North Atlantic. The main exports channeled through Thunder Bay today are wheat from the vast plains of Saskatchewan and Manitoba and lumber or wood products from the large forests of northern Ontario. Until recently, iron ore and potash were also major exports, and before that the port specialized in the export of fur.

The site was founded exclusively for the fur trade. In 1803 the North West Company of Montreal built Fort William as the collection point for pelts from all of western Canada as far as the Pacific coast and the Yukon. A group of Scots fleeing from the United States during the Revolutionary War founded the North West Company in 1797. They deliberately sought to copy and to compete with the much older Hudson's Bay Company. The North West Company wanted to undermine the fur trade by concentrating on a southern route through the St. Lawrence River and the Great Lakes. Unlike the Hudson's Bay Company, which set up its main post at the mouth of the Hayes River, flowing into Hudson Bay, and then waited for the Indians to come with furs, the North West Company went directly to the Indians by establishing a network of trading posts throughout the west. The new strategy worked for a while, but the powerful Hudson's Bay Company devoured its younger competitor in an 1821 merger. The Hudson's Bay Company thereby acquired all of the North West Company's trading posts, such as Fort William, as well as the new strategy for itself. This enabled the Hudson's Bay Company to compete much more effectively with the American Fur Company, founded by John Jacob Astor, the richest man in the United States in the first half of the nineteenth century.

The trading post of Fort William stood very close to the present site of the Hudson's Bay Company store on Thunder Bay at the point where the Kaministikwia River empties into Lake Superior. Even though the name connotes a military enclave, it operated strictly as a trading fort manned exclusively by the army of private enterprise. The company built the center like a fort and surrounded it with a square stockade and lookout towers, but the towers served to herald approaching cargo canoes rather than war parties. Only during the times of hostilities with the United States, as in the War of 1812, did the company have to protect its fort from possible attack.

The fort sat deserted most of the year, operating only in the summer, when the lakes and rivers thawed and allowed as many as two thousand of the company's voyageurs from throughout western Canada to assemble. As agreed in their contracts, the voyageurs transported to Fort William the stock of thick winter pelts trapped by Indians. Representatives of the company office in Montreal came to the fort to take away the pelts, and they brought with them the supplies of sugar, rum, tobacco, cloth, and beads that the voyageurs needed for the coming winter to supply themselves as well as to trade for the next season of pelts.

The Scottish masters and clerks of the company did not allow the French-speaking voyageurs to come inside the stockade except on official business. The voyageurs camped around the fort close to the camp of the Indians who gathered to trade corn, birch bark, and other local items needed by the company. Several hundred Indian women also served as the fort's manual laborers, performing such heavy tasks as canoe building. Even though men supervised such tasks, Indian women performed most of the manual labor. They stripped the birch bark and made it pliable before sewing it onto frames with cedar roots and coating it with resin to make canoes. The canoes were large, capable of hauling several tons of supplies. The Indian women also served as wives to the voyageurs and the Scots, who also kept European wives and families back in Montreal. The three castes of Scots, French Canadians, and Indians were united only through their common marriages to Indian women.

The main commodity traded at the fort was beaver pelts, which the men pressed into small bundles of approximately ninety pounds each and shipped to London via Montreal. The entire process took two years from the trapping of the animal to the arrival of the fur on the English market. Workers removed the unwanted long hairs and saved only the soft, short hairs, which they matted into a thick felt. The downy underhairs made a pliable and strong felt ideal for the manufacture of the top hats that men prized at the beginning of the nineteenth century. Beaver fur surpassed other fur for making felt because the hairs stuck together so well, did not lose their shape, and remained water-proof, a property of great importance in rainy Europe before the invention of the umbrella. By comparison with the beaver, other

furs were weak, drooped, and easily became misshapen or leaked when soaked with rain. Although made of beaver the hats did not resemble fur at all and were dyed in numerous shades of brown, gray, and black to match the colors of men's suits. Because of the pliability of beaver felt when first made and its firmness after finishing, haberdashers experimented with a variety of shapes. They used the beaver felt to make everything from the three-cornered military hat to top hats with a variety of curled brims.

Trappers also brought in cheaper furs such as muskrat to Fort William; these went into making lower-quality felt hats for sale to poorer men. Other pelts, such as wolf, fox, rabbit, mink, bear, wolverine, otter, raccoon, and even squirrel, could be used by tailors to line coat pockets; more expensive furs lined the insides of coats. Fashion of the time dictated that fur should always be on the inside, as it was considered too barbaric in appearance to be worn on the outside unless it had been processed into another material, such as felt.

The fur trade began strictly as a luxury trade, but the operations of the Hudson's Bay Company grew so extensive and furs became so plentiful that in time even the middle classes could afford beaver. Unlike the scarcer Eurasian furbearers such as ermine, sable, and marten, which had been overhunted through the centuries, the American furry animals still thrived in vast numbers. The extensive trapping and use of the beaver fur led it to be called the "democratizing fur," because even though its trade started as a trickle in 1600, it became a stream by 1650 and a flood by 1700 with the Hudson's Bay Company [Davis, pp. 168-74]. Almost everyone in Europe could now afford at least a few items of fur clothing.

The romantic story of the Indian trappers, frontiersmen, voyageurs, and traders struggling against the elements and against each other has overshadowed the essentially commercial and well-organized nature of the early enterprises such as the Hudson's Bay Company. The voyageurs or frontiersmen have been memorialized as fiercely independent men who lived a rugged life and who struck out from the civilized world in a quest for individual freedom and self-fulfillment. They entered the American heritage as idealized ancestors. Even if they drank too much, bathed too little, and cohabited too casually with Indian women,

novels and films glorify them as genuine heroes of North American history.

In reality, these men lived as paid laborers under contract to the company that kept their wages back in the eastern cities and supplied them with everything the company thought they should have. The company even issued them the regulation buckskins, moccasins, and hats which grew into the very symbols of independence for later generations. The company recruiters selected men for their strength, since by contract they had to portage between rivers carrying at least two packs, each weighing ninety pounds, on their backs. The men received bonuses for carrying extra packs. When not backpacking on land, the voyageurs had to paddle a cargo canoe in unison at a rate of more than one stroke per second, with a ten-minute rest after each fifty minutes of paddling. Recruiters sought men of uniform height and weight, because the portage of the canoe between rivers required four men, and a shorter or taller man would have slowed the portage. Although their legs needed to be very strong, they also needed to be reasonably short in order to leave maximum space in the canoe for the pelts. The fur trade was a highly organized and precise business that called for substantial standardization of workers as well as standardization of product.

According to the contract, the voyageur would be paid his accumulated earnings when he returned home at the end of his term. Few men could leave, however, because of accumulated debts to the company, which charged them for extra sets of clothing and for part of their supplies. The company also found it convenient to insist that men who took Indian wives also leave a deposit to provide for the financial support of the wife and children. Since the men frequently lacked funds for such a deposit, they had to continue working. Even if the man was careful to accumulate no debts, wives, or children, he might be jailed and beaten by the company men until he "voluntarily" renewed his contract. In their choice of workers and in their corporate policies, the Hudson's Bay and the North West companies operated as thoroughly modern corporations. They pioneered many labor techniques which proved effective in the development of industrial society and the modern factory in the nineteenth century.

Today in Thunder Bay, a new version of Fort William has been built on the edge of town, and throughout the warm months young men and women flock to it to relive the life of the frontier. They take the names of historical and mythical characters associated with the fort, dress in nineteenth-century costumes, and live the historical role for the warm months of the year. They build canoes, paddle up and down the rivers, hold mock sales of furs, have a stately dinner each day for the owners of the company, fire cannons to signal the arrival of a new group, entertain Indians who set up tipis outside the fort, and in general recreate the life of this early trading post. Fort William has become the most popular tourist attraction in Thunder Bay after ski season. Overweight women flapping along in little rubber thongs pull on the arms of bored children sticky with melted ice cream as the camera-carrying father of the family dutifully records his children against the backdrop of this living history tableau on the shores of Lake Superior. The scene is markedly different from the other world of Potosí, high in the Andes so many thousands of miles to the south.

The connection between the Hudson's Bay Company and modern corporations appears direct and obvious. Just as direct, but not nearly as obvious, are the historical and economic links back to the Spanish silver and the mines of Potosí. The modern corporation is built on the British quest for American silver and gold. Spain used conquistadores to loot America, the British used pirates and private companies.

Spain created the Casa de Contratación, or House of Trade, in Seville to monitor, license, and tax all commerce, immigrants, and travelers to America, but this operated more as a medieval institution than a modern company. Because the Spanish thought themselves far too noble to engage in either manufacturing or commerce, the money of Potosí quickly passed into the accounts of French, Dutch, and British companies set up to supply Spain with cloth, cannons, leather, and other items needed for colonization. These goods passed through Seville but did not originate in Spain. By 1595 the Dutch had assumed effective control over the House of Trade in what has been called a "silent takeover" [Braudel, Vol. III, p. 208]. In addition, many non-Spanish freebooters made great profits smuggling goods into America. Even

though the Spanish crown outlawed any American commerce outside the House of Trade, by the second half of the seventeenth century two-thirds of the commerce with colonial Spanish America was in the cargo of French, Dutch, and English smuggler ships [Helms, p. 159].

The commodity most in demand by the Spanish in the New World was slaves, because the Spanish had already killed most of the Indians of the Caribbean and other coastal areas, and they found that Indians from the highlands died immediately of diseases such as malaria and yellow fever when brought into the lowlands. The Spanish ships were too busy hauling off the loot of America and bringing back Spaniards and supplies to be able to go to Africa for slaves. But many British and Dutch companies quite willingly rushed to perform this service for them. The first such British enterprise sailed under the command of John Hawkins in 1562 [Williams, pp. 30-39] with the patronage of Queen Elizabeth herself. Among the commanders working for Hawkins, twenty-seven-year-old Francis Drake performed exceptionally well as commander of the slave ship *Judith* in 1568. This adventure started a close economic relationship between Drake and Hawkins that was to last for many more years, until Drake surpassed his mentor in riches and glory.

From these early trips, Drake realized quickly how much wealth the Spaniards looted annually from America, and he knew that he would never obtain more than the smallest crumbs of it by legal trade alone. Thus in 1571 Drake made his first illegal raid on Panama, attacking it from the less inhabited Atlantic side. During this venture onto land, he glimpsed the Pacific Ocean and vowed to sail it one day in search of the Spanish treasure that he may or may not have known was pouring out of Potosí. To pursue this dream, Drake assembled a syndicate of investors in 1577 to finance a series of raids aimed at the mysterious source of the Spanish wealth on the Pacific coast of South America in the virtually unknown Spanish realm of Peru. The slavetrader John Hawkins quickly signed on as one of the primary investors, and some of his own kinsmen sailed with Drake. John Hawkins also supplied the ship *Pelican* for this financial venture, but Drake later changed the rather plebeian name *Pelican* to the more aristocratic *Golden Hind*. Thus was launched one of the early

British companies that was organized for a short time and for a specific return. This syndicate operated with the approval of Queen Elizabeth, who was quite probably an investor; even though she reigned as queen she lacked the money to finance such undertakings alone [Morison, p. 677].

On February 7, 1579, Drake, sailing along the coast of what is today Chile, reached the port of Arica, where the Spaniards transferred the silver from llamas and mules to ships. He easily captured the poorly defended town, which had never before been visited by an English ship and was completely unprepared for attack by anyone. Drake confiscated some silver bars and one trunk of pieces of eight; then he set off in pursuit of the treasure ship that had already sailed north toward Lima and Panama. He soon captured the unsuspecting crew of *Nuestra Señora de la Concepción*, better known by her nickname, *Cacafuego* ("Shit-fire"). In the greatest act of piracy then known, Drake seized unknown millions of dollars' worth of booty from this one ship. According to the account left by Francis Pretty, one of the "gentlemen" serving with Drake, they stole "thirteen chests full of reals of plate, fourscore-pound weight of gold, and six-and-twenty ton of silver" [Pretty, p. 11].

Traveling on up the coast, Drake paused to plunder various Spanish settlements of present-day Chile, Peru, Central America, and Mexico. Pretty mentions that in one encounter they found "a Spaniard lying asleep, who had lying by him thirteen bars of silver, which weighed 4,000 ducats Spanish." Pretty then adds, "We took the silver and left the man" [Pretty, p. 10]. Even though he affected the manner of a great gentleman and paraded his chivalry and munificence in dramatic gestures such as bestowing lavish gifts on noble prisoners, Drake plundered the rich and the poor unmercifully. He targeted Catholic churches as a special source of lucre on the excuse that the Catholics often persecuted the Protestants. Drake's men stole everything they could and even pulled precious metals and emeralds from crucifixes. What they could not carry away they destroyed on the grounds that it was Catholic and therefore idolatrous and evil.

The *Golden Hind* soon strained so fiercely under the burden of silver that she began bursting at the seams and leaking. Drake then headed for the unknown California coast north of all Spanish

settlements in search of a secure place to hide and repair his ship in the summer of 1579 [Morison, p. 699]. Just where Drake landed has long been a topic of debate, but there is some evidence that Drake took his ship into the bay of San Francisco. Drake claimed the land in the name of Queen Elizabeth and called it Nova Albion after the Latin name of England, making California the original New England.

After repairing and resupplying the ship with the aid of the Indians, Drake sailed westward across the Pacific for home. He arrived back at Plymouth a year later on September 26, 1580, the first Englishman to have followed Ferdinand Magellan in circumnavigating the earth. Scholars still debate exactly how much booty Drake brought home from that trip, because the crew secretly unloaded much of it under cover of night. Some of the booty went directly into the royal treasury, some went for storage in the Tower, and a few wagons of it went directly to the queen, who was off visiting in the country. Estimates of value varied from 332,000 to as much as 1.5 million contemporary English pounds; the financial backers of the project supposedly reaped profits as high as 1,000 percent on their investment. The queen gave Drake ten thousand British pounds as his reward for his work, and she knighted him. In turn, Sir Francis gave her a crown and a cross made from the silver of Potosí and studded with the jewels he had looted from the Spanish churches [Morison, p. 720].

Soon these fledgling British companies, such as the one operated under Drake's management, made permanent beachheads in the Caribbean, until then a Spanish lake. Today, the effects of that remain clearly visible in the English-speaking communities that dot the Caribbean islands and run the length of the coastal areas of Central America. Jamaica, the Bahamas, Trinidad, the Cayman Islands, Anguilla, Barbados, Grenada, Dominica, and dozens of smaller islands mostly owe their British character and English language to the early pirates who stalked their waters.

Just as John Hawkins rose as the first of the great English slavers, Drake became the first of the great English pirates. The men worked together closely to extract the Indian silver from Spanish coffers and move it into British ones. Whenever practical, they did this "legally" through the sale of human flesh, but they

often resorted to piracy. These British pirate companies lasted as long as the flow of gold and silver continued, about a century. Then the British had to seek new sources of income. The companies that had been formed to transport slaves and to loot the Spanish ships and ports then turned to organizing new companies for other commercial purposes. These British companies established their own plantations in the Caribbean and supplied a steady cargo of slaves to meet the insatiable need for plantation workers.

Trade eventually replaced piracy among the British, and the enterprises changed from single forays into long-term undertakings by permanent companies. Thus, by the time of the foundation of the Honourable Company of Adventurers of England Trading in Hudson's Bay, the king had already given a charter in 1663 to another Company of Royal Adventurers as a monopoly on the slave trade for a thousand years. In 1672 he rescinded this and recreated the company as the Royal African Company, but with the same mission of selling slaves for profits to the New World [Williams, p. 31]. The governor of the Royal African Company was James, Duke of York, better known by his later name King James II. He also served as the second governor of the Hudson's Bay Company following the death of Prince Rupert, and he functioned as the governor of the Royal Fisheries Company [Newman, p. 102]. When James became king the office of governor of the Hudson's Bay Company passed to John Churchill, Duke of Marlborough, who held it from 1685 until 1692.

The original investors of the Hudson's Bay Company numbered nineteen. This included Anthony Ashley Cooper, Earl of Shaftsbury. Shaftsbury had served as chancellor of the Exchequer and as a member of the Privy Council, and he also invested heavily in both the Royal African Company and the Royal Fisheries Company. In 1663 he served as one of the lord proprietors of the Carolinas, and the two rivers that empty into Charleston Bay received his name as the Ashley and the Cooper rivers. Throughout all of this he worked on various schemes of social improvement. This interest led him to employ as his secretary the philosopher John Locke, who managed to write his *Essay Concerning Human Understanding* while attending to the details of his em-

ployer's slave investments and writing the socially innovative constitution for the new Carolina colony.

These companies operated on the fringes of the law, performing feats and implementing politics that the king desired but could not officially sanction in his role as monarch. The companies then became the agents to kill innocent Celtic peasants in Ireland or Scotland, sell Indians and Africans into slavery, and raid Spanish treasure ships from America. The king saved money by not having to pay for such activities, and he still reaped a substantial part of the profits.

The goal of these companies was to go into the New World and extract something for trade and profit. To accomplish this, the companies frequently had to build a permanent trade center in the New World. Thus, at the beginning of the seventeenth century, the New France Company founded Montreal and the Virginia Company of London founded Jamestown in Virginia. The Dutch West Indies Company founded both New Amsterdam (later New York) and Albany in New York in 1614. The Massachusetts Bay Company founded its colony in 1630, a decade after the Pilgrims' arrival [Wolf, p. 161].

In all cases the companies that founded these centers did so for commercial profit, a point often ignored by later generations in looking back on the colorful tide of explorers, swashbucklers, frontiersmen, pilgrims, and adventurers who washed up on North American shores. The Pilgrim Fathers first left England to settle in Leyden, Holland, where they found ample religious toleration but few economic opportunities in an already advanced mercantile nation. They consequently decided to move on to America in search of the profits that had proved so elusive in the Netherlands. Their first shipment back to Europe contained furs and lumber to sell [Turner, p. 13]. They were no less motivated by greed than the Spanish conquistadores, and they seemed no more religiously motivated than the Spanish conquistadores, who made a point of carrying priests and establishing a church in every community. By contrast, the subsequent waves of Puritans in their search for profits quickly uprooted all natives and sold many of them into slavery without bothering to extend to them the right to become Christian before being sold or killed.

If an area lacked easily exploited goods such as furs or if the Indians could not produce enough of a needed commodity such as tobacco, the companies sent in their own contract employees, indentured servants, convicts, and slaves to cultivate the land themselves. The Virginia Company of London first settled Jamestown in the search for gold. Like the stockholders of the Hudson's Bay Company, the stockholders of the Virginia Company wanted to find a new Potosí [Hecht, p. 56]. Next they turned to furs, and only as a last resort did they turn to crops. Thus the companies established many different kinds of plantations throughout the Caribbean and along the North American shore to grow sugar cane, tobacco, indigo, rice, maize corn, and some cotton.

By 1670 all of the important parts of Anglo North America and the Caribbean had been allotted to one company or another to explore, control, and exploit. Only the forbidding Hudson Bay remained; even though it opened out onto the frozen Arctic, ships could reach it from the Atlantic during the warmer summer months. This became the base for the last great mercantile company unleashed by the Europeans on America. It soon owned land more extensive than all of western Europe and ten times the size of the Holy Roman Empire, which was then the largest political division in Europe. Charles II, who chartered the company, and the stockholders who financed it wanted to find in North America what the Spanish monarchs had found in Mexico and South America—silver and gold. They wanted a new Potosí in the frozen mountains of northern Canada. Because of this hope of finding gold, Prince Rupert, who was already governor of the Mines Royal for the king, became the first governor of the Hudson's Bay Company. But they never found the silver or gold. The bounty of the north was fur.

The British started the Hudson's Bay Company specifically to challenge the French traders already operating from Quebec or New France. The same men who founded it also decided to challenge the Spanish operations in St. Augustine, Florida, by opening trade through a settlement at Charleston, South Carolina. Southern beaver pelts were far too thin to rival those of Canada, so the traders of Charleston specialized in deerskins, which were as commonly available throughout the southeast as the beaver was in Canada. The merchants of Charleston soon met with more

success in their competition with Florida than did the Hudson's Bay Company in its competition with the French.

The British traders of Charleston had a number of advantages, the greatest of which was that they sold considerably cheaper goods than the Spanish. The York factory on Hudson's Bay and Charleston on the Carolina coast entered American history as the two first "discount stores" set up in the backyard of the more established merchants of Montreal and St. Augustine. In addition to offering lower prices, the British pursued a single, clear goal: profits. The men of Hudson's Bay and Charleston did not try to convert the Indians to Christianity or to a "civilized" way of life. By contrast, both the Spanish traders in St. Augustine and the French traders in Montreal worked under special constraints by their respective crowns and bishops to assist the Jesuits and the Spanish Franciscans in spreading Catholicism. For these colonies, trade often became only a means of proselytizing and consolidating their religion, since they traded almost exclusively with baptized Indians.

In addition to the money earned through the sale of slaves and deerskins, the Carolinians derived income from service as a primary station for the pirates, who still played a major role in the Caribbean. Charleston, like Belize City and Kingston, gave them a safe port in which to hide and to resupply their ships, as well as a recruiting ground for sailors willing to raid the Spanish galleons hauling the silver of Potosí across the Atlantic to Seville. Whereas the Hudson's Bay Company showed a more modern organization in that it did not engage in either piracy or the slave trade, Charleston combined the newer mercantile practices with the two traditional pursuits of piracy and slaving well into the nineteenth century.

Just as the Hudson's Bay Company's trade extended all the way to the Pacific Ocean, the trade of Charleston extended as far as the Mississippi River and the Gulf of Mexico. Other British trading settlements from New York and Philadelphia down to Annapolis and Jamestown could extend inward for only about a hundred miles before hitting the mountains.

▲ PIRACY, SLAVERY, AND THE BIRTH OF CORPORATIONS ▲

through the Mississippi and Ohio river systems, which linked them to the Great Lakes and Montreal. The expeditions from Charleston, however, marched directly into the interior of the continent by passing under the southern edge of the mountains. They found an intricate network of rivers and creeks that made transportation as easy on that coastal plain as was transportation on the network of plains rivers that emptied into Hudson's Bay. Because they were not encumbered by mountains, the traders of the Hudson's Bay Company and those of Charleston played special roles in the development of the North American continent. Like giant pincers, they pierced the middle of the continent and opened it to commercial enterprises and profits while slowly choking off both the Spanish and the French.

Today the great slave market of Charleston, like the Hudson's Bay Company store in Thunder Bay, caters to a mixture of tourists and locals, and Fort Sumter, like Fort William, is staffed for the entertainment of people who wear oddly colored shorts and travel the country in camper vans. The long, low brick building that once housed the slave market has now been made into a series of boutiques and restaurants where the tourists can eat while soaking up a little history. The same types of plastic and wooden tomahawks for sale in Thunder Bay can also be bought in the boutiques of the Charleston slave market, along with tom-toms, Indian belts, and other "native" handiwork, much of which is manufactured in Asia. Unlike the Hudson's Bay Company store, the Charleston slave market sells very large baby bonnets made of lace, the Pawley's Island hammock, and handmade baskets sewn and woven by the descendants of the very slaves who were chained and sold in that building. The ancestors of possibly as many as two-thirds of all the blacks in the United States today entered through this one port, and much of the buying and selling was done with silver coins minted in Mexico and Potosí.

After the establishment of settlements in the Carolinas and along the eastern seaboard, waves of settlers moved deeper inland from the coasts, and older settlers started new companies for the

homestead is belied by the thoroughly organized commercial nature of such ventures. The main figure in the settlement of the west was the land company, which frequently operated not only on the edge of civilization but on the edge of legality as well. One of the first was the Loyal Land Company, chartered in Virginia in 1749 to sell land to the south and west of the settled areas. This was followed in other years by the Ohio Company, the Vandalia Company, the Mississippi Company founded in Virginia, the Susquehanna Company, Lyman's Mississippi Company, and the Ohio Company of Associates founded in New England [Turner, p. 123]. These companies blazed a commercial trail through the frontier in much the same way as the Massachusetts Company, Hudson's Bay Company, and Virginia Company had started the settlements on the coast.

As settlers killed or pushed back the Indians, their business concerns changed from trading to starting plantations in the South or large wheat farms in Canada. The commercial interests of large banks and investment corporations of England exercised a close control over the early plantations of both the Caribbean and the North American mainland. As Thomas Jefferson said, an American plantation is "a species of property annexed to certain mercantile houses in London" [Braudel, Vol. III, p. 401].

The Americans drove out many of these British companies in the American Revolution, but the British companies soon found new soil in Latin America. After Simón Bolívar led the South American colonies in their long and bloody revolt against Spain, British companies quickly moved in to fill the economic and sometimes the political void. In the war of independence, the mines of Potosí lay abandoned, but in 1825 a group of British investors chartered the La Paz and Peruvian Mining Association and sent out Edmund Temple to revive the silver mines on Cerro Rico. But the silver was virtually exhausted, and the mines supplied tin rather than silver [MacShane, p. 93].

Other British corporations met so much success in Latin America that whole nations such as Argentina became economic colonies of British corporations that controlled the railroads, shipping, and buying of produce. These companies also monopolized the importation into Argentina of most of its manufactured goods. France also tried to push into the new Latin American world,

but it relied more on politics than on corporations. Emperor Napoleon III installed a puppet regime under the so-called Emperor Maximilian to rule over Mexico, but Benito Juárez executed him in 1867 by firing squad as a foreign invader of Mexico and as a criminal usurper of Mexican sovereignty. By contrast, the corporate imperialism of the British thrived and expanded even while political imperialism such as that of the French met strong rebuffs.

England was not the only country to pursue its colonial policies through supposedly private companies. Businessmen in Holland founded the Vereenigde Oost-Indische Compagnie, or Dutch East India Company, in 1602 and the Dutch West Indies Company in 1621. The French followed with the Company of New France or the Company of One Hundred Associates in 1627, and the French India Company in 1664. Edinburgh merchants entered the competition with the Company of Scotland (later the Darien Company) in 1695. But in the long run the English companies, backed squarely by a strong crown and navy, reaped the greatest success, eventually taking over India and Burma in Asia as well as most of North America, southern and eastern Africa, and the South Pacific. These companies also spawned a new, modern banking system through the birth of super banks such as the Bank of Amsterdam and the Bank of England in 1694, as well as the stock market. The first such exchange opened in Amsterdam in 1602, established expressly to finance the East India Company [Newman, pp. 92-93].

By the start of the eighteenth century, the financial institutions of the modern capitalist world operated with well-established joint stock companies, extensive banking networks, and even stock exchanges. The entire economic transformation of the world had taken approximately two centuries from Columbus's discovery of America. The capitalists constructed their new systems in America from their strongholds in England and the Netherlands, but they carried them around the world in their colonial holdings in places such as Hong Kong and Singapore. In *The Wealth of Nations*, published in 1776, the year of American independence, Adam Smith wrote that the discovery of the New World and the ensuing opening of trade with Asia began "to raise the mercantile system to a degree of splendour and glory which it could never otherwise

have attained to" [Smith, p. 591]. For Smith these two events were the most important in all of human history, for it created a world economy. The discovery of America created what he called a "revolution in commerce" [Smith, p. 405].

The capitalists built the new structure on the twin supports of the slave trade from Africa to America and the piracy of American silver. Karl Marx echoed and amplified Smith's assessment when he wrote that the "discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalled the rosy dawn of the era of capitalist production" [quoted in Wallerstein, p. xv]. All of these enterprises depended directly or indirectly on the money coming out of the mines of Potosí and the other Spanish mines of America. From the early commercial syndicates that supported the slave and pirate ships developed the later companies of exploration and exploitation. The Hudson's Bay Company of today is a visible corporate survivor.

These great trading companies helped create what Immanuel Wallerstein calls the "world-system." They made a single economy out of the previously diverse regional economies of the Far East, sub-Saharan Africa, India and South Asia, the South Pacific, and Europe together with the Americas. Goods could now be produced in any part of the world and transported to virtually any other part of the world, and all of this was accomplished using the standardized values of the gold and silver supplied by the Indians of America.