

BARBADOS  
A CASE STUDY OF THE  
PLANTATION ECONOMY

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A Thesis

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by  
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PREFACE

As a Barbadian by birth, I approached this subject not only as an academic exercise but also in the hope of learning something about myself. I can honestly say that I was not disappointed. I found both the economics and history of Barbados enlightening.

Much is due many people who at some stage contributed towards completion of this paper. My tutor, Professor Kari Levitt, was a great help at various stages. My thanks go to Mr. Lloyd Best of the University of the West Indies who assisted me in formulating an approach to the problem. My colleague, Mr. Carl Taylor, gave valuable criticism to various sections of the paper. Last but not least, I would like to express my appreciation for the faithful typing services rendered me by Miss Derrice Leacock, Miss Joyce Miller, Mrs. Gwen Bynoe, and Mrs. Eudene Whittaker.

W. D. N.

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## INTRODUCTION

The current social and economic problems of Barbados, and the possibilities for and the real constraints on growth can best be understood if we get a clear picture of just how the economy functions. It is our contention that at present the determining functional relationships of the Barbadian economy are to a great extent, a legacy of the past - a past which saw Barbados settled and developed as a plantation economy. Plantation economy is the name given to a particular type of economy which exhibits certain basic functional and institutional characteristics. This paper is intended to deal with one such plantation economy - that of Barbados, a small island in the Caribbean.

We have decided to adopt this approach for many reasons. Traditionally, the problems of such economies have been defined and dealt with in terms such as overpopulation, openness and dependency of the economy, difficulties of a primary exporter, etc. All of these things are true of Barbados, but they are only part of the story. We contend that Barbados, as well as the entire Caribbean area, illustrates an economy of a particular structure. An understanding of this structure can explain why, over various periods, the economy has grown or has not grown, what are the real constraints on change and

growth and how appropriate are various policies for the stimulation of future growth.

It is our purpose, therefore, to set the present state of the Barbadian economy in historical perspective. To do this, we shall return to the foundation period and trace the structure of the economy up to the present time.

Fortunately, the job is not one entirely of breaking new ground. Among other studies related to this subject, the work being pursued by Lloyd Best of the University of the West Indies and Professor Kari Levitt of the McGill University, under the auspices of McGill's Centre for Developing Areas Studies sets out the pattern clearly. The present writer has been fortunate in being able to read a manuscript of their as yet unpublished studies.<sup>1</sup> To this he is deeply indebted.

The author is also trying to put into practice the position reiterated by Dudley Seers: that is, in dealing with the social and economic problems of a particular country, one must, above all else, take into account the social environment and institutions of the particular area.<sup>2</sup> This is

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<sup>1</sup> Lloyd Best and Kari Levitt, Externally Propelled Growth in the Caribbean: Selected Essays, Centre for Developing Areas Studies, McGill University, Montreal, 1967. See also: Lloyd Best and Kari Levitt, Externally Propelled Growth in the Caribbean, Vol. 2, A Model of Pure Plantation Economy, Unpublished Manuscript, McGill University, 1968.

<sup>2</sup> Dudley Seers, "The Limitations of the Special Case", in The Teaching of Development Economics, ed. Kurt Martin and John Knapp, Frank Cass and Co. Ltd., London, 1967, pp. 1 - 27.

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necessary if one is to develop meaningful theories and policies  
answering the pertinent questions about such an economy.

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## CHAPTER I

### THE PLANTATION ECONOMY

The Plantation Economy is one of the type which may be called externally-propelled or dependent economies.<sup>1</sup> It derives its name, of course, from the word plantation.<sup>2</sup> The major determinant of growth - or of stagnation - in variables such as income or employment, are of foreign as opposed to domestic origin. More specifically, a plantation economy constitutes a single part of a much wider system.

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<sup>1</sup> In our treatment of the institutional, structural and functional characteristics of the plantation economy, we shall depend heavily on the work presently being conducted by Lloyd Best of the University of the West Indies and Professor Kari Levitt of McGill University's Centre for Developing Areas Studies. Lloyd Best and Kari Levitt, Externally Propelled Growth in the Caribbean: Selected Essays, Unpublished Manuscript, McGill University 1967. Hereafter referred to as Best and Levitt, op. cit. No. 1. Lloyd Best and Kari Levitt: Externally Propelled Growth in the Caribbean, Vol. 2, A Model of Pure Plantation Economy, Unpublished Manuscript, McGill University, 1968. Hereafter referred to as Best and Levitt, op. cit. No. 2.

<sup>2</sup> See Ida Greaves, "The Plantation in World Economy" in Seminar in Plantation Systems of the New World, Pan American Union, Washington 1957. Here the author points out that the plantation, a particular type of social and economic organization of resources and people (a closed system), was established along rigid lines for the production of export staples to be sold in a concentrated foreign market. With respect to the place where it was physically located, the plantation was of foreign origin - in terms of capital, entrepreneurship, labour and, of course, markets for its output. Also see L. J. Ragatz, The Fall of the Planter Class in the British Caribbean, Octagon Books Inc. New York (1963), p. 5.

The system itself consists of a centre or metropolis, and one or more marginal and outlying units - hinterlands.<sup>3</sup>

It is the set of specific relationships - legal, political and economic - that link hinterland to metropolis (which may be called the institutional framework within which each part of the system operates) that distinguish plantation economy from other dependent economies. These relationships have remained remarkably constant through history and up to the present.

The metropolis stands in distinction to the hinterland. The metropolis is the industrial centre. It is also the source whence flow technology, capital, merchants' and other middlemen's services to the hinterland. It is the centre of government for the whole system - the economic and political decision-maker. The hinterland is complementary to the metropolitan economy. The primary link between the two is economic.

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<sup>3</sup> We are following the terminology of (though not peculiar to) Best and Levitt, op. cit. Of particular interest to us is the system of the British Empire commencing at the end of the sixteenth Century. Within that system, the focus will be on Barbados. "The (British) Empire was visualized as a large commercial unit consisting of England, Scotland, Ireland and the plantations as separate but co-operative complements. Their commercial relations were to be strictly of a complementary, not of a competitive character." K. E. Knorr, British Colonial Theories 1570 - 1850, Toronto, University of Toronto Press, 1944, p. 129. Substantially the same ideas are expressed in C. M. Andrews, The Colonial Period in American History, Vol. 4: England's Commercial and Colonial Policy, New Haven, Yale University Press 1938, and R. Pares, "The Economic Factors in the History of the Empire", The Economic History Review, May 1937, (Vol. vii. No. 2), pp. 119 - 144.



The political and other governmental links are meant to assure that this economic link remains intact, either against the encroachment of other metropolises or their hinterlands, or against rising movements of independence within the hinterland itself:

"...The patterns of imperial economic relations were to be fashioned on the basis of one fundamental ideal; the dissimilarity and hence the non-competitiveness of colonial (hinterland) and metropolitan production."<sup>4</sup>

Indeed, mid-nineteenth Century England regarded the West Indian plantations as an economic extension of England.

"These (the West Indian plantations) are hardly to be looked upon as countries, carrying on an exchange of commodities with other countries, but more properly as outlying agricultural or manufacturing establishments belonging to a larger community. Our West India Colonies, for example, cannot be regarded as countries, with a productive capital of their own."<sup>5</sup>

J. S. Mill goes on to say:

"The West Indies ... are the place where England finds it convenient to carry on production of sugar, coffee and a few other tropical commodities. All the capital employed is English capital. Almost all the industry is carried on for English uses. There is little production of anything except staple commodities, and these are sent to England not to be exchanged for things exported to the colonies and consumed by their inhabitants, but to be sold in England for the benefit of the proprietors there. The trade with the West Indies is, therefore, hardly to be considered as external trade, but more resembles the traffic between town and country, and is amenable to the principles of the home trade."<sup>6</sup>

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<sup>4</sup> Knorr, op. cit., p. 91.

<sup>5</sup> J. S. Mill, Principles of Economics, p. 685.

<sup>6</sup> Ibid., p. 686.

It is against this historical background that we have decided to examine the performance of the Barbadian economy. Many of the features to be listed as characteristics of the plantation economy can be generalized with respect to the whole Caribbean area including parts of coastal mainland America.<sup>7</sup> The maturity cycle is different from territory to territory, and the course of development diverges in certain areas.<sup>8</sup>

We have before us several important tasks. First, to trace the origins of the plantation system in the Caribbean. It is at this time specifically that the links were forged. Secondly, to trace the historical development of the plantation economy. Thirdly, to examine to what extent these factors have historically influenced the present state of affairs.

Best and Levitt have divided the economic history of the Caribbean plantation area into three phases.<sup>9</sup> The foundation period of Pure Plantation Economy establishes conditions that extend right up to the 1840's, and end with the elimination of the mercantilist structure of the Corn Laws and the abolition of slavery. The second period, characterized by free trade as

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<sup>7</sup> Best and Levitt, op. cit., No. 1, p.7.

<sup>8</sup> The North American colonies, later to become the United States of America, although originally a hinterland of a different type, made the important departure in 1776 when they too developed into a metropolis.

<sup>9</sup> Best and Levitt, op. cit. No. 1, p. 8. These distinctions previously were spelt out by R. Pares, "The Economic Factors in the History of the Empire", p. 125.

the dominant economic strategy of the metropolitan country and free labour in the hinterland, comes to an end with the breakdown of the international economy in the 1930's. The present phase of political independence, trade Union organization and some tentative attempts at government planning for diversification is still under way.

We must distinguish between different types of hinterlands within the system. Best and Levitt distinguish three main types: the hinterland of conquest, the hinterland of settlement and the hinterland of exploitation. In each of these cases, its behaviour, the way it is organized, the adjustment process to external shocks will all vary.<sup>10</sup> In successive phases of development, the various hinterlands adjust differently.

#### Hinterland of Conquest

The first type of colony is the hinterland of conquest.<sup>11</sup> Here, land is typically free or easily available, but the metropolitan interest lies not so much in land as a productive asset, but rather in the organization of resources and people for the re-distribution and transfer of wealth. State intervention

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<sup>10</sup> Ibid., pp. 15 - 24.

<sup>11</sup> Though we are concerned primarily with the third type, the hinterland of exploitation, it is necessary, at least, initially, to make the distinction. The distinctions made and the description of different hinterlands are those of Best and Levitt. Op. cit., No. 1, pp. 15 - 24.

is paramount with military and administrative occupation by the metropolitan government in the hinterland.<sup>12</sup> Resources flow from the metropolis to facilitate the transfer of wealth and the collection of tribute. Native labour is used to produce goods and consumption supplies and extract precious metals. Returns from the hinterland of conquest are viewed from the perspective of a short time horizon.

#### Hinterland of Settlement

In the hinterland of settlement, there is a more permanent transfer of population from the metropolitan to the hinterland economy. It is organized around the family unit: output is produced both for domestic consumption and for export. There is still a strong mercantilist link, however, for inhabitants are brought from the metropolis either directly by the Crown, or by a private company. Hence there are regulations concerning what may be produced and regulations concerning trade. Imports come only from or through the metropolis;

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<sup>12</sup> This type of hinterland is more typical of Spanish Colonization than of the British. Adam Smith, Wealth of Nations, Modern Library edition, E. Cannan ed., Chap. VII, "On Colonies". The following passage from Smith brings this out clearly: "The Spanish colonies, therefore, from the moment of their first establishment, attracted very much the attention of their mother country; while those of other European nations were, for a long time, in great measure neglected." Ibid., p. 534. Smith's comment may be interpreted as an indication that in the English colonies, for instance, private (metropolitan) activity is more in evidence than in the Spanish colonies where government is directly involved in the development of the hinterland.

staples are sold only to metropolitan markets, and the carrying trade is reserved for metropolitan or hinterland vessels.<sup>13</sup>

#### Hinterland of Exploitation

What distinguishes the hinterland of exploitation from the hinterland of settlement is that the metropolitan interest lies here mainly in production for trade. The hinterland of exploitation differs from the hinterland of conquest in that the latter is created primarily by the metropolitan state and the metropolitan presence is expressed primarily by military and administrative infrastructure. In the hinterland of exploitation, however, there is metropolitan economic enterprise, organization, and initial capital. Production is of a more permanent nature. Metropolitan labour, as opposed to supervisory and managerial personnel, flows only to hinterlands of settlement, not to hinterlands of exploitation. In the absence of adequate supplies of native labour in the latter, labour must be imported. The institution of slavery fills this gap. Land initially, is free, production is specifically and almost exclusively for export. This set of conditions requires a "total economic institution".

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<sup>13</sup> The American colonies before 1776 represent colonies of settlement. Barbados leans in this direction for a brief period before 1640. See Chapter II below.

"Where land is free to be used for subsistence production, to recruit labour and direct it exclusively towards production for export, imposes a need for institutions which encompass the entire existence of the workforce. The plantation which admits virtually no distinction between organization and society, and chattel slavery which deprives workers of all civil rights including right to property, together furnish the ideal framework."<sup>14</sup>

The plantation is not only a total economic institution, but a total social institution as well for the majority of its residents. The influence of the plantation is pervasive. The economy in its structure becomes inseparable and indistinguishable from the plantation.<sup>15</sup>

#### Institutional Framework

The institutional framework linking hinterland to metropolis is broken down into: (i) general institutional, (ii) Specific institutional or structural, and (iii) behavioural.<sup>16</sup>

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<sup>14</sup> Best and Levitt, op. cit., No. 1, p. 18. Contemporary writings illustrating the conditions under which the slaves worked on the plantations are numerous. See for example, James Stephen, The Slavery of the British West India Colonies Delineated, Vol. 1, Joseph Butterworth and Son, London, 1824. Here, the author points out that the slave had no right to property (p. 62), no recourse to law if he felt he suffered injury either at the hands of his master or free men outside the plantation. "A West India slave can, strictly speaking, have no civil rights whatever, for he has no civil character or personality." Stephen, op. cit., p. 130.

<sup>15</sup> Indeed, in the literature of the period, the terms colony and plantation are interchangeable. See A. Smith, op. cit., Chap. VII.

<sup>16</sup> Best and Levitt, op. cit., No. 2, p. 26.

The general institutional framework sets the limits within which the hinterland can operate. Given the general institutional framework, the hinterland assumes a certain structure which is described by specific institutional characteristics. According to these specific characteristics, the adjustment process and the pattern of growth assume a particular form.

The hinterland is a taker of decisions made in the metropolis. The metropolis is thus the locus of decision-making. The general institutional framework ensures this. First there is the set of provisions outlining clearly the sphere of influence of the metropolis and limiting the activities of the hinterland, especially with respect to external dealings. This Best and Levitt call the "Inter-Caetera".<sup>17</sup>

Secondly, production in the hinterland is complementary to that of the metropolis. We therefore, get a set of provisions of which the term "Muscovado Bias" is descriptive.<sup>18</sup> Economic activity in the hinterland leads to production of a terminal nature. The metropolitan economy has retained unto itself the

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<sup>17</sup> Ibid., p. 27

<sup>18</sup> Ibid., p. 27. Muscovado sugar was sugar in its lowest state of refinement. As we shall explain, the commercial policy of Britain forced the colonies to export their sugar in this state so that the value added in refining accrued to metropolitan refiners.

manufacturing activity within the system.<sup>19</sup> The result is that a particular division of labour is perpetuated within the system with the bulk of value added going to the metropolis.

"... The metropolis was seen as the industrial centre of the Empire providing the colonies with manufactured goods, whereas the colonies would serve the function of supplying the mother country with those raw materials which the mother country could not raise at all or was unable to produce in sufficient quantity. This clearcut division of economic functions between colonies and parent state was not merely regarded as an automatic outcome of natural conditions. Its strict and rigid maintenance, enforced with the help of legal regulations, was deemed imperative because - according to the prevalent doctrine of the value of plantations - the profits of the Empire depended exactly on the perpetuation of this division of labour." 20

Hakluyt observed that:

"... We (residents of Britain) are to note that all the commodities we are to bring thence (from the colonies) we shall not bring them wroughte, as we bring now the commodities of France and Flaunders, &c., but we shall receive them all substances unwroughte, to the employment of a wonderful multitude of the poor subjects of this realme in returne."<sup>21</sup>

The Muscovado Bias is among the most important of the regulations imposed by the metropolis on activity in the

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<sup>19</sup> This also means, of course, that the various hinterlands within the system are going to develop economies very similar in production structure, reinforcing the tendency away from the development of trade between the hinterlands.

<sup>20</sup> Knorr, op. cit., p. 91.

<sup>21</sup> Quoted in Ibid., p. 55 from Hakluyt, Discourse on Western Planting (1584), p. 42. The same point is made by A. Smith, op. cit., pp. 547 - 548. This, of course, is the mercantilist outlook.



hinterland. More, perhaps, than any other regulation, it shaped the future of the plantation economy because the particular structure which the economy assumed - specialization in export staple production - became endemic and entrenched.

We come next to what may be called the "Navigation Provision".<sup>22</sup> The trade of the hinterland is controlled at the metropolitan end. Imports must be bought in the metropolis, exports sold exclusively there, and the carrying trade is reserved for the shipping of the metropolitan country.<sup>23</sup> At the centre of all this is the metropolitan merchant whose venture capital makes the whole scheme possible.

"Of the greater part of the regulations concerning the colony trade, the merchants who carry it on, it must be observed, have been the principal advisers. We must not wonder, therefore, if, in the greater part of them, their interest has been more considered than either that of the colonies or that of the mother country."<sup>24</sup>

It was clearly in the interest of metropolitan merchants to support the Navigation Acts, although they claimed that the

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<sup>22</sup> Best and Levitt op. cit., No. 2, p. 28.

<sup>23</sup> These regulations are embodied in a series of Navigation Acts. Introduced over the period 1651 - 1764, these Acts represented mercantilist thought and action. The main objective of the Acts was to maximize the returns of metropolitan interests as a result of the operation of the plantations. The caustic remarks of Smith cited below illustrate the strength of the merchants in Parliament in getting these acts through. As early as the 1630's mercantilists were advancing this point as a way of increasing the wealth of Britain. T. Mun, "England's Treasure by Foreign Trade", in A. E. Monroe, Early Economic Thought, Harvard University Press, Cambridge, 1951, p. 174.

<sup>24</sup> Smith op. cit., p. 550.

benefits of the Acts accrued to all England. The following speech made by Alderman Perry in the House of Commons in connection with the Bill of 1739, lays bare the purpose of the Navigation Acts.

"As the law now stands, their (the colonies') sugars must all be landed in Great Britain, and as soon as they are landed, the ship is generally put into some of our docks to refit, the seamen are paid their wages and discharged, and the freight is divided among the owners... By this means our people here at home have the advantage of refitting the ship and furnishing the seamen with everything they stand in need of upon their landing. So that not only the freight, but also the seamen's wages are wholly laid out in this kingdom. Then, upon the ship's clearing out for a new voyage, a fresh advantage accrues to our people here at home from furnishing the ship and seamen with everything they want upon their outset. These are advantages, Sir, that arise from sugar's being unloaded in Great Britain; and then if it is to be reloaded for exportation, our people have an advantage of a double commission, and by the rent for warehouse room while it is here... But the great advantage we reap by our sugar's passing through this island to foreign parts is that of its being manufactured and refined by our people here at home, and thereby made to sell for a much higher price at every foreign market. It is chiefly owing to this that the sugar-baking trade has been for so many years a thriving trade in this nation, a trade by which some gentlemen have got large fortunes, and many of our poor, a considerable subsistence".<sup>25</sup>

It is clear that there were distinct advantages available to British industry in this system. First, the British shipping industry had a clear advantage over foreign shipping. Other industries, those that fitted and supplied ships also gained

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<sup>25</sup> Quoted in Knorr, op. cit., p. 143. The emphasis is ours.

from the rigid application of the Navigation Laws. However, there is no doubt that the advantage considered most important was that which created favourable employment effects from the processing of colonial sugar in Britain - i.e., the "Muscovado Bias". Seen in this light, therefore, the "Navigation Provision" reinforced the "Muscovado Bias".

We have said that the metropolis is the origin of finance and as a result, a great deal of the profits flow there. To guarantee that investors do not lose from exchange rate fluctuations, the monetary system of the hinterland must be a dependent one.<sup>26</sup> There is a fixed relationship between the currency of the hinterland and that of the metropolis. This is the "Metropolitan Exchange Standard".<sup>27</sup>

With the navigation provision restricting the trading activities in the hinterland, some relief is found in "Imperial Preference".<sup>28</sup> This provision discriminates in the metropolitan market in favour of hinterland products against other (foreign)<sup>29</sup>

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<sup>26</sup> Best and Levitt, op. cit., No. 2, p. 27. For a definition of dependent monetary economy, see C. Y. Thomas, Monetary and Financial Arrangements in a Dependent Monetary Economy, Institute of Social and Economic Research, University of the West Indies, Jamaica, 1965, Chapter I.

<sup>27</sup> Best and Levitt, op. cit., No. 2, p. 27.

<sup>28</sup> Ibid., p. 28.

<sup>29</sup> The word "foreign" applies to any country outside the system. This means that Martinique, which has so much in common with Barbados, including geographical location, is still considered a "foreign" plantation as far as the system is concerned, since it is a French territory.

metropolises or their hinterlands. To this extent, some relief is found, and progressively, as other means of adjustment become circumscribed, the hinterland leans progressively more on metropolitan shelter provided by "Imperial Preference".

We have, therefore, five basic elements of the 'general institutional framework' - the Inter Caetera laying down the rules of the game, the Muscovado Bias, the Navigation Provision and the Metropolitan Exchange Standard spelling out these rules, and the Imperial Preference, the only privilege extended to the hinterland.

The effect of these rules is expressed in the relationships which emerge between metropolis and hinterland. These relationships guarantee that the hinterland exists primarily to serve the interests of the metropolis. The hinterland, as it were, has no destiny of its own. Every move taken anywhere within the system is judged on whether it serves to advance or retard the interests of the metropolis.

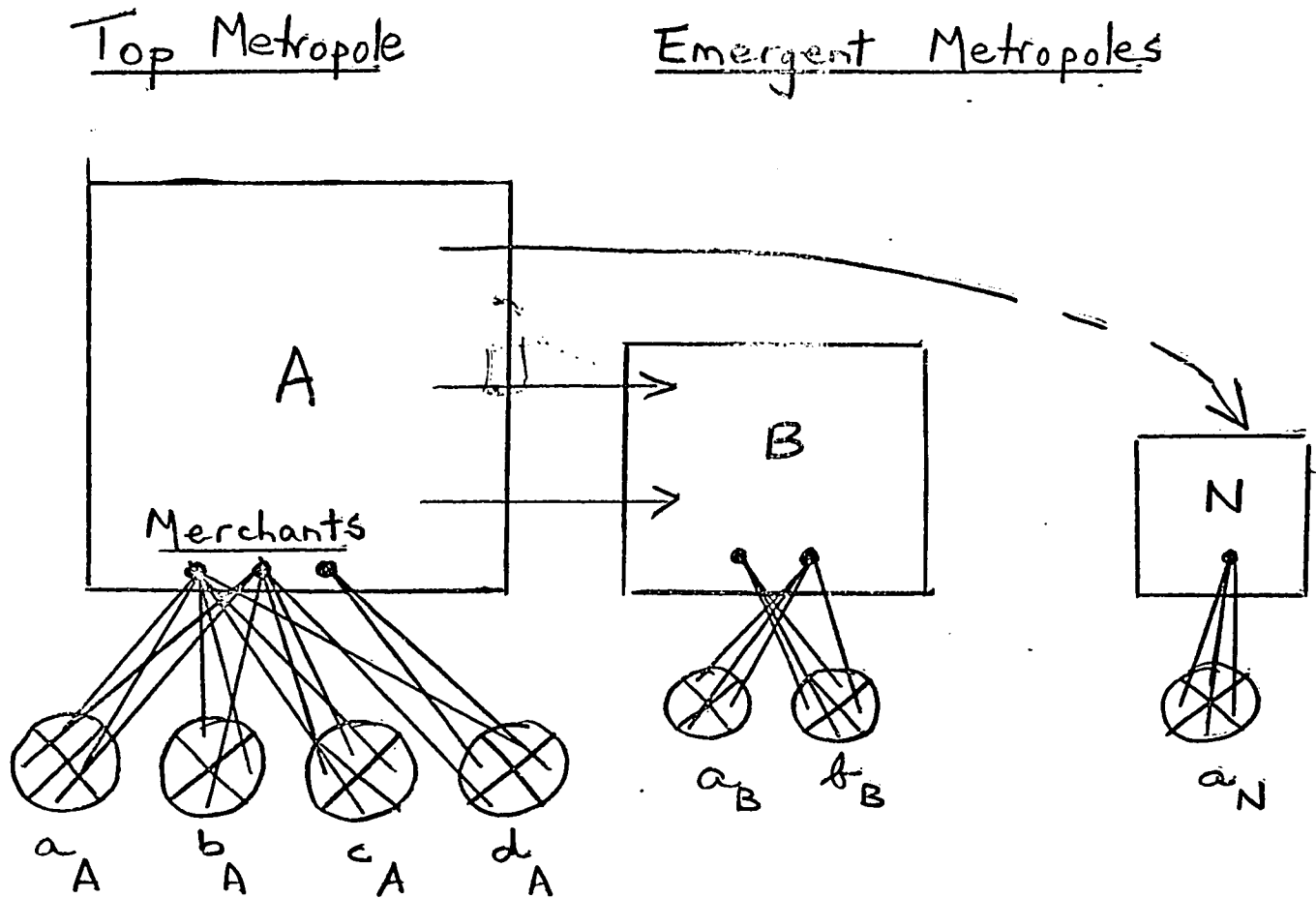
#### Specific Institutional Framework of the Hinterland

The structural characteristics of the hinterland economy evolve within the limitations set by the general institutional framework. The Muscovado Bias dictates that in the hinterland of exploitation production should be almost exclusively for export (except for a limited amount of residentiary output produced on the plantation for consumption within the plantation itself).<sup>30</sup> Furthermore, production is concentrated on a

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<sup>30</sup> Best and Levitt, op. cit., No. 1, p. 19, No. 2, p. 108.

FIGURE 1



Source: Best and Levitt, op.cit., No. 2, p. 107.

few staples and in extreme cases on only one. The basic unit of production is the plantation.

The economy is, therefore, one-sectored, but this sector is fractured into many plantations. The pattern, so important for future development, is set. Each plantation within the context of the hinterland economy is an entity in itself. There is hardly any social and certainly no economic intercourse between one plantation and the next.<sup>31</sup> In the extreme case, there is no independent domestic sector. Each plantation within the hinterland is a total economic and social institution,<sup>32</sup> and each one presents a perfect picture of the other.

Within the whole system, however, the plantation is by no means an independent unit of production. It has very close links (defined within the general framework) with the metropolis. The diagram on the following page presents an abbreviated picture of the system.<sup>33</sup>

As illustrated in the diagram, each hinterland is made up of a series of plantations similar in organizational structure and activities. Any plantation in each hinterland is kept

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<sup>31</sup> What social intercourse there is between plantations is at the planter and managerial level. The ever present fear of slave revolt discourages the bringing together of slaves on a wide scale.

<sup>32</sup> Best and Levitt, op. cit., p. 19. No. 2, p. 108.

<sup>33</sup> Best and Levitt, op. cit., No. 2, p. 107.

separate from all the others by nature of the fact that they are both doing the same thing at each point. They are totally competitive. This separation is reinforced by social institutions. Furthermore, no formal links exist between the various hinterlands.<sup>34</sup> Thus the dominant links are those between the metropolis on the one hand and each separate plantation within the hinterland on the other. What are the factors forging these links?

First, to establish the plantation, capital and entrepreneurship are required. Both are provided from metropolitan sources,<sup>35</sup> by merchants and planters.

"From the time of its introduction into the British West Indies, sugar culture was a highly capitalized industry, linked to a complex commercial organization in which credit played a part of primary importance."<sup>36</sup>

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<sup>34</sup> Legally, that is. The fact that the Molasses Act of 1733 had to be introduced, indicates that not even the most stringent regulations could prevent the natural development of trade between the colonies in North America and those in the West Indies. The Act failed to halt this trade. See R. Pares, Yankees and Creoles, Harvard University Press, Cambridge, 1956, *passim*.

<sup>35</sup> In the case of Barbados, as we shall see, the first substantial growth of sugar plantations was financed by a foreign metropolis, i.e. the Dutch. This occurred at a time when England was taken up with the Civil War. At its conclusion, however, the enactment of the Navigation Law of 1651 excluded the Dutch effectively from what was then one of England's wealthiest colonies. Vincent T. Harlow, A History of Barbados (1625 - 85), Clarendon Press, Oxford, 1926, pp. 42, 84, 86.

<sup>36</sup> Elsa V. Goveia, Slave Society in the British Leeward Islands at the End of the Eighteenth Century, Yale University Press, New Haven, 1965, p. 105.

Secondly, credit is needed not only to establish the plantation, but also to meet the permanent need for supplies. Although there existed a vague unwritten rule that plantations should be self-sufficient in food, this rule was hardly ever observed.<sup>37</sup> Especially in the Eighteenth Century when sugar prices were high for long periods, planters were unwilling to devote good cane-growing land to the cultivation of food crops, or to use slave labour for the same purpose.<sup>38</sup> There is, therefore, a second source of dependence on the metropolis. The planter (whether he is resident or an absentee) has to borrow on his annual crop to maintain the plantation during the year.<sup>39</sup>

"Plantation operations were carried on essentially by credit based upon anticipated income from the next crop. A virtual barter economy prevailed with the result that values came to be regarded from a credit rather than a money point of view. ... The ease with which advances might be secured resulted in gross extravagance, ... and engendered a spirit of speculation without due regard for actual risk involved."<sup>40</sup>

The same group that advances credit provides middlemen services of shipping. The metropolitan merchant evolves as

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<sup>37</sup> R. Pares, Yankees and Creoles, p. 87.

<sup>38</sup> Goveia, op. cit., p. 136.

<sup>39</sup> F. W. Pitman, The Development of the British West Indies (1700 - 1763), Yale University Press, New Haven, 1917, p. 128.

<sup>40</sup> L. J. Ragatz, op. cit., p. 10.



central to the operation of the whole system. He names the terms of credit, and he names the prices at which absolutely necessary imports are obtained by the hinterlands.

But the metropolitan merchant's influence in the system is not confined to the provision of imports and advancing credit. The general institutional framework decrees that hinterland output must also be disposed of in the metropolitan market, and again at this end, we find that the merchant is the central figure.

#### Entrepreneurial Role of the Merchant

Evidently the role of the metropolitan merchant is of crucial importance in the system:

- (i) All the planter's product had to be shipped through the merchant.
- (ii) The merchant sold the planter's output.
- (iii) All plantation stores were bought and shipped by the merchant.
- (iv) The merchant deducted his interest charges out of the proceeds of the sale.
- (v) The merchant advanced to the metropolitan government the duty levied on the planter's output in the metropolis and then charged commission the gross selling price.
- (vi) Sugar was usually sold to the metropolitan refiner on credit. Any default on payment was borne by the planter and not the merchant.
- (vii) The merchant obtained commission on plantation stores bought by him and shipped to the plantation. If he paid cash, he got a considerable commission which he did not pass on to the planter.

The "general institutional" framework guaranteed that these roles were such. The merchant's most important source of revenue, therefore, was not so much the interest he collected on loans to the planter, but the profit to be made from all the business created by the roles outlined above. The merchant was the entrepreneur of the system.

"The merchant's main concern was that as much produce as possible should be extracted and exported, irrespective of its costs of production or its profitableness to the planter."<sup>41</sup>

Therefore, the merchants' "chief incentive in advancing money to the planters lay in the merchanting profits to be derived from the transport and sales of produce rather than in nominal interest received on loans."<sup>42</sup>

#### Cost Structure of the Plantation

The most important characteristic of the cost structure of the plantation is the large element of fixed costs. To illustrate this, we shall use, in abbreviated form, the approach suggested by Best and Levitt.<sup>43</sup> Costs are broken down into three broad categories:

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<sup>41</sup> C. W. Guillebaud, "Emergence of the Crown Colonies 1815 - 1845", Cambridge History of the British Empire, vol. 2, p. 486.

<sup>42</sup> Ibid., p. 486.

<sup>43</sup> Best and Levitt op. cit., No. 2, pp. 129 - 135.

- 1) Charges on account of goods produced and consumed on the plantation;
- 2) Imported supplies on current and capital account; and
- 3) Capital Consumption (depreciation).

(1) Goods Produced and Consumed on the Plantation

These consist of the following main categories:

- (i) "ackee" rations
- (ii) domestic services
- (iii) residentiary "expense account" items or expenses of senior staff
- (iv) government requisitions of civil and military services.

The "ackee" rations and residentiary "expense account" items are goods and services produced on the plantation for local consumption. These goods go towards the provisioning of slaves and senior staff and also satisfying a part of the resident planters' consumption. Their production represents an opportunity cost in terms of land use and slave time and thus means that some quantity of staple output is foregone as a result. Their cost, therefore, can be meaningfully measured only in terms of staple output. When prices are high as in the foundation period, there is an inducement to reduce the volume of such goods, and resources allocated to their production to a minimum.

Domestic services and local government requisition of civil and military services represent fixed charges. These domestic services are integral to plantation operation and

determined by planters' taste patterns.<sup>44</sup> Local government's claims on planters' revenues cannot be avoided.<sup>45</sup>

The cost of improving land is an item that the planter can ignore only at his own peril. Initially, land has to be cleared, tilled etc. Later productivity has to be maintained by extensive fertilization. All of these represent elements of costs that cannot be varied significantly.

(2) Imported Inputs

Not only do imported inputs represent a significant cost, but they require expenditure in foreign exchange.

The component parts are as follows:

- (i) "salt fish" rations or the part of the slave diet which is imported;
- (ii) imported expense account items of senior staff;
- (iii) encumbrances for relatives, friends or for personal consumption of absentee planters;
- (iv) servicing of mortgages and other debt payments
- (v) rents and royalties to lords' proprietors;
- (vi) repatriated attorney income.

The "salt fish" ration is the imported part of the slave diet. Together with the "ackee" ration, it represents a more or less fixed charge for the planter under slavery. That is,

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<sup>44</sup> See Ragatz, op. cit., p. 13, for conspicuous consumption of planters.

<sup>45</sup> In Barbados and the Leewards, this was paid out of the 4½ per cent duty collected on all exports. One item in the list of such charges was the governor's salary.

assuming that the planter maintains some minimum slave diet, there is some minimum amount of slave time and land on the one hand, and foreign exchange (or staple output) on the other, that he must allocate to this type of expenditure. The prices of "salt fish" rations are determined by internal and external conditions of production and trade. These determine the planter's terms of trade.

Encumbrances are claims on plantation output by residents in the metropolis. They represent charges on the plantation fixed in terms of metropolitan currency. A planter, after some years' residence in the hinterland, might return to the metropolis to live off plantation revenue; or he might will a fixed annual income to a relative or friend; or, if residing in the hinterland, he had to maintain his accustomed level of consumption. In any case, the encumbrance represented a fixed charge usually incurred at a time of prosperity. Naturally the burden of this charge increased in times of depression.

With resources on the plantation organized and maintained through a system of perpetual debt, debt charges of all kinds were involved. The amount of each year's debt is linked to the planter's fortunes in previous years, never to current revenue. Debt payments are in the nature of fixed costs. More important, debt charges exercise first claim on planters' revenue because of the central position of the merchant within the system. He has first claim on planters' revenue and pays himself on his behalf.

Rents and royalties as well as repatriated attorney incomes

again are pre-emptive claims on planters' incomes. Likewise, they cannot be avoided or much varied.

All of these costs are crucial in the development of the plantation economy. The only way in which they can be met is by the sale of staple output in the metropolis. The ability of the planter to meet these costs depends on the production conditions of his plantation and on the general staple terms of trade.

(3) Capital Consumption (depreciation)

Under slavery, production is highly capital-intensive. The single most important part of fixed capital consists of slave stock, and expenditures incurred in maintaining the slave stock loom heavily in total expenditures. Though such expenditures can be postponed in the short run, continued production in the long run can be maintained only by keeping up the numbers of the slave population. The extent to which this cost varies depends on (i) the mortality rate of slaves, itself influenced by the intensity of work and the level of rations, as well as the incidence of "runaways", (ii) the price of slaves.

Also necessary for the maintenance of capital stock is the replacement cost of buildings and equipment, and animals or stock.

These three elements of costs, therefore, illustrate that a large segment of the planters' costs are fixed and furthermore, the preponderant part has to be paid in foreign exchange.

Under these conditions favourable terms of trade become crucial. Any worsening of the terms of trade is felt immediately.

Summary of the Characteristics of the Plantation Economy

The hinterland imports a wide variety of products ranging from capital inputs in the form of slaves, equipment and supplies to consumer goods, for the upkeep of slaves as well as for consumption on the part of the planter (if resident) and his managerial staff.<sup>46</sup> The determination of the price of these imports rests in the hands of the merchant. Even if similar commodities can be obtained elsewhere, the institutional framework, except in times of emergency, forces the hinterland into purchasing in the metropolitan market. Furthermore, as we have indicated, plantation output must be disposed of in the metropolitan market on terms determined by demand and supply conditions there.

Under these conditions the terms of trade for the hinterland are determined externally, i.e., by demand and supply

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<sup>46</sup> Where the planter was located, i.e., whether he was resident or an absentee landlord did not much make a difference. If he was resident, he had to live up to his social standing within the community. This meant conspicuous consumption which Goveia describes as "a characteristic feature of life among West Indian Whites". Goveia, op. cit., p. 109. The same feature is attested to by many contemporary visitors to the West Indies. See Ragatz, op. cit., pp. 7, 13. If the plantation owner was an absentee, this was all the more so, since a certain portion of income earned on the plantation had to be transferred to the metropolis to maintain the absentee landowner in splendour. Ragatz, op. cit., p. 44.

conditions in the metropolitan (including the re-export) market; by the profit margin merchant middlemen are able to obtain; and by the commercial policy of government in the metropolis. There are virtually no alternatives which the hinterland can adopt without contravening the regulations as laid down by the general institutional framework.

Because of the pervasiveness of plantation life in the whole economy, consumer patterns solidify the structural features already mentioned.<sup>47</sup> With tastes geared to metropolitan products, with regulations discouraging the production of hinterland substitutes, the plantation class sets a pattern of consumption that prevails even after the break-up of the old plantation system of slavery. The social patterns of living cemented the foundation laid by the general institutional framework, especially by the "Muscovado Bias". The legacy of the plantation has been passed on to the contemporary population in the Caribbean, where, despite heavy taxes on metropolitan goods and luxuries, substantial amounts of income earned are still spent on imported commodities.<sup>48</sup>

The system of credit on which plantation operation is based dictates a certain pattern of income distribution. The merchant and not the proprietor holds first claim on plantation output. He is in a position financially and geographically

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<sup>47</sup> See previous footnote.

<sup>48</sup> For an example, see Chapter VI for the case of Barbados.



to ensure this.<sup>49</sup> What is more the legal regulations governing the system are on his side.<sup>50</sup> The first claim on plantation output, therefore, is the income that flows out of the hinterland. This amount is increased where the landlord is an absentee residing in the metropolis.

High profits in plantation agriculture are used for conspicuous consumption of both resident and absentee landlords, after the metropolitan merchant has first taken his share of the proceeds of output.<sup>51</sup> This means that profits as a component of income is simply not available to be spent in the hinterland for reinvestment and improvement in technology etc.

The structure of the plantation economy is therefore very simple: a single sector - an extended plantation system - producing almost wholly for export, fractured into plantations characterised by an almost complete absence of interdependence, but exhibiting a high degree of interdependence with, and depending on, the metropolitan economy. Further, this single sector draws capital in the form of credit extended by metropolitan merchant interests and entre-

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<sup>49</sup> The merchant must be satisfied by adequate returns from this year's output, otherwise he will not advance next year's supplies. Anyhow, he is at the marketing end of plantation output, and is able to pay himself on behalf of the planter, even before the planter gets his share of output. Pares, Merchants and Planters, p. 22.

<sup>50</sup> In fact, the legal regulations are of his own making. See footnote No. 24 above.

<sup>51</sup> Goveia, op. cit., p. 112., Ragatz, op. cit., p. 44.

preneurial skill from the metropolis, is serviced by the latter, sells the bulk of its output there and depends for most of its consumer and intermediate goods on imports from the metropolis. The key to the profitability of plantation agriculture lies in the prices received for export staples in the metropolitan market and the costs involved in operating a plantation. High prices bring optimism and expansion, with more credit forthcoming. When prices fall, the planter finds himself with no avenue open for adjustment save his attempts to shore up these prices by using his influence in the metropolis to get favourable (to him) restrictions imposed on competitors and would-be competitors. The next section deals with the method of adjustment in the plantation economy.

#### Behavioural Characteristics

The pattern of growth, and eventual stagnation, in the plantation economy is set solely by external conditions in the metropolitan market.

"The evolution of the plantation economy has... been a history of the response of the export sector to the external demand."<sup>52</sup>

The planter finds himself constrained to operate within the framework as laid down under the general and specific institutional framework. Particularly relevant are (i) the institution of slavery which effectively hinders the develop-

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<sup>52</sup> Lloyd Best, "Current Development Strategy and Economic Integration in the Caribbean", Separata de Caribbean Integration, p. 58.

ment of a domestic wage earning class whose demand might possibly be developed for diversification; (ii) external capitalism not only drains off significant portions of income annually, but ties the planter to the metropolitan interests by a never-ending circle of debt. Of primary interest in the functioning of the plantation is the honouring of these debts; (iii) absentee landlords drain off large quantities of the wealth produced within the hinterland and thus makes external financing still more necessary; (iv) where landlords are resident the system of tastes, and the Muscovado Bias dictate that consumption requirements be satisfied by a widespread system of imports.

The foundation period of the plantation economy is a golden age.<sup>53</sup> The planter initially faces a market of excess demand.<sup>54</sup> The response in the plantation economy is to extend capacity - settle more land, borrow more capital for the purchase of more slaves and equipment. Output is, therefore, increased. Prices are high; profits are high and continue to attract metropolitan capital; planters' incomes are high.

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<sup>53</sup> The conditions making the years 1640 - 1660 the Golden Age in Barbados are in fact the original stimulus for establishment of the plantation economy.

<sup>54</sup> Of course, fluctuation in prices and earnings were frequent during the seventeenth and eighteenth Centuries, but there were extended periods when high prices ruled. See page 87 below.

The secondary effects of expansion in the plantation economy work themselves out in the metropolis either because planters retire there to live as absentee landlords and therefore consume in the metropolis, or because, if resident, they increase their imports from the metropolis.

Under these conditions the planter finds no difficulty in meeting his commitments. The encumbrance is easily met annually. Payments to local government and the lord proprietor (the latter a form of rent) are easily met. Recurrent expenditure in the form of payments for supplies etc. is also paid. Of primary importance is the debt incurred in obtaining and keeping up the slave population. In good times again this debt is easily discharged.

The successful expansion of the plantation ensures that adjustment in bad times will be all the more difficult. It is exactly these favourable conditions which create the decline. The business is, if nothing else, competitive.

First, high prices as we noted lead to increased capacity in the plantation economy. Furthermore, because of the feature of absentee capitalism and high profits for metropolitan merchant capitalists, and the fact that such profits can be reinvested anywhere within the system, more land in other hinterlands is brought under cultivation.<sup>55</sup> Staple output

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<sup>55</sup> Best and Levitt, op. cit., No. 2, pp. 194 - 195.

within the system as a whole increases.<sup>56</sup>

Gradually, as expansion occurs in various hinterland economies, the market conditions in the metropolis change from a situation of excess demand to one of chronic over-supply.<sup>57</sup>

How does the plantation economy respond to these changing conditions? Resources are organized specifically for the production of export staples. The production function does not allow much variation in what can be produced. There is no possibility of making any significant shift to the production of other exports or goods for the non-existent domestic market. The consumer patterns anyway are geared to imported commodities and an export surplus must be generated. Furthermore, creditors in the metropolis simply cannot allow import substitution in the hinterland, because it does not guarantee them their return.

The "raison d'etre" of the plantation economy is its complementary with the metropolis. The planter, if he is lucky, and events reverse themselves, may be able to ride out the storm, if his creditors will give him time.

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<sup>56</sup> In addition, other foreign systems are also experiencing the same development, though for quite a while the Navigation Acts within our system keep the market restricted to its own hinterlands. Even so, however, other systems are gradually encroaching.

<sup>57</sup> Given the mechanics of the system, the opposition of Barbadian planters to the settling of Jamaica and Tobago as sugar producers is well understood. The growth of these latter as large sugar producers would increase significantly, the competition faced by Barbados sugar in the English market. This occurred as early as the late Seventeenth Century. V. T. Harlow, op. cit., pp. 152, 209 - 210.

When both the demand and prices for his export staple fall, he may, while reducing output, use a portion of his resources for improvements. He may consume capital by cutting the provisions of his slaves and forego replacing them when the time arrives. However, he is again limited because if more favourable conditions arise he may find himself unable to grasp the opportunity because of inadequate resources. He can try to borrow in bad times expecting to repay when conditions improve. Despite fluctuations, however, the long-term trend is towards a worsening of conditions - a secular decline in prices and revenue and a secular increase in costs.

"Decreasing returns coupled with higher prices for stores and a labour shortage soon put an end to the common expectation that the new era of peace would bring a return of prosperity to the British West Indies; by the early 1820's the position of the planter class as a whole was desperate".<sup>58</sup>

Actually, there were many factors contributing to the decline of the old British colonies. First, as we have mentioned, in the old settled hinterlands, capacity and therefore, output increased in response to high prices. Secondly, more sugar producing territories were obtained by the metropolis as the outcome of its military activity. Further, new territories in the East (India and Mauritius) were added to the system. Next, competing systems gradually undermined the widespread system of protection previously maintained and

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<sup>58</sup> Ragatz, op. cit., p. 347.

enforced by our particular metropolis. This later became increasingly possible when mercantile influence in metropolitan government gave way to the wave of new liberalism and laissez-faire, but long before then, there were times when other systems were encroaching on the market of the British.<sup>59</sup>

The cost of slaves has been bid up in the process. Replacing slave labour, therefore, becomes more and more costly. Encumbrances, entered into when market conditions were more favourable, become an increasing burden when bad times arrive. The growing amount of debt that must be financed creates a vicious circle. Everytime the planter borrows to postpone collapse, this collapse becomes more inevitable, for he has to give out more the next time around. Meanwhile, the payment to the senior officials must be met, and if the landowner is an absentee, the attorney who has been delegated power in the hinterland to look after the plantation makes sure that his income is forthcoming, even if he consumes the planter's capital by overworking the slaves. In sum, there is no system of adjustment to these long term trends. Recourse is had to imperial preference as planters, merchants and proprietors, whether or not resident in the metropolis, bring pressure to bear on the metropolitan government to increase the protection of plantation staples. This is partially successful for quite a while. The preferential system within the British Empire

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<sup>59</sup> Ragatz, op. cit., especially Chapter IX.

keeps sugar prices higher than they would be if foreigners were allowed to compete.<sup>60</sup> The problem is that the power structure and its philosophy change. The mercantilist attitude gives place gradually to a new wave of liberalism and "laissez-faire". Adam Smith's Wealth of Nations is now embraced by the new merchant-industrialist class interested in obtaining the cheapest raw materials and consumer goods, no matter what the source. Those with interests in the hinterland can find refuge in protection only for a limited time, therefore.<sup>61</sup>

Finally, the old plantocracy collapses. With few exceptions, the plantations in the Caribbean fall into the hands of the merchant creditors or those who purchase them from these creditors. Barbados happens to be one of these exceptions and we shall attempt to give some explanation why the fate that befell plantations in Jamaica, for example, differed from that of Barbados.

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<sup>60</sup> For a list of duties on "foreign" and Colonial sugar entering the British market, see H. Deerr, History of Sugar, Vol. 2, p. 430.

<sup>61</sup> Ragatz, op. cit., pp. 361 - 370.



## CHAPTER II

### THE FOUNDATION PERIOD: 1627-1647

#### Establishment of the Hinterland

The years 1627-1647 cover the establishment of our particular hinterland economy, Barbados.<sup>1</sup> In these formative years, Barbados seemed set on a course of development which does not exactly fit any one of the pure types of hinterland previously described, but contained elements of all three. These years thus represent a period in the development of Barbados before it became "one of the chief sugar-producing colonies in the New World".<sup>2</sup> The period also corresponded

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We have chosen to differentiate between the foundation period and the two centuries that followed, because these early years predate the establishment of the large scale sugar plantation and the clear emergence of Barbados as a hinterland of exploitation. One of the best sources of information on this period is V.T. Harlow, A History of Barbados 1625-1685, Clarendon Press, Oxford, 1926. Also Calendar of State Papers, Colonial Series 1574-1660, W. Noel Gainsbury (ed.) Longman, Green, Longman and Roberts, London, 1860; and J.A. Williamson, The Caribbee Islands Under the Proprietary Patents, Oxford University Press, London, 1926.

2

Harlow, op. cit., p. 24.

with the years of proprietary government.<sup>3</sup>

The original settling of Barbados is typical of the time. The establishment of the hinterland economy was initially a commercial venture entered into by a private group of metropolitan (English) merchants.

"Insofar as the New World was brought into existence by the Old, Caribbean Economy is the creation of metropolitan enterprise from the start."<sup>4</sup>

In 1627 eighty settlers from England landed on what was then an uninhabited island. These settlers were financed by a syndicate of London merchants led by the Courteen brothers.<sup>5</sup> The onus of risk-taking fell squarely on the shoulders of these merchant-adventurers. They provided the capital necessary for the original establishment of the colony; they provided supplies for the upkeep of the settlers; they transported the settlers at their expense. Indeed these and other settlers that soon were to follow were little more than servants for the Courteen syndicate which bore all costs, took all risks and collected all profits from the venture.<sup>6</sup>

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<sup>3</sup> See Williamson, op. cit. Proprietary government is described below.

<sup>4</sup> Best and Levitt, op. cit., No. 1, Intro. p. iii.

<sup>5</sup> The syndicate included Sir William and Sir Peter Courteen, some relatives and others. Harlow, op. cit., p. 4.

<sup>6</sup> Ibid., p. 6.

Perhaps because the activities of the Courteen syndicate demonstrated the potential of the new hinterland, another merchant group soon came on to the scene. This is where proprietary government comes in. The early years saw Barbados ruled under this system.

Prior to the Courteen venture, the Earl of Carlisle, a court favourite with James I, the King of England, had obtained a patent to a group of islands in the Caribbean.<sup>7</sup> This group known as the "Caribbee Islands" included a number of islands later known as the Windward and Leeward Islands<sup>8</sup> but although there was great dispute as to whether Barbados was included, the records show that it was indeed among the islands included in Carlisle's patent.<sup>9</sup> After the settlement by Courteen, another merchant group to whom Carlisle was in debt, persuaded him to use his influence and his patent to place them in control of the island. With a large investment in Barbados, Courteen naturally sought to protect his interests.

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<sup>7</sup> One of the best accounts of the Carlisle proprietorship of the "Caribbee Islands" is given by Williamson, op. cit.

<sup>8</sup> Ibid., p. 46.

<sup>9</sup> The dispute arose because Courteen wanted to lay first claim to Barbados while the backers of Carlisle also cherished it. The claims and counterclaims were protracted but Carlisle finally won out.

The challenge to Carlisle's patent was strong but finally the latter won out to become the undisputed lord proprietor of the young hinterland. As lord proprietor, Carlisle was a rentier entitled to collect revenue in the form of customs, duties and subsidies as well as internal taxes in kind.<sup>10</sup> In this respect, the hinterland resembled the hinterland of conquest.<sup>11</sup> As Pares noted, the proprietor was interested in land for taxes rather than in trade for revenue.<sup>12</sup>

In this case, however, Carlisle was the instrument whereby his merchant creditors gained control of Barbados. For these reasons, proprietary government in Barbados furthered the interests of Carlisle's merchant backers.

The structure of proprietary government is significant because it was under this system that the political links between hinterland and metropolis were maintained in the early period. Government in the metropolis (in effect, the King) entered the picture only to the extent that it was through royal prerogative that the patent was granted in the first place, and laws were passed governing the activity of the hinterland. As for the rest, under the system of proprietary

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Ibid., pp. 83-84.

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See pp. 5 - 6 above.

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R. Pares, Merchants and Planters, Economic History Review Supplement, Cambridge University Press, Cambridge 1960, p.2.

government the King was content to leave all other matters to the lord proprietor, which meant in effect, the syndicate<sup>13</sup> of merchants that controlled him.

<sup>14</sup>  
Proprietary government took the following form: It started with the grant of a patent by the King to a court favourite. This was a way of rewarding a favourite who as lord proprietor had the right to collect revenue from activities in the hinterland. The proprietor in turn might also be a planter but his primary interest was in the collection of revenue. His interests in the hinterland were protected by the colonial governor who was his appointee. The colonial governor in turn nominated to the council in the hinterland<sup>15</sup> men who were sympathetic to him. The following sketch gives a summary of the distribution of power under proprietary government:

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This illustrates the distinction made by Adam Smith between the methods employed in colonizing the New World by England on the one hand and France and Spain on the other, i.e. the absence of direct government involvement in the case of English colonization. See p. 6 above.

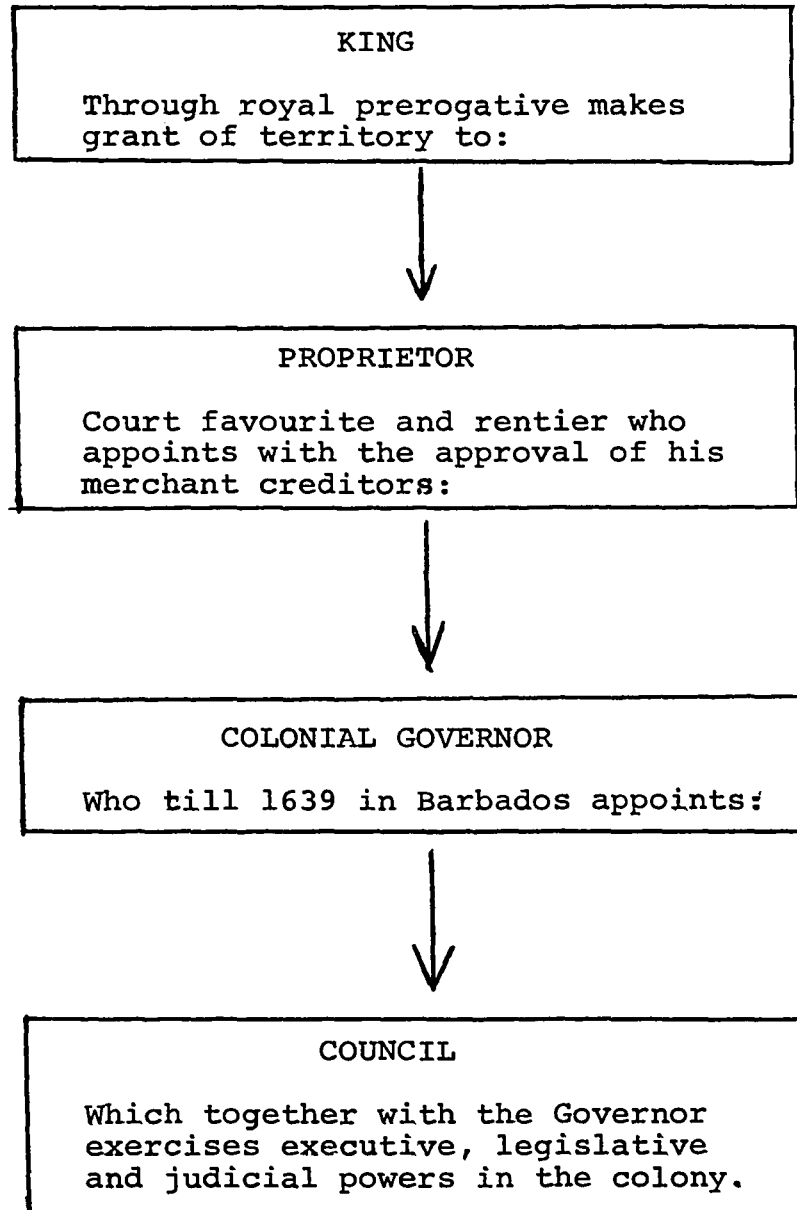
14

See Williamson, op. cit., pp. 87-89.

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This description accords with the experience of Barbados prior to 1639.

PROPRIETARY GOVERNMENT UNDER THE CARLISLE PATENT



In the case of the Carlisle proprietorship which was responsible for administering Barbados in the early years, Carlisle was mainly a figure-head for his merchant creditors.

"...We may say that during this period the proprietor remained in full control of the Islands, whilst he worked hand in hand with the government in a partially successful attempt to confine their trade to channels which would operate to the benefit of himself and the merchants of London... But the problem of trade control was not fully worked out, there remained large loopholes for evasion, and the authority of existing regulations was weakened by the fact that they were expressed in administrative ordinances based on the royal prerogative and not on Acts of Parliament."<sup>16</sup>

The early settlers practised a diversified form of agriculture. To be sure, exports were significant in total economic activity. Even these exports however, were to a certain extent, diversified, cotton and tobacco sharing almost equal status by 1638 or so. In addition to these products, the young hinterland produced or reared a "profusion of foodstuffs" including citrus fruits, cattle and pigs, poultry, indigo, "pomegrandes" and other consumer goods.<sup>17</sup>

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<sup>16</sup> Williamson, op. cit., pp. 101 - 102. The early regulation of trade was certainly not as comprehensive and well defined as it later became under the various Navigation Acts. The frequent activity of the Dutch in the area at this time attests to the facts. As Williamson explains, the regulation of trade was aimed at guaranteeing the proprietor his revenue by forcing the pioneer planters to sell in the English market. Williamson, op. cit., p. 96.

<sup>17</sup> Harlow, op. cit., p. 6.

It is obvious, however, that there was a perpetual insufficiency of consumer goods. The Dutch traders, who were active in the area at the time supplied the new colony with much of its requirements. It was to prevent this that we find the curious (in light of what followed later) insistence on the part of the Privy Council that the Earl of Carlisle should encourage more self-sufficiency in the territory, in order to remove or reduce its reliance on foreign sources of supply. 18

At this stage there was still an important degree of self-sufficiency. This can be explained partially by the nature of the initial settlement.

The first settlers to arrive in the hinterland were, as we saw, servants of the Courteen syndicate. They were followed by others who brought with them their own servants. The practise of granting to such servants at the end of their duty small plots of land (10 acres or so) contributed to the development of a peasantry - small farmers who produced partly for subsistence. There were therefore many small-sized plots to complement the big estates of the Carlisle merchant interests. A large number of such small farmers produced a variety

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See Calendar of State Papers (1574-1660), pp. 124, 251. The Privy Council or the King scores the Carlisle interests for concentrating on the production of tobacco to the detriment of the production of staples.



of foodstuffs. We even hear of such small farmers selling produce to the bigger commercialized estates.

The following table taken from Memoirs of the First  
Settlement of Barbados<sup>19</sup> and reproduced by Pares<sup>20</sup> illustrates the varying size of plots, but shows that there were many small plots, especially after the initial grant to the London merchants.

TABLE I

<u>Years</u>	<u>Number of Grants</u>	<u>Acres</u>
1628	the London merchants	10,000
1628	Governor and 64 persons each of whom got 100 acres	6,400
1629/30	Governor Tafton:140 grants	15,872
1630	Governor Hawley:45 grants	14,235
1631	3 grants	2,749
1632	63 grants	4,138
1633	20 grants	905
1634	64 grants	3,511
1635	106 grants	9,055
1636	28 grants	9,810
1637	139 grants	7,604
1638	1 grant	50

The average size of these grants was less than 100  
<sup>21</sup>acres and Pares says that this continued up to 1646. In

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19

Published London 1743, Reprinted Barbados, 1891.

20

R. Pares, Merchants and Planters, Footnote No. 15, p. 57.

21

The same is borne out by figures from Williamson,  
op. cit., p. 186.

fact, after 1630, the average size of the grant became considerable<sup>22</sup> less than 100 acres. This system of land distribution led to the establishment of peasantry.

Statistics on population in this very early period are not particularly abundant. Harlow gives figures which indicate that up to 1636, the population was almost exclusively white and stood at 6,000. The next year mentioned was 1643, and showed a remarkable increase of the white population to 37,200<sup>23</sup> the highest it has ever reached. At this time, the black slave population was estimated at 6,000. To be sure, the Civil War in Britain led to an exodus of Royalists and their servants to Barbados, but the sudden increase in the black population can only be explained by inferring that the movement towards establishing the large sugar plantation had got underway in intervening years.

In summary, the young hinterland up to about 1640 was characterized by:

(1) A mixed agricultural economy in the early stages of development. Neither specialization in exports nor in one commodity is yet established as the main feature of the hinterland's existence. There is a foreign sector as well as a domestic subsistence sector. What is important is that these two sectors are not necessarily physically separated since they may both be represented on one estate. Even as

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22

On the basis of a total acreage of 106,000 acres, these figures would indicate that in the first ten years of settlement, approximately 80 percent of the land was occupied.

23

As Harlow indicates, the original source gave only the male population. The figure was simply doubled, on the basis of the male/female ratio of the census returns of 1673 and 1675. Harlow, op. cit., Appendix B, p.338 and p.339.

late as 1647 we find an estate of 500 acres with 70 acres out of total cultivable acreage of 300 acres being devoted to the production of provisions.<sup>24</sup> A distinct peasant sector of small farmers exists. There is in addition to the basic export staples being produced an important degree of agricultural diversification among small proprietors.

(2) Production is not yet dominated by the total economic institution - i.e., the plantation. The unit of production is of relatively small size. One source puts it at from five to thirty acres, although there were many larger estates, especially among those held by the London merchants.<sup>25</sup>

(3) Production is centered around the family unit assisted by servants. The major activities are not particularly labour intensive. "The tobacco and cotton planters had occupied small plots of from five to thirty acres and had tilled them with the aid of a few white servants apiece... it was one man's work to tend cure and roll an acre of tobacco - 2,500 lb. - besides growing his own provisions."<sup>26</sup>

(4) The labour force is almost entirely European working for wages in kind on a contract basis with the promise of ten acres of land at the end of the contract period as long as free land still remains.<sup>27</sup> Over time, this has the effect of consolidating the numbers of the peasantry. The population as a whole, meanwhile, is almost wholly European.

(5) The merchant-creditor - planter roles are still confused with the entrepreneurial role shared in differing degrees by the planter and merchant.

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24

Williamson, op. cit., p. 156, Quoted from R. Ligon, A True and Exact History of Barbados, London, 1657.

25

Williamson, op. cit., p. 157.

26

Ibid., p. 157.

27

Ibid., p. 157. Free land was exhausted at a time corresponding roughly with the advent of sugar on the scene. This reinforced the technical requirements of a large captive and landless labour force.

(6) Trading is still relatively open, i.e., the Navigation Provision has yet to be formally imposed. Central government in the metropolis is not as yet fully involved in the activities of the hinterland; rather it is basically content to leave government in the hinterland in the hands of the Proprietor - which in fact means his merchant backers. There are still many loopholes in regulations on the external dealings of the hinterland. Despite the fact that regulations have been introduced to limit the export market to England there is some freedom for resident planters whose inclination it is to buy from the cheapest sources. Obviously, this desire runs counter to the interests of the metropolitan merchants backing Carlisle and later taking over trusteeship of his estate. These merchant interests have been only partially successful in restricting the trade of the hinterland.

Meanwhile external and internal events soon combine to change the entire situation. First the Civil War in England keeps the metropolitan government so occupied that the new hinterland can enjoy an extended period of something close to independence. This is particularly important in the area of external trade and finance. Internally, the exhaustion of all free land coinciding with the advent of sugar abruptly changes the entire structure of the economy.

#### Advent of the Sugar Plantations

The conditions just described, however, did not last long. A series of events, both political and economic, internal and external, conspired to bring about the most significant economic and social transformation in the history of Barbados.

28

Round about 1640 experiments were being made in the cultivation of the sugar cane on the island.<sup>29</sup> By the end of the decade sugar had assumed such importance that it was being used as money.<sup>30</sup> Such a complete and swift transformation of an economy is probably without parallel in the area.

The stimulus for this development, the means whereby it was achieved and the pattern it assumed require explanation.

First the stimulus. From the beginning the young hinterland was dependent for its existence on revenue from exports. Its chief exports prior to sugar were tobacco and cotton. About this time, tobacco prices, after an initial boom period, fell significantly in the English market. Sugar prices however were high.<sup>31</sup> Shifting from the one staple to the other would mean a significant improvement in fortunes. But the island was in no way equipped to make the transformation.

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29

Ibid., p. 40.

30

Ibid., p. 38.

31

Harlow op. cit., pp. 39-40. Pares, Merchants & Planters, pp. 21-22. N. Deerr, History of Sugar, v.2, p. 530.

The economy of sugar production differed significantly from that of tobacco. Help would be needed but this help was, for the present blocked by the rudimentary development of the Navigation Provision which, as demonstrated, had yet to be formalized and rigidly applied. Fortunately for the planters, fate intervened.

The Civil War in England for a period of six or seven years cut the metropolitan ties which stood in the way of adjustment. Preoccupied as they were with events at home, the metropolitan governments, first of the King and then of Cromwell, allowed proprietary government to lapse. The resulting independence for the settlers created conditions highly conducive to the swift transformation to sugar cultivation.

"From the beginning of the Civil War the royal and proprietary rights crased to be effective in the Caribbees, nor did that of the Parliament step at once into the vacant place."<sup>32</sup>

Conditions were ripe for the transition. The Civil War diverted the attention and resources of the metropolitan government and created something close to "de facto" political

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Williamson, op.cit., p. 159. The same point is made elsewhere. See Harlow, op. cit., pp. 24, 82. Pares Merchants and Planters, p. 27. The only method of control would have been military force, which meant for Barbados the use of an ocean going fleet. Events in England at the time were such that a fleet could not be spared for duty in the Caribbean.

independence for the hinterland. Improved methods of agriculture of the sugar cane and its manufacture into sugar suggested the possibility that its manufacture could be successfully carried on at the commercial level. But the requirements were great. Thus we come to the means whereby the transition was achieved.

The technology of sugar manufacturing imposed certain constraints. Unlike tobacco, which could be grown on relatively small plots of land, sugar required much wider acreage.<sup>33</sup> By 1638 as we saw, eighty percent of the land had already been distributed and by 1647, all free land had been exhausted.<sup>34</sup> With some exceptions - such as the land held directly by the Carlisle syndicate - average size of the holding was somewhat less than one hundred acres.<sup>35</sup>

The first requirement of the sugar plantation, therefore, was the consolidation of land into units large enough to be economical. In the absence of free land, this meant purchasing land already owned by small farmers and peasants. The purchase of this land in turn required capital that was not possessed by resident planters. Where such capital came from, we shall explore in a short while.

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33

Pares, Merchants and Planters, pp. 19 - 20.

34

Harlow, op. cit., p. 307. This again sets Barbados off apart from much of the rest of the area, i.e. twenty years after the first settlement, all free land had been exhausted. The scarcity of land would, in fact, be crucial, in more ways than one, in its future development.

35

See page 42 above.

The possession of land was only the first requirement. As the Attorney for the Codrington estates was later to point out to their absentee owners in London :

"Land alone in England is of great value, but in Barbados, land alone can scarce be called 'an estate'. It must be in a manner animated before it becomes valuable".<sup>36</sup>

The 'means of animation' were, in the words of another experienced in the affairs of a West Indian plantation, the 'buildings and stock'.

"A sugar plantation consists of three great parts; the Land, the Buildings and the Stock. ... The business of sugar planting is a sort of adventure in which the man that engages must engage deeply. ... There is no medium, and very seldom the possibility of retreat".<sup>37</sup>

Given the possession of land, the buildings and stock represented fixed capital equipment, the acquisition of which again required capital in amounts not possessed by the planters. Capital to purchase land as well as buildings and stock, were supplied from two sources - English and Dutch merchant

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36

J. Harry Bennett, Bondsmen and Bishops, University of California Publications in History, Vol. 62, University of California Press, Berkeley and Los Angeles, 1958, p. 11.

37

Bryan Edwards, The History, Civil and Commercial, of the British West Indies, Fifth Edition, Vol. 1, London 1819. Reprinted by A.M.S. Press, New York 1966, p. 287.

As the latter part of this statement indicates, the decision to turn to sugar was a momentous one. The decision, once made, was difficult to reverse, both for the individual and for the economy. Perhaps the most important factor contributing to this situation was the system of debt upon which the sugar economy was based from the very start.



capital. It is important to emphasize, however, that during the initial phase of the establishment of the sugar plantation - and this period coincided with the years of the Civil War in England - the main source of finance was Dutch merchant capital.

39

The role of the Dutch merchants was as follows:

(1) They advanced credit to those planters financially able to undertake the risks. With this credit, the larger and better established planters were able to buy out the smaller planters and the peasants.

(2) They advanced credit for the purchase of buildings and equipment and supplies, including food. This took the form of the sale, on credit, of these commodities to the planters. The Dutch merchant was, therefore, making his profit not only by selling of his wares, but on the credit which he extended.

(3) Crucial to the operation of the plantation was the massive amount of labour required for tilling the land. One characteristic of the sugar plantation was its necessity to be a self-contained unit. Fortuitously, the Dutch had already discovered the African slave trade and were able to supply the plantation with "unlimited" amounts of slaves - again on the same system of credit.

(4) When the crop was harvested, the Dutch marketed it in Europe, providing the transportation and other market-in functions associated with the disposition of a large crop in faraway places.

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38

Harlow, op. cit., p. 42.

39

Ibid., p. 42.

This last function was the ultimate guarantee to the Dutch that their returns would be forthcoming. In a market of excess demand and high prices, such as the sugar market was at the time, the arrangement suited and benefited both merchant and planter.

By these means, Barbados was transformed from a small agricultural settlement into an extended plantation. The most significant feature of this transformation was the system of credit which accompanied it and made it possible.

The return to stability in the metropolis under Cromwell, the enactment of the various Navigation Laws, the military force that it was then possible to use against the planters in Barbados - all of this brought an end to the virtual independence which the planters had enjoyed. The results were:

- (1) the source of this credit changed as the English merchants persuaded the government in the metropolis to exclude the Dutch;
- (2) trade for Barbados became less open as the metropolis introduced and successively strengthened the Navigation Provision.

The Dutch were admirably well-equipped to supply the needs of the planters. More interested in trade and commerce than settlement, they were content to advance credit to the planters which allowed the latter to purchase and consolidate land, set up sugar works and manufacture sugar for the export market.

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The process of transformation gave rise to the following changes:

(1) The small farmers and peasants were forced to emigrate to other islands in the Caribbean and to the American mainland. With their departure, the rudimentary domestic subsistence sector disappeared, there being no room in a plantation economy for such a class.<sup>40</sup>

(2) All arable land was consolidated into sugar plantations so that specialization in the production of one commodity became complete.<sup>41</sup> Also, since sugar, from the beginning, was conceived of as an export crop, specialization of exports very early became a fact of life.

(3) Slave labour was widely introduced and the slave population expanded rapidly, exceeding the reduction of the white population which occurred with emigration.<sup>42</sup>

(4) The economic structure was radically changed from a small relatively diversified settlement of Englishmen and their servants to one extended sugar plantation concentrating on the production and export of sugar. This was made possible through the fortuitous circumstances which weakened - even for a time cut - the ties with the metropolitan government; through the system of credit which

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40

Ibid., pp. 44-45.

41

There was an unwritten rule that the plantation should at least be able to grow its own provisions. The significant amount and content of imports deny that this rule was seriously adhered to. Pares, Yankes and Creoles, p. 87 (see the following chapter, pp. 66-70) Again, the financial and trading arrangements that were a part of plantation operation militated against such activity, especially in the boom period that characterized the early years of the Barbados sugar economy. The interests of the metropolitan merchants were better served if the planters concentrated on a cash crop for export and bought their supplies from the merchants.

42

Harlow, op.cit., pp. 44-45.

was first provided by the Dutch, but subsequently by the English merchants. This debt system is the most important feature in the dependency of the plantation economy on the metropolis. Perhaps the debt upon which each plantation was firmly based was uppermost in Bryan Edwards' mind when he referred to the business of operating a sugar plantation as one fraught with risks, "an adventure in which the man that engages must engage deeply" and one where "there is no medium, and very seldom the possibility of retreat" (successfully, Edwards should have added).

These significant changes took place at a time when boom conditions existed in the sugar market, and debt was no burden to the planters. The boom conditions also meant that there was no scarcity of loans. But conditions did not always remain thus. It now lies before us to examine the performance of the plantation economy under other conditions and, in fact, trace the development of the Barbadian economy over three centuries.

## CHAPTER III

### EXPANSION AND MATURITY OF

### THE PLANTATION ECONOMY IN BARBADOS 1647 - 1700

#### Introduction

The pattern of development of the plantation economy in Barbados is a familiar one in the Caribbean: rapid Expansion of the sugar economy up to the period of Maturity, followed by an extended period of Decline interrupted by many periods of fluctuations. In many ways, Barbados is the clearest case of the plantation model, but naturally it possesses some particular characteristics of its own. Once established, the surprising thing about the plantation economy is the rapidity with which the first two stages were passed.

Barbados was among the first of the hinterlands of exploitation within the system of the British Empire to be developed. The introduction and expansion of sugar production predated the formulation of the commercial policy outlined above under "General Institutional Characteristics". The planters in Barbados in the 1640's therefore enjoyed opportunities rigidly and steadfastly denied their counterparts elsewhere when they came to establish similar enterprises later.

"Barbados had a start of nearly twenty years in sugar production over the other English colonies, the significance of which cannot be measured only in time. They were years in which the policy of the old colonial system had not yet reached full flower, and in which the English Government was distracted from

colonial affairs by events at home and in Europe. At this crucial stage of her growth from 1640 to 1660, Barbados had enjoyed, not free trade, but something much closer to it than she was to see again for many years."<sup>1</sup>

What this meant for the planters in Barbados was the freedom to buy and sell in the best markets. The export market was the whole of Europe, the market for imports covered an even wider range. The medium through which the planters in Barbados were brought into contact with their markets was intercourse with the Dutch who provided long term credit, the cheapest imports, and marketing services for the sale of planters' output. Significantly, the sources of imports in these early days were varied - Holland, France, New England, Virginia and even Russia!<sup>2</sup> In addition to adequate supplies of inputs at reasonable prices, the Dutch also provided the planters with slaves. When we add to this that prices for sugar, still a luxury in Europe, were very high, we have a combination of forces conducive to rapid expansion of sugar output, and this is precisely what happened.

One further factor that encouraged rapid expansion of sugar cultivation in Barbados was that much of the land had already been cleared by 1640. This meant that the job of preparing the land for cultivation was less arduous, less time

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<sup>1</sup> K. G. Davies, The Royal African Company, Longmans, Green and Co., London, 1956, p. 301.

<sup>2</sup> Harlow, op. cit., pp. 39 - 40.

consuming and less costly. Planters who bought land already settled in effect got land that had been already, at least, partially "animated".

Being first, for Barbados, had its advantages. The rapid expansion that occurred between 1643 and 1660 is evidence of this.<sup>3</sup>

#### Organization of Resources, Production, Costs and Revenue

The organization of resources, production conditions and cost and revenue determination for Barbados were similar to those outlined in the first chapter.<sup>4</sup> The operation of a sugar plantation required a particular form of organization of resources, committed the planter to a given structure of costs, tied him firmly to the overseas market, and once thus committed, the planter found that his options for adjustments to changing market conditions were tightly circumscribed.

The basic determinant of the profitability of the enterprise lay in the relationship between the planter's cost and revenue position. Crucial to the operation of the whole system from its inception was the availability of credit. Though the following statement probably overstates the role of the creditor, it is illustrative of the position of the planter.

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<sup>3</sup> Harlow, op. cit., pp. 41 - 44.

<sup>4</sup> See pages 16 - 24 above.

"...Reliance on one crop meant that the whole of the grower's annual produce matured at about the same time. Between the last sugar crop in the early summer, and the first crop of the following spring, the plantation produced nothing and consumed much. Access to credit, therefore, was essential."<sup>5</sup>

The statement is an exaggeration in that it gives the impression that the plantation produced nothing but sugar. Of course, there was always some minimum amount of activity on the plantation leading to the production of goods and services consumed on the plantation. However, as we shall illustrate, the dynamics of the system was to reduce the production of these local goods to a minimum.

#### Organization of Resources

Resources on the plantation were mobilized and organized specifically for staple output. The resources were land and capital combined with the aid of senior staff and a few skilled workmen. Initially these latter were exclusively English immigrants, but as time progressed, slaves were taught the skills necessary for the running of a sugar plantation. Wage labour, and the claims of wages on plantation output had no place in plantation operation. The residentiary sector was the victim of the expansion of the plantation. Free tradesmen and small proprietors gradually were forced to emigrate from Barbados after 1643 when sugar took over.

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<sup>5</sup> K. G. Davies, op. cit., p. 317.



"The planters design to have all their tradesmen, sugar boilers &c. of their blacks, and put blacks with all their tradesmen."<sup>6</sup>

What we have, therefore, is that all resources in the economy became organized around plantation operations. The land was acquired, some of it in partnership with English merchants, some by settlers rich in their own right, but much of it with the aid of Dutch capital. Cleared and settled, it represented an initial investment of the planter. But land was not enough. The land had to be "animated" by capital consisting of slaves, stock, buildings and equipment. Sugar production if nothing else was capital intensive - up to emancipation. Slaves, stock, buildings and equipment were fixed capital. These capital outlays represented a significant sum of money and the maintenance of the capital assets saddled the planter with burdensome fixed annual charges. Of this capital, perhaps one third or more represented slaves, another third land improved and planted in canes with the product of slave labour.<sup>7</sup> Further, the size of the slave stock which provided the labour on the plantation was set by the peculiarities of sugar technology. The complement of labour required for crop time set the minimum requirements with respect to the labour force. The system of slavery, under which the plantation operated, required the planter to meet the costs of maintaining his labour force all year round. His outlay for labour

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<sup>6</sup> Calendar of State Papers 1661 - 1668, Entry No. 1657, p. 530.

<sup>7</sup> Pares, Merchants and Planters, p. 24.

could not be varied according to his need for labour. This explains why, after emancipation, when the planter was indeed able to make this adjustment while still monopolizing the land, former slaves and their children, now unemployed and separated from land, were forced to emigrate in large numbers.

At this stage, we emphasize that the particular form of resource allocation meant a large portion of costs became fixed.

#### Determination of Output and Revenue

The determinants of output in the short run given a certain supply of land of a certain level of productivity was the amount and quality of slave power that could be combined with this land. In the long run, output was determined by several factors: random elements of climate, weather, and the fertility of unimproved land, as well as the fertility of land already being used. This last factor was itself a function of the prior utilization of this land. Also determining the volume of output was the size of the slave stock and the productivity of slave power, which among other things, itself depended on the degree of utilization of slave power per slave and the slave ration. By and large, a strong, healthy well-fed slave performed better than his opposite. It has been remarked that one reason for the ultimate downfall of the planter class in the Caribbean was the fact that the slave, though technically a piece of capital equipment, refused to behave as such.<sup>8</sup> Unlike a machine whose life span could be

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<sup>8</sup> Douglas Hall, "Slaves and Slavery in the British West Indies", Social and Economic Studies, Vol. 11, 1962, p. 309.

predicted with a fair amount of accuracy, the slave might collapse and die of one of the many diseases and sicknesses that decimated the slave stock of so many plantations. Furthermore, though enslaved, the African or his descendant retained the human trait of giving out less effort under duress than might have been the case with a willing worker.

Two factors, therefore, stand out where output is concerned. Its size depended (among the controllables) on the size of the slave stock and the utilization of slave power embodied in the slave. Secondly, the quality of the land was important. While the quality of land could be improved, such improvement entailed a cost - either in terms of slave time or fertilization. But then a host of uncontrollable factors also played a significant part in determining output: climate, weather including hurricanes and drought, and plant disease could all spell the difference between success and failure, especially when the margin between the two became a thin one.

The risk element in plantation production was therefore very high. Although the rewards were sometimes great, there was always lurking in the background the possibility of disaster. The Barbados sugar planter, like his counterparts elsewhere, faced these conditions.

Output was the first factor in determining planters' revenue. The price he could get for his output was the other. Quite simply, the planter had no control over prices. Prices were dependent on supply and demand conditions in the metropolis,

and were subject to fluctuations of a significant order. Favourable revenue conditions existed when for the individual planter, output and/or prices were high, but bumper crops for all could depress prices.

### Costs

By way of summary at this point, let us simply recall the various costs faced by the Barbadian sugar planter.<sup>9</sup> These costs were:

- (1) Charges on account of goods produced and consumed on the plantation. The opportunity costs of producing such goods varied directly with staple export prices;
- (2) The costs of imported supplies on current and capital account. The prices of these goods were determined by external forces and the conditions of trade;
- (3) Costs of depreciation. The main determinant of these costs was the price of slaves.

The story of the plantation economy of Barbados can be told in terms of what happened to these costs and revenues over time and the manner in which the planters responded to changing external conditions.

### The Sugar Economy up to 1700: Expansion and Maturity

It is impossible to date precisely when the plantation economy in Barbados reached the stage of maturity. The 1640's represented the golden age of high prices and profits and rapid expansion. By the early 1660's however, complaints from

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<sup>9</sup> For a detailed summary of costs, see pages 19-24 above.

the planters indicate that conditions had changed significantly. Various Navigation Acts had rigidly institutionalized the relationships that determined for centuries, the political and commercial status of the hinterland within the system. It is our contention that by 1660, Barbados could be described as having reached the period of maturity. By 1700, the stage of maturity had conclusively been passed. We shall illustrate this by examining the trends in costs and revenue for this period, as well as the competitive position of Barbados vis-a-vis other sugar producers within the British system.

Between 1640 and 1700 there were significant increases in costs of production for the Barbadian planters. Already by the 1660's, it is evident that these increases had become burdensome. The rise in costs of production was due to several factors. Among the most important were:

- (1) institutional factors;
- (2) a rise in the prices of imported inputs including supplies and equipment;
- (3) diminishing returns to land as the land frontier was reached and soil exhaustion set in;
- (4) a rise in the price of slaves;
- (5) an increase in debt services.

On the revenue side, the high sugar prices of the 1640's or the "Golden Age" gave way to prices in the 1670's that were some 50 per cent lower. This combination of rising costs and declining revenue was the situation faced by the sugar planters two or three decades after cultivation of sugar had begun.

Institutional Factors: The Effects of the Navigation Laws

On the institutional side, the various Navigation Acts starting in 1651, had the effects of bringing to an end the era of "de facto" free trade for the Barbadian planter and instituting once and for all the commercial policy of mercantilism.<sup>10</sup>

The Act of 1651 was introduced by the Protectorate and became null and void on the restoration of the monarchy. However, the first act of the restored monarchy in 1660 systematically embodied all the legislation previously passed. Subsequent Acts of 1663, 1673, 1696 and 1733 were aimed at strengthening the legislation, clarifying various points and plugging the loopholes which existed in the earlier acts. The overall effect of these various acts was to create a closed system - in contrast to the earlier one of free trade.

Of the various laws regulating the activities of England's overseas colonies and setting the framework within which trade between colony and mother country could be carried

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<sup>10</sup> The information on the Navigation Acts is voluminous. Relevant sources for us here are: C. M. Andrews, The Colonial Period of American History, Vol. 4, England's Commercial and Colonial Policy, Yale University Press, New Haven, 1938, Chap. 2; J. E. Farnell, "The Navigation Act of 1651, the First Dutch War and the London Merchant Company", The Economic History Review, Vol. 18 (1957), pp. 62 - 83. Stuart Bruchey ed. The Colonial Merchant: Sources and Readings, Harcourt Brace and World, New York, 1966. L. F. Stock, Proceedings and Debates of the British Parliaments Respecting North America, 4 volumes, Carnegie Institution of Washington, Washington D.C., 1924. See especially Volumes I and II.

on, the most significant for Barbados were the following: First, a series of laws excluding "foreigners" trading with England's colonies, and reserving metropolitan English trade for English (or plantation-of-origin-of-goods) shipping.<sup>11</sup> For Barbados, the importance of these laws was the exclusion of the Dutch, and the consequent necessity to rely on English credit and services.

Secondly, no goods were allowed to be shipped to the colonies except in English vessels; even where such goods were not produced in England.<sup>12</sup> The effect of this was to force the Barbadian planters to buy in the London market. This, therefore, meant that middlemen's services were increased, since goods were first imported into Britain and then re-exported to the sugar colonies.<sup>13</sup> The law (backed up with military force) was enough again to exclude the Dutch who were able to provide supplies at the cheapest cost.<sup>14</sup> It concentrated trade in the hands of London merchants who increasingly exercised their legal monopoly to serve their own interests rather than those of the planters. Costs of supplies by the early 1660's had increased

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<sup>11</sup> Stock, op. cit., Vol. 1, pp. 225, 227.

<sup>12</sup> Ibid., pp. 277 - 278.

<sup>13</sup> Harlow op. cit., p. 262.

<sup>14</sup> Included also in the Act of 1660 was a directive to colonial governors to "proceed against aliens operating as merchants or factors in the plantations." Stock, op. cit., Vol. 1, p. 277.

significantly.

"Prices of servants, negroes, cattle, horses and dry goods being double what they were, must ruin the planters."<sup>15</sup>

Even allowing for some (natural) exaggeration on the part of planters seeking relief from the effects of the Navigation Acts, the point is still clearly made that as early as 1661, the Barbadian planter was facing a cost squeeze, and was not merely "crying wolf". Barbados, completely devoted to sugar, was particularly vulnerable to the effects of these laws.

The situation before long was to get much worse. Speaking of injurious effects of the Acts of Trade on the English plantations in general and on Barbados in particular, Harlow says of the latter economy in the 1680's:

"Economically, however, the case of Barbados was exceptional, an example of the old colonial system at its worse. For the inclusion of sugar on the list of enumerated commodities restricted the entire commerce of that Island to the home market with the subsequent disadvantages. Barbados received the maximum of injury and the minimum of compensation possible under the regulations of the Acts of Trade."<sup>16</sup>

One of the most important consequences of the Navigation Laws for Barbados was the fact that the planter was prevented from shipping sugar directly to the market of the final user. To satisfy the "Navigation Provision" and the "Muscovado Bias", Barbadian sugar had to be shipped first to London, where it

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<sup>15</sup> Calendar of State Papers, Colonial, America and the West Indies, 1661 - 1668, p. 30.

<sup>16</sup> Harlow, op. cit., p. 241.



incurred shipping, storage, and merchant service charges. It was then refined and reshipped to Europe. Marketing costs thus increased. In addition, final price to the consumer rose, making all English sugar more expensive which contributed to the early advance of maturity in Barbados.

Costs of Imported Supplies and Equipment

One of the effects of the Navigation Laws was that they changed the method of operation for the planter. Losing his independence to buy and sell where he pleased, the planter was thrown into almost total dependence on London merchants. Instead of transacting his business on the spot he was forced to turn to the services of a merchant factor usually resident in London.<sup>17</sup> The factor or merchant was an important link in plantation trade after the Dutch were excluded from Barbados. The factor was a source of loans to the planter. At a commission, he was responsible for marketing the planter's output in London. Again, on commission, he bought supplies in London and shipped them to the planter in the plantation economy. The ability of the factor to get the best prices for the staple and to obtain similarly good prices for the planter's supplies in effect determined the latter's terms of trade. Further, the factor was admirably well-placed to deduct his commissions and profits on loans. Thus he got his share first, no matter who else did, and this included

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<sup>17</sup> Calendar of State Papers 1661 - 1668, Entry No. 129, p. 45

the planter.<sup>18</sup> If boom conditions prevailed, everyone was happy. In times of slump, however, it was the planter who felt the effect of declining revenue. The factor got his share no matter what. The shift in the mode of operation, which saw one more middleman added to the list of those with claims on the planter's income, not only increased the latter's costs, but increased his dependence on external sources.

Already in 1661, complaints were being made about the rise in prices of inputs. A previous quote claimed that prices of cattle, horses and dry goods were at that time twice what they were.<sup>19</sup> This was a long term trend which apparently continued throughout the seventeenth century and on into the eighteenth. In 1746 the Manager of the Codrington Plantations in Barbados, writing to the owners in London - The Society for the Propagation of the Gospel said:

"Provisions of all kinds ... are at a most extravagant price near double as usual ... and I am of opinion they will continue so unless we are so lucky as to have Commodore Legge more inclined to serve the Islands than his predecessor ... Corn being now at 10... (shillings) p(er) bushell and not a h(ogs) h(ea) of fish to be had, all other provisions and lumber at a most extravagant price."<sup>20</sup>

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<sup>18</sup> See pp.18-19 above.

<sup>19</sup> Page 65 above.

<sup>20</sup> J. Harry Bennett Jnr., Bondsmen and Bishops: Slavery and Apprenticeship on the Codrington Plantations of Barbados 1710 - 1838. University of California Publications in History, Vol. 62, University of California Press, Berkeley and Los Angeles, 1958, p. 38.

In many ways, Codrington's plantations represented a microcosm of the Barbadian economy, although better run than the average, and not dependent on credit from London merchants, since the Society's general funds in London were made available. In this respect, the Society represented an absentee owner who financed the plantations' operation without borrowing.

Besides the long term trends, and in part contributing to these trends in costs, the risks involved in the trade contributed to sometimes violent fluctuation in costs.

War not only interrupted trade, but as a consequence, reduced supplies and pushed up their prices.<sup>21</sup> As Pares points out, statistics which would give us a continuous picture of the effects of war on the prices of necessities are not available in a continuous form. However, the fact that violent fluctuations occurred is undisputed. These fluctuations were caused by several war-related and -induced factors. Less shipping reached Barbados during war years. This can be explained by losses at sea and ships commissioned by the government for military purposes.<sup>22</sup> Losses of North American shipping also

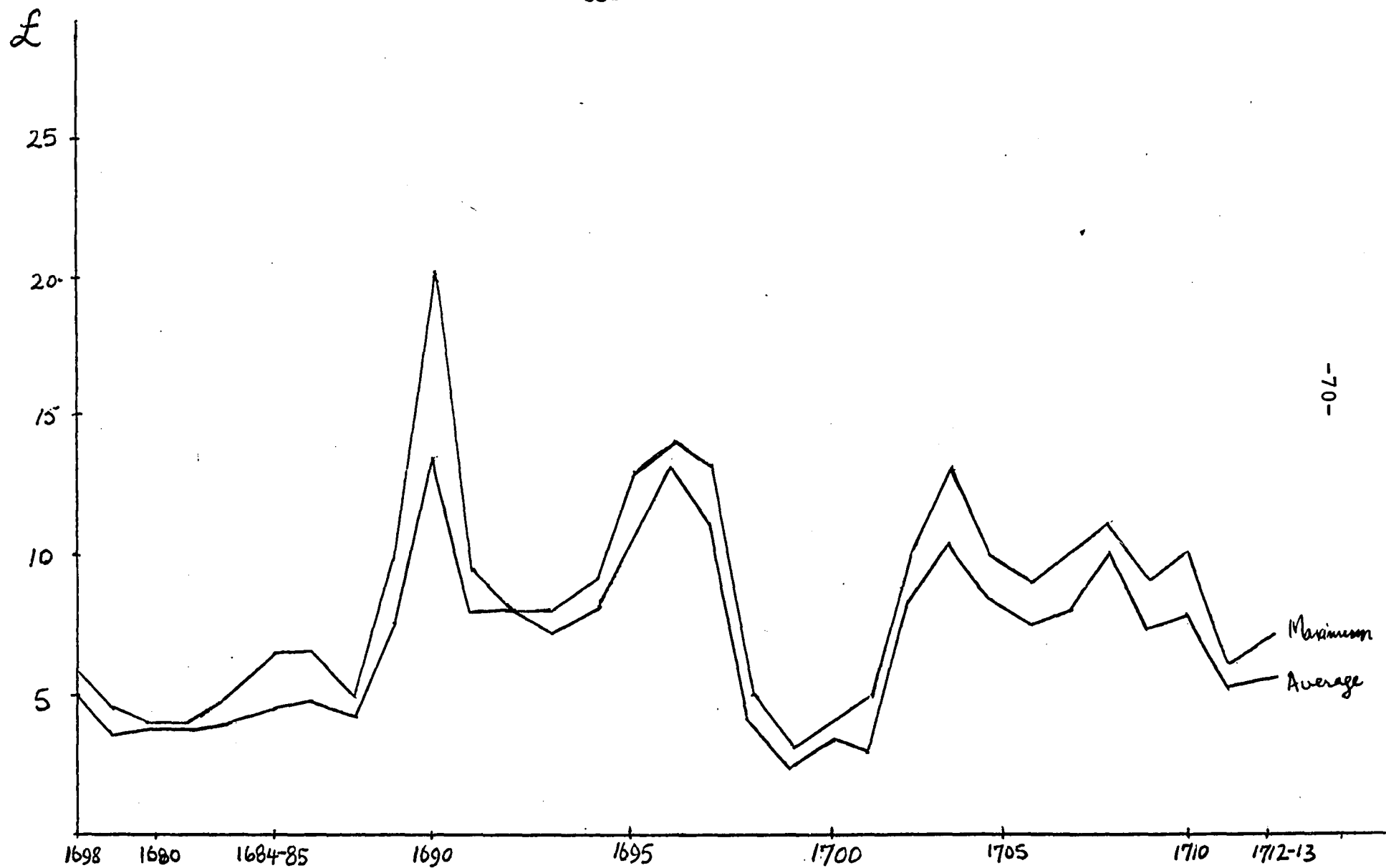
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<sup>21</sup> On the effects of war on the prices of goods bought by Barbadian planters, see R. Pares, War and Trade in the West Indies, Frank Cass and Co. Ltd., London 1963. See especially Chapter 10, pp. 469 - 516.

<sup>22</sup> Ibid., p. 471.

Freight Charges: Barbados to London 1678 - 1713

(£ per ton of Sugar)



occurred.<sup>23</sup>

With added risks, the costs of transportation and insurance increased tremendously, the range being as much as 20 guineas per hundredweight of cargo or 800 per cent, where the normal rate was 2½ guineas.<sup>24</sup> The risks of capture or destruction forced captains of vessels laden with plantation supplies already sold to planters through London factors, to postpone sailing; waiting rather for a convey as escort for the voyage.<sup>25</sup> War taxes meanwhile pushed up the costs of local government. Similarly financial conditions in London, where war finance pushed up the cost of borrowing, put a squeeze on the London factors of West Indian planters, increasing the cost of credit to the latter.<sup>26</sup>

All of these and other conditions of war pushed up the cost of necessities. The least unreliable of the figures given indicate that these costs on the average increased by 35 per cent during the wars of the 1760's, while another important cost, that of slaves, went up 50 per cent.<sup>27</sup>

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<sup>23</sup> Ibid., p. 472.

<sup>24</sup> Ibid., p. 495.

<sup>25</sup> Ibid., p. 503.

<sup>26</sup> Ibid., p. 513.

<sup>27</sup> Ibid., p. 459.

Probably the most significant factor of costs during war-time was the built-in tendency for wide fluctuations. A marginal planter could be forced out of business by a few years of rapidly increasing costs. War was no stranger in the Caribbean at the time. During the seventeenth and eighteenth centuries, the sugar islands of the Caribbean were the pawns and prizes to be won in the game of empire-building played in desperate earnest by European powers. Again and again, the risks and uncertainties of war created the unstable conditions to which many a planter fell prey.

Land Exhaustion - Diminishing Returns

In 1661, the President of the Council in Barbados, writing to the Commissioners for Foreign Plantations in London, sought relief from the Navigation Acts, because, as he said:

"The land is much poorer and makes much less sugar than heretofore, and much worse."<sup>28</sup>

A few years later, Governor Willoaghby wrote to the authorities in London that the land "... renders not by two thirds its former production by acre. The land is almost worn out ... inhabitants are ready to desert their plantations."<sup>29</sup>

Two decades after the inception of sugar production in Barbados, signs of maturity were already appearing. The decline in soil fertility was already a serious problem. This decline

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<sup>28</sup> Calendar of State Papers, Colonial: America and the West Indies (1661 - 1668). Entry No. 129, p. 45.

<sup>29</sup> Ibid., Entry No. 1788, p. 586.

in fertility continued, and perhaps even accelerated. As Pitman relates:

"In 1717 the agents for Barbados declared that thirty acres, which in the French Islands could be worked with thirty or forty negroes and a few horses and cattle, in Barbados required one hundred and fifty negroes, fifty to sixty head of cattle and a dozen horses. Governor Worsley stated in 1723 that one negro in Martinique cultivated the same amount of ground as well as two in Barbados."<sup>30</sup>

The reasons for this decreasing fertility of soil are to be found in the factor endowment of Barbados, the rapid expansion of sugar production, and the mode of utilization of the scarce factor, land.

All arable acreage in Barbados had been absorbed by 1647. This land was used almost exclusively for sugar production. Further expansion of sugar production occurred only where the Barbadian planter used his land more intensively. This resulted in the loss of soil fertility. The increase in the use of artificial fertilization and the increase in the number of slaves after the 1660's in an effort to maintain output are signs of the declining fertility of the soil. Once again, Pitman explains this process:

"Of the older British Islands, Barbados was the most heavily capitalized. Having been cultivated intensively since about 1640, its soil required constant fertilization long before the end of the

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<sup>30</sup> F. W. Pitman, "The Settlement and Financing of British West India Plantations in the Eighteenth Century", Essays in Colonial History, Books for Libraries Press, New York, 1966, pp. 259 - 260.

Seventeenth Century."<sup>31</sup>

The provision of fertilizers to stave off diminishing returns to land increased the expenses of the Barbadian planters. At the same time, it committed a further part of their foreign earnings, since artificial fertilizers had to be imported.

Not only did the land require this booster, but in the first decade of the Eighteenth Century, with stiff competition both from plantations within the British system and foreign plantations, and with falling staple prices and rising prices for slaves, the Barbadian planters were forced to increase the size of their slave stock to maintain output from land whose productivity was declining. This not only increased the cost of producing sugar for Barbadian planters, it did so at a time when other British colonies, especially Jamaica, still had fresh land available.<sup>32</sup> The much higher fertility of these lands allowed sugar to be produced thereon much more cheaply than in Barbados. There is undisputed evidence that by the first quarter of the Eighteenth Century, Barbados had already passed the stage of maturity and was on the decline.<sup>33</sup>

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<sup>31</sup> Ibid., p. 259. Also see Pitman, The Development of the British West Indies 1700 - 1760, p. 98.

<sup>32</sup> Pitman, The Development of the British West Indies, p. 98.

<sup>33</sup> Maturity for the individual country occurs when, "on account of decreasing returns, unit costs of its most efficient producers are rising faster than in other hinterlands in the same Overseas Economy." Best and Levitt, op. cit. No. 2, pp. 117 - 118.



Adjustment was undertaken by those with enough available credit. Many planters were not so fortunate. Some - especially small producers - did leave Barbados for virgin lands elsewhere within or outside the system.<sup>34</sup> This movement continued throughout the latter part of the Seventeenth Century and on into the Eighteenth. This was the type of adjustment later resorted to by freed slaves and their descendants, and set a pattern still being followed in the Twentieth Century. For those who remained, the total concentration on sugar continued.

"The artificial fertilization to which planters were driven, required, as compared with fresh land, a very much larger amount of labour per acre. To keep up production, overseers more and more turned provision lands into cane fields, and for their food supplies depended on outside sources."<sup>35</sup>

The cost squeeze forced the "ackee" content down to its minimum while the "salt-fish" content in plantation consumption increased. The planters in fact were caught in the vicious circle of plantation debt which forced them to take any steps necessary to maintain staple production (or even increase it as prices fell) so as to earn enough foreign exchange to discharge their debt commitments. The steps which they took, however, only increased their dependence on the London merchants - more slaves, provisions etc. becoming necessary - and increased the debt still further. As this circle of debt grew forever wider, its inner strands fastened more tightly around the necks

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<sup>34</sup> Pitman, The Development of the British West Indies, p. 98.

<sup>35</sup> Ibid., p. 99.

of the planters. A few good years could loosen these strands a bit, but the circle did not get smaller! One or two bad years and the noose tightened again!

Thus we have another factor contributing to the long-run tendency for costs to increase - soil exhaustion.

### Slave Costs

Maintaining the slave stock was an absolute prerequisite for continued plantation operation. Perhaps more than any one factor, the inability of planters to maintain their slave stock led to the ruin of hundreds.<sup>36</sup>

The burden of rising slave costs increased as time went on for several reasons. First, the average cost of an able-bodied slave increased. Secondly, diminishing soil fertility after the 1660's forced the planters to increase the size of their slave stocks at a time when prices were rising. Thirdly, bad times and war put a squeeze on slave rations, forced planters to work the slaves harder and this combination increased the mortality rate. In effect, the rate of depreciation was speeded up - either increasing the cost of replacement or forcing the planter out of business if he consumed capital by not replacing worn out slaves. If he decided to maintain his slave stock, he purchased in a market where prices were increasing. Further, because the slave stock itself now had to be

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<sup>36</sup> Even plantations with the financial backing of the owners such as the Codrington plantations, experienced severe difficulties throughout the Eighteenth Century.

larger, the absolute amount of depreciation increased. Incidentally, this also meant an increase in the absolute amount spent on slave rations, clothing etc. This combination of factors led to increasing costs all around.

The planters initially had no problem in obtaining adequate supplies of slaves at reasonable prices. The ease with which they did so, and the importance of this for the expansion period of the Barbados economy can be attributed to the fact that up to 1660 or so, the slave trade was highly competitive. Sir Thomas Modyford, well-experienced in West Indian affairs of the Seventeenth Century said of Barbados:

"(It) had never risen to its late perfection, had it not been lawful for Dutch, Hamburgers, our whole nation, and any other, to bring and sell them blacks or any other servants."<sup>37</sup>

The demand for slaves in the area was less than it afterwards became. While in 1660, Barbados was close to being fully developed, the possibilities for the development of Jamaica as a sugar producing area were not yet seen. Sugar production in Jamaica did not really get off the ground in earnest until 1664,<sup>38</sup>

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<sup>37</sup> Quoted in K. G. Davies, The Royal African Company, p. 301. Also, see the petition to parliament of certain gentlemen with interests in Barbados, reprinted in Stock, op. cit., p. 342.

<sup>38</sup> Davies, op. cit., p. 301. Even as late as 1733, the date of the famous Molasses Act, which found Barbadian planters among those most strenuously seeking protection as their only hope, Jamaica, because it still had much free land of greater fertility, only supported the Barbadian petition in a lukewarm manner. Pitman, The Development of the British West Indies, pp. 264 - 266.

at which point Barbados was considered fully developed with an adequate stock of slaves.

These conditions made for reasonable slave prices at a time when sugar prices allowed the planters to pay even more. As in so many other cases, the Navigation Laws brought an end to these favourable conditions. We cannot say for sure by how much slave prices increased between 1640 and 1660. There are indications, however, that the planters from the 1660's found the increase in prices burdensome. Most of the blame was attributed to the fact that the slave trade in the British Caribbean was now monopolized first by the Company of Royal Adventurers and then by its successor. The Royal African Company.

Among the first complaints about the rise in the price of slaves and the purported reasons for this increase witness the petition brought to parliament by certain gentlemen having interests in Barbados. The petition is comparing the conditions in the slave market before and after 1660.

"...Formerly there hath alwaies been a freedom of trade for all his Majesties subjects...by reason whereof the said plantations have been plentifully supplied with negroes of the best sort and at an indifferent rate, to the great increase of the said plantations...

"That there is of late a new erected Company of Adventurers Trading into Africa, who...have totally obstructed the former free trade of all adventurers thither; and having contracted with forreiners for the supply of the Spanish plantations with negroes, do leave the English plantations in America, which produce the same commodities with the Spanish, either ill-equipped, and at excessive prices, or not at all supplied."<sup>39</sup>

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<sup>39</sup> Reprinted in Stock, op. cit., Vol. I, p. 342.

These are the words of persons with an axe to grind and therefore we can assume, as in the case of many similarly motivated petitions, that they overstate the case, as the Company claimed in its reply.<sup>40</sup> We must therefore be careful in interpreting them. The passage quoted is useful in that it throws light upon the situation as it unfolded. The developments that were occurring substantiated the claims that prices were increasing. For instance, the growth of foreign plantations in the area increased the demand for slaves and hence slave prices. In the mid 1660's, slaves were being sold to the Spaniards at Barbados at a price of 22 pounds sterling per head.<sup>41</sup>

Similarly Jamaica was being expanded and became a strong competitor with Barbados for the slaves that were supplied annually.

Further, competition among the slavers themselves as time went on pushed up the purchase price of the slaves in Africa.<sup>42</sup>

Particularly after 1690, slave prices took a decided turn upwards, a turn which was never reversed. The following table covers the years 1673 - 1711 and shows the prices (in colonial currency) charged by the Royal African Company.

From these figures, we can see that the trend upwards which started around 1690 carried on well into the Eighteenth

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<sup>40</sup> Ibid., p. 348.

<sup>41</sup> Calendar of State Papers, 1661 - 1668, Entry No. 417, p. 124.

<sup>42</sup> Davies, op. cit., p. 293.

TABLE 2

Slave Prices in Barbados 1673 - 1711

<u>YEAR</u>	<u>PRICE</u>	<u>YEAR</u>	<u>PRICE</u>
	£ s.		£ s.
1673	18.00	1693	20.00
1674	17.00	1694	21.05
1675	15.10	1695	-
1676	15.05	1696	27.10
1677	14.00	1697	21.00
1678	14.15	1698	16.10
1679	13.10	1699	19.10
1680	14.00	1700	21.15
1681	13.05	1701	-
1682	14.15	1702	20.00
1683	12.10	1703	-
1684	13.05	1704	27.15
1685	-	1705	35.15
1686	14.05	1706	28.10
1687	13.10	1707	25.15
1688	14.05	1708	26.10
1690	16.00	1709	24.10
1691	17.15	1710	26.15
1692	18.00	1711	24.05

Source: K. G. Davies, The Royal African Company, p. 364.

Century. It is not unreasonable to assume that £15 per head or slightly less was the average price during the mid 1670's and the 1680's. Figures for individual sales during this period substantiate the figures we have here.<sup>43</sup> Governor Atkins reporting in the year running from December 1, 1678 to December 1, 1679, quotes figures which give us average prices of between £14 and £15.<sup>44</sup> However, the slaves sold included able-bodied men who brought best prices, women and children and sick slaves fetching prices that declined in that order. The complaints made by the planters of having to pay £20 to £22 per (able-bodied) slave were not unrealistic, therefore.

Beginning about 1690, prices started climbing until at the end of the first decade of the Eighteenth Century, prices on the average were anywhere from two-thirds to one hundred per cent higher than those ruling in the 1680's. When we recall how important the slave stock was in the total capitalization of the plantation, the sugar planter must have been faced with a cost squeeze of giant proportions.

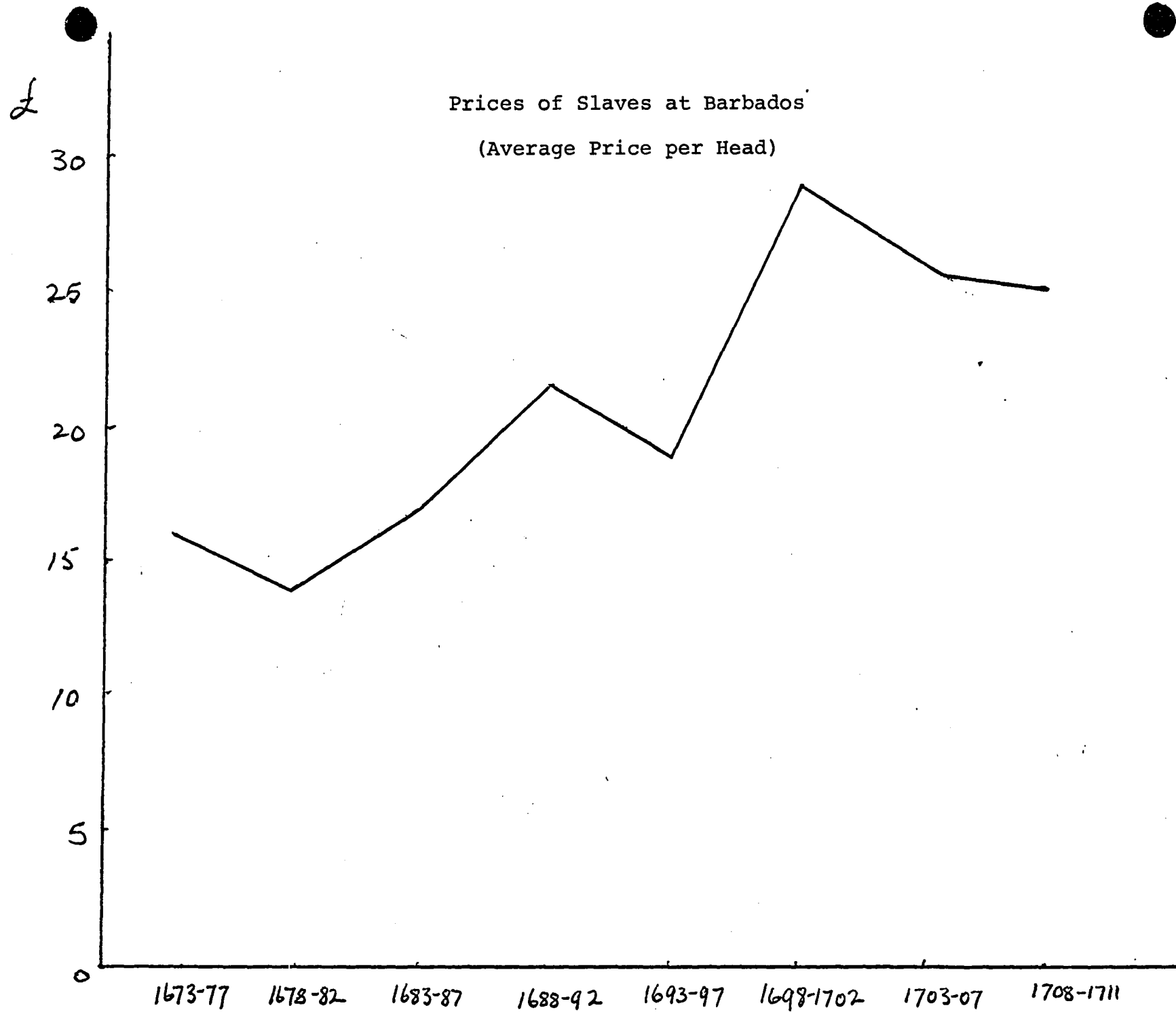
What is also important is that prices did not fall back down after this time. The later figures indicate, on the other hand, that they continued to rise.<sup>45</sup> The trend continued upwards.

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<sup>43</sup> E. Donnan, Documents Illustrative of the History of the Slave Trade to America, Vol. 1, (1441 - 1700), Octagon Books Inc., New York, 1965, p. 305.

<sup>44</sup> Ibid., p. 216.

<sup>45</sup> See page 96 below.





But this was not the end of troubles for the planter. Diminished fertility of soil forced him to increase the size of his slave stock.<sup>46</sup> This he had to do at a time when prices of slaves were rising. To do this, the planter had to incur an ever-increasing amount of debt. Further, with a larger slave stock, depreciation charges became greater absolutely, both because he had to replace more slaves annually and because their purchase price was greater than before. Again, this meant an ever-increasing debt burden. Again the vicious circle becomes apparent. The planter needed more slaves so that he could pay off his debt - but getting additional slaves perpetuated this debt and even augmented it.

In summary, the planter's costs increased because of an increase in the price of slaves and an increase in the number he had to purchase. This charge could be put off in the short-run, but placed the planter at a disadvantage in the long run. Short of going out of business, there was no avoiding depreciation expenditure in the long run. To face these conditions successfully, the planter was forced into further debt to slave traders and London merchants.

#### Encumbrances and Other Fixed Charges

That many of the plantations in Barbados were owned wholly or in part by absentee owners residing in London, accounts for the numerous petitions brought before the House of Commons on behalf of the planters. The importance of this for Barbados was

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<sup>46</sup> See p. 72 above.

that such absentee owners maintained themselves on their plantation earnings. Maintaining themselves and relatives at a fixed standard of living represented fixed cost on the plantation. The "encumbrance" therefore became a burden when plantation earnings slumped.

The point is that the plantation owner, (especially after the small planter had been forced out) whether he lived in Barbados or in England, spent his money in the same way. His consumption pattern was continental whether he lived in the tropics or in England. The plantation output mix necessitated the import of the greater part of plantation consumption.

"Absentee owners did indeed draw and spend their revenues abroad; but so too did the resident proprietors. The financial and marketing organization of sugar production was such that planters' accounts and balances were kept in Britain. Earnings were spent in Britain because the earners were either resident in Britain, or resident in tropical agricultural islands devoted to the production of export staples, and dependent on the import of British goods of all kinds to support life and labour on the tropical plantations."<sup>47</sup>

This fixed cost, therefore, became more burdensome as prices declined.

#### Debt Servicing

As the Navigation Laws were tightened, the planters in Barbados, as elsewhere, were thrown into the clutches of London

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<sup>47</sup> Douglas Hall, "Absentee-Proprietorship in the British West Indies to about 1850", The Jamaican Historical Review, Vol. IV (1964), p. 330.

merchants. We have already noted that on-the-spot sales and purchases prevalent before 1660 gave way to the use of the factor. The weaker the financial and liquidity position of the planter became, the greater the influence of the factor in plantation affairs. The result of increasing costs all around was that the planters were thrown more and more debt to their London factors and slave dealers.

Once more in Barbados, this situation occurred rather quickly. Already in the 1660's, the planters in Barbados were complaining that the Navigation laws forced them into debt to the London factors and both the law and the growing indebtedness to London merchants robbed them of their accustomed (in 1660) independence. The President of the Council, on behalf of the Barbadian planters, appealed to Parliament in 1661:

"The land is much poorer and makes much less sugar than heretofore, and much worse;... All people are so generally indebted to the merchants that they have but a small portion of their estates. Sugar is at so low a rate that the merchants send no goods to Barbadoes, but only empty ships to take away the sugar, ...for the merchants having them in their power can give what they please, and sell it for what they list, for they have the market to themselves, and make us simple planters only the property of their gain."<sup>48</sup>

The London merchants were not the only ones to whom the planters became indebted as the Navigation Laws took effect and as costs started to rise.

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<sup>48</sup> Calendar of State Papers (1661 - 1668), Entry No. 129, p. 45.

The Company of Royal Adventurers, slave dealers, complained that planters and merchants of Barbados in 1667 were in debt £60,000, two thirds of the debt then outstanding in the West Indies.<sup>49</sup>

The successor of the Company of Royal Adventurers, the Royal African Company, did not fare any better. The inability of the Barbadian planters to meet debts contracted to purchase slaves, the difficulties placed in the way of the company when it sought to collect these debts, the attempts by planters to defraud creditors (including the short-lived use of paper currency whose value declined as the quantity issued increased), the absconding of indebted planters from the island, all of these measures not only explain the eventual downfall of the company, but more important for us, help to explain the extent to which planters in Barbados had become indebted by the early 1700's.<sup>50</sup>

On the cost side, in summary, therefore, the situation as the Seventeenth Century came to a close and the Eighteenth Century began was a decidedly upward trend.

- (1) The costs of imported inputs of all kinds were rising.

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<sup>49</sup> Stock, op. cit., Vol. 1, p. 347.

<sup>50</sup> For a detailed account of the effects of this increasing indebtedness of the planters, see Pitman, The Development of the British West Indies, Chapter VI.

- (2) Diminishing returns to land increased per unit input and costs.
- (3) Slave prices continued to rise significantly.
- (4) Incidental costs of marketing such as transportation increased.
- (5) As a result of all these, debt charges mounted.

Had revenue (prices of staple) been increasing commensurately, the planter would have had no difficulty in meeting these increased costs. However, with expansion in the English plantation economies, prices fell. The fears expressed by the planters in 1661 came to pass.

#### Revenues

On the revenue side, the planters enjoyed a golden age during the 1640's and 1650's. One source relates that the wealth of Barbados increased seventeenfold between 1640 and 1666.<sup>51</sup> This remarkable increase in wealth was the result of the very rapid expansion of sugar. The inducement to expand came in the form of high sugar prices.

Sugar prices at the time sugar was introduced in Barbados were world prices. Sugar was still somewhat of a luxury in Europe. The number of producers was still relatively small. Conditions of excess demand in the 1640's and 1650's resulted in attractively high prices.

The following table, though discontinuous for an important

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<sup>51</sup> Harlow op. cit., p. 41.

period, gives sugar prices in Amsterdam for the very early years and for a later period.<sup>52</sup>

TABLE 3

Raw Sugar Prices in Amsterdam - 1623 - 1700  
(in shillings per hundredweight)

<u>YEAR</u>	<u>PRICE</u>	<u>YEAR</u>	<u>PRICE</u>
1623	56	1684	25
1633	45	1689	20
1640	65	1686	18
1641	56	1687	17
1642	56	1688	19
1643	56	1689	27
1644	56	1691	33
....	..	1692	32
1677	27	1693	32
1678	26	1694	40
1679	26	1695	36
1680	26	1696	46
1681	20	1697	28
1682	19	1698	33
1683	19	1699	36

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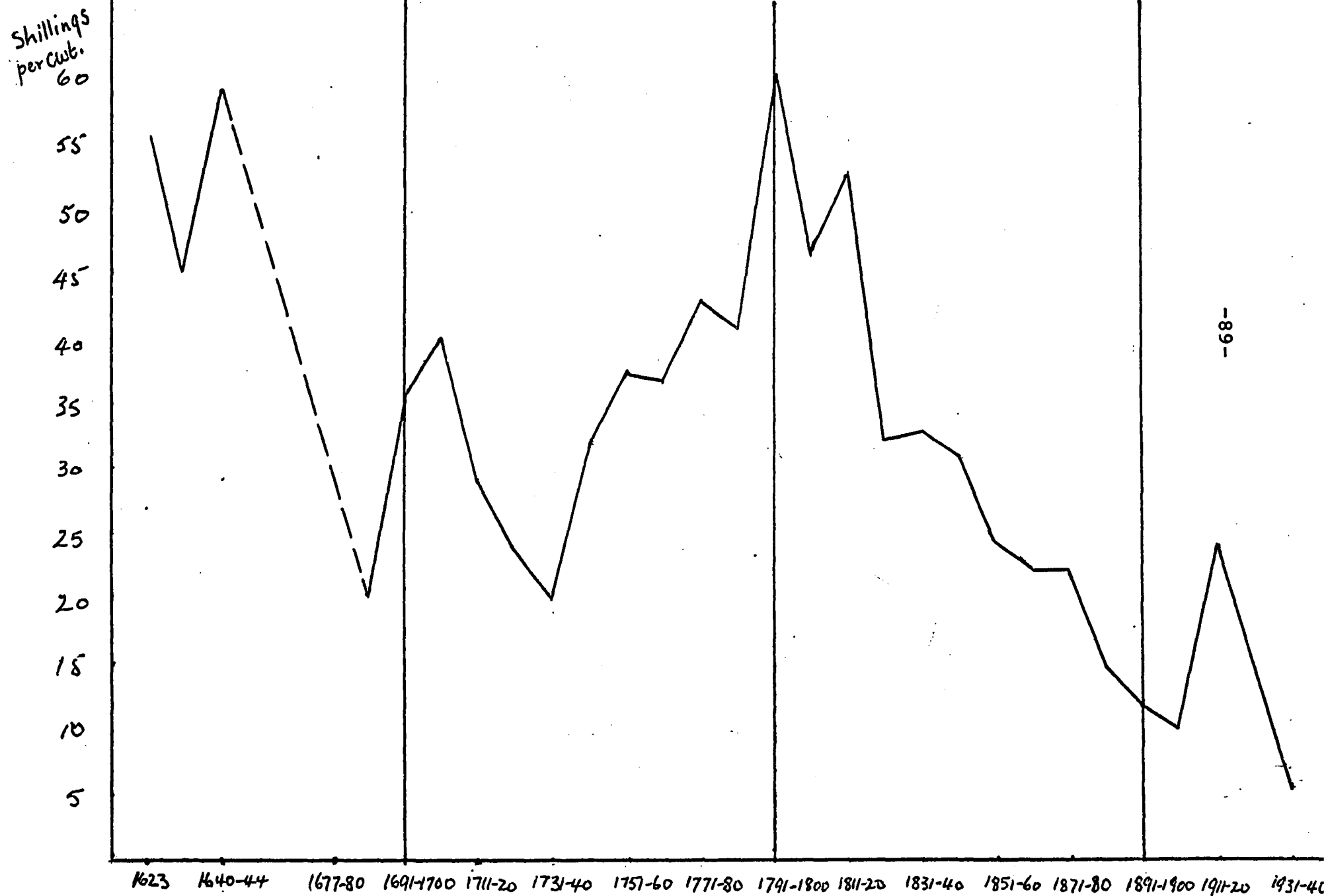
Source: N. Deerr, History of Sugar, p. 530.

The table indicates that prices in the 1670's had fallen 50 per cent below the levels of the 1640's. In fact, the rest of the table, not presented here, indicates that such high prices

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<sup>52</sup> These are Deerr's figures. N. Deerr, History of Sugar, p. 530. The figures giving London prices do not begin until much later in 1728. Where the Amsterdam figures overlap with the London figures, the trends, though not the levels, are similar. Further, in the very early years, Amsterdam prices are more meaningful for Barbados, since, as we have seen, the Dutch merchants handled Barbados sugar at this time and certainly until 1649.

Sugar Prices - Amsterdam and London 1623 - 1931 - 1939  
(To Nearest Shilling per Hundredweight)



as existed in the 1640's were not reached again for the next one hundred years, and then these prices could be attributed to conditions of war and were only temporary.

It is precisely these relatively few years of good prices that led to such rapid expansion. The only problem was that this expansion was not limited to Barbados, but took place throughout the Caribbean. The eventual result was the glutting of the market through expansion in output in other areas competing with Barbados for the English market.

Declining prices for the staple export coincided with increasing costs of production to worsen the terms of trade for Barbados.

The trend up to 1700 was, therefore, one of declining prices for the staple and declining revenue; diminishing productivity of land; increasing costs of imported inputs. The terms of trade consequently progressively declined. The ability of the Barbadian planter to meet his debt commitments weakened. His liquidity position declined. He was forced to rely more and more on credit. Meanwhile, looking over his shoulder, he saw new areas being developed with land more productive than his. His competitors producing under conditions of lower costs were able to out-compete him and force the prices of the staple still lower. The final outcome was inevitable and as the first third of the Eighteenth Century was to illustrate for many of the highest cost producers, liquidation was the only answer.



## CHAPTER IV

### "GALL AND WORMWOOD"

#### DECLINE OF THE PLANTATION ECONOMY 1700 - 1838

The period from about 1700 to emancipation in 1838 when all slaves were freed, represents a long period of decline. Within this period there were significant fluctuations in fortunes with occasional periods where profits could be earned by those who managed to survive the long periods of losses. While revenue fluctuated, costs continued upwards. Under these conditions marginal planters and those unable to obtain credit were gradually squeezed out.

#### Revenue During the Period of Decline

Revenue fluctuated because prices fluctuated, but underlying the fluctuation was a long term trend of declining productivity of land. Only when prices were high was it profitable to operate the Barbados plantations after 1700. Fortunately for the planters that managed to survive, the Eighteenth Century contained many periods of high prices, a factor which postponed the inevitable collapse. The factors making for the reversal of the rapid price decline after the 1730's were varied. First, wars interrupted production, trade and the supply of sugar that reached the British market. These temporary and sometimes extended shortages raised prices. Secondly, and towards the end of the Eighteenth Century, revolution in St. Domingo cut off

a substantial source of supply in the European market forcing consumers there to purchase British re-exports. This increased demand for sugar in the British market also led to increased prices. Thirdly, the West Indian planters, using their substantial influence in the British Parliament, resorted to a policy of protection. This, however, could last only as long as England's commercial policy of mercantilism favoured it. The result of this preferential policy kept duties on foreign sugar much higher than those on colonial sugar in the British market.

Revenue in the 1730's and 1740's reached some of the lowest levels of the Century. The conditions of weather, pests and soil exhaustion reduced output to some of the lowest levels ever experienced. The figures for the Codrington plantation are representative of the whole Island.<sup>1</sup>

TABLE 4

Output Figures of Codrington's Plantations (1712 - 1749)

Ten Year Averages.

<u>YEAR</u>	<u>OUTPUT</u> (Yearly Average in Hogsheads)
1712 - 1719	130.4
1720 - 1729	112.0
1730 - 1739	86.2
1740 - 1749	62.6

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Source: Klingberg, Codrington Chronicle, p. 76.

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<sup>1</sup> Pitman, The Development of the British West Indies, Chart 1, p. 98.

These are ten year averages. Output varied significantly by as much as one hundred per cent or more from year to year: from 220 hogsheads in 1713 to 60 hogsheads in 1714. From 50 hogsheads in 1722 to 179 in 1723 to 101 in 1726. A low of 35 hogsheads in 1746 was reached during this period. Naturally, revenue fluctuated in response to these changes in output:<sup>2</sup> from £3,128 in 1713 to £1,058 in 1714. Meanwhile of course, there is no reason to believe that expenses, excluding the replacement of slaves, fell below £2,000. The year 1715 saw expenses of £2,954 on the Codrington plantations.<sup>2a</sup> Out of these expenses, there are very few items the purchase of which can be viewed as non-recurring. Costs must therefore have remained fairly steady over this period while revenue fluctuated.

After 1750, the figures give us only the aggregate picture of revenue, and this continued to fluctuate. The table and graph below present this information.

What we see is a change in the ten year average by as much as one hundred per cent in some cases. For example, between 1740 - 1749 and 1760 - 1769, the average fluctuated from £1,201 to £2,655 and between 1760 - 1769 and 1780 - 1789, it fell from the £2,655 just mentioned to £1,112. Noting that the period 1770 - 1810 represented years when prices were the highest ever, while at the same time the period 1770 - 1790 was not a remarkably profitable one, output as well as marketing arrangements must

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<sup>2</sup> Klingberg, op. cit., p. 76.

<sup>2a</sup> Bennett, op. cit., p. 4.

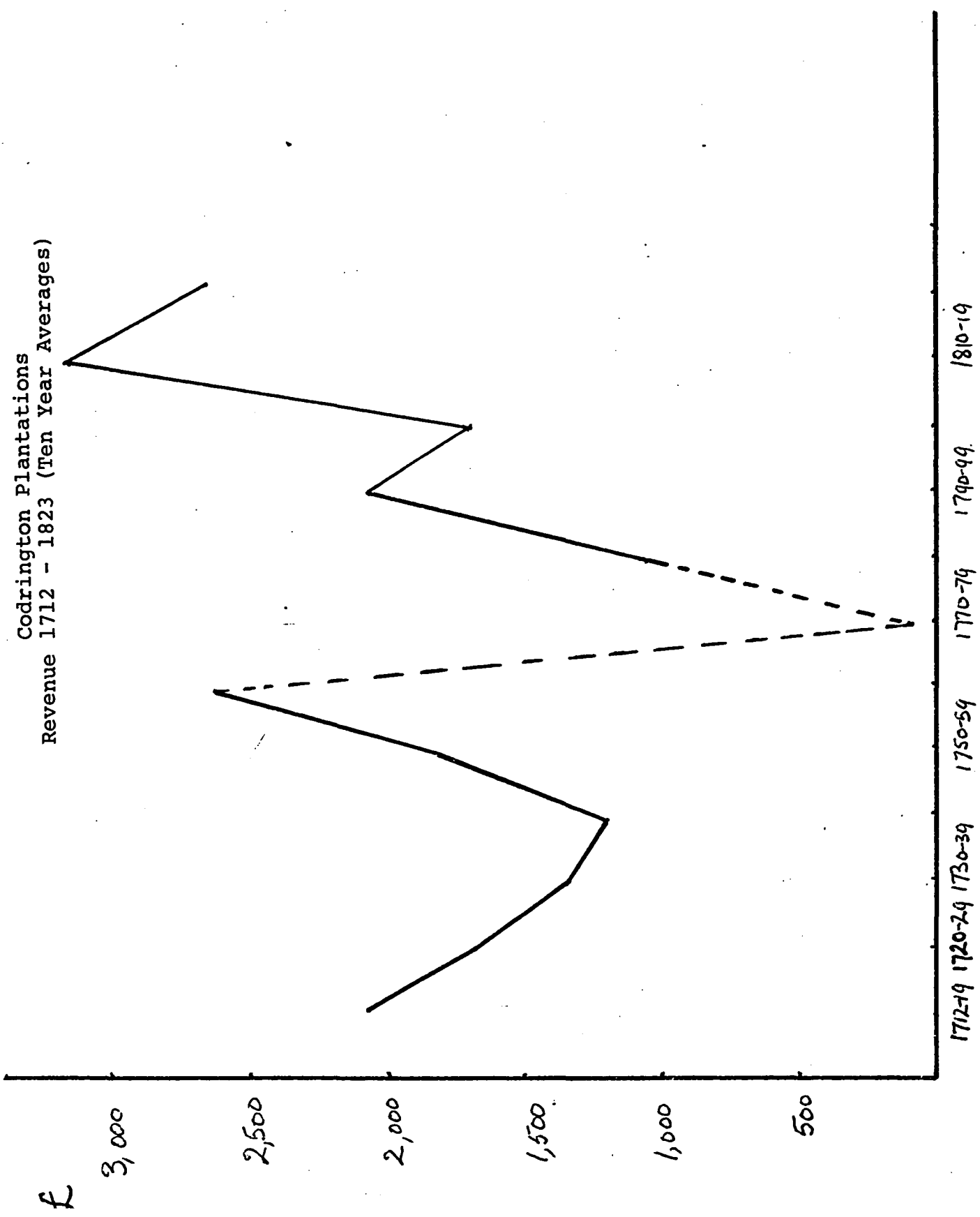
TABLE 5  
Revenue and Some Output Figures of the  
Codrington Plantations 1712-1823.  
(Ten-Year Averages)

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<u>Years</u>	<u>Revenue</u> (to nearest £)	<u>Output</u> (in hogsheads)
1712-1719	2,108	130
1720-1729	1,688	112
1730-1739	1,353	86
1740-1749	1,201	63
1750-1759	1,830	-
1760-1769	2,655	-
1770-1779	158	-
1780-1789	1,112	-
1790-1799	2,087	-
1800-1809	1,711	-
1810-1819	3,184	-
1820-1823	2,742	-

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Source: Klingberg, Codrington Chronicle, pp. 74-82.



have suffered. Towards the end of the Eighteenth Century adjustments had been made, output and revenue increased. The Codrington plantations entered the Nineteenth Century with substantially high revenues. While these very favourable conditions existed until the 1820's, prices after this date fell with a vengeance.<sup>3</sup> The downturn in prices after 1820 did not reverse itself until the end of the Nineteenth Century, and then only temporarily. In fact in the last decade of the Nineteenth Century, prices were at the lowest level ever, just ten shillings, on the average, per hundredweight.

While some temporary relief was to be had from increasing prices therefore, not every planter was in a position to benefit. Many of the conditions that made for increasing prices also contributed to increasing costs, and although costs fluctuated, they certainly maintained an upward trend while revenue tended, after a while, to diminish.

#### Costs During the Period of Decline

The conditions contributing to an upward secular trend in costs in the period of maturity continued during the long period of decline.

Slave costs continued to increase. The costs of imported inputs continued their upward trend. Costs of transportation and insurance mounted. Depreciation charges mounted both because

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<sup>3</sup> See page 87 above.

slaves were becoming more expensive and because the rate of mortality increased. The British Government increased custom duties on sugar in order to finance a long series of wars. The Navigation Acts continued to concentrate the market in the metropolis. In general, the risks involved in running a sugar plantation increased. Meanwhile, the fixed charges of the encumbrance weighed more heavily on the planter whose revenue fluctuated and debt charges mounted as the bad years forced him into more and more debt.

#### Slave Costs after 1700

In the first decade of the Eighteenth Century, slave prices were somewhere around £25 per head. By the 1730's the price had gone to about £35 per head and by 1750 the price was about £45.<sup>4</sup> Prices had increased almost 100 per cent in forty years. Between 1712 and 1761, the Codrington plantations bought 450 slaves for a total cost of £15,000, or an average cost of £33. 7s.<sup>5</sup> Comparing this figure with the price of slaves in Barbados in the 1680's - £13 to £15 - we can see how substantial the increase in slave costs must have been. Between 1710 and 1761, the costs of slaves had increased by something like 150 per cent.<sup>6</sup> In 1774, the Governor of the Leeward Islands

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<sup>4</sup> Donnan op. cit., Vol. 2, p. 625.

<sup>5</sup> Bennett op. cit., p. 52.

<sup>6</sup> Ibid., p. 52.

indicated that "slaves at present sell for more than double the sum which was given for them thirty years ago."<sup>7</sup> A remarkable 33 1/3 percentage increase in costs had occurred in the previous five years.<sup>8</sup> In the 1780's in the Leewards, new slaves sold at an average price of £70 for men and £63 - £68 for women.<sup>9</sup> Seasoned slaves brought even higher prices.<sup>10</sup> All indications are that slave prices overall increased by 300 per cent or more between 1700 and the end of the Eighteenth Century.

TABLE 6

Slave Prices at Barbados and in Leeward Islands

<u>Year</u>	<u>Price (£)</u>
1680	12 - 15
1710	25
1730	35
1750	45
1780 - 1790	70 (Leewards)

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Sources: Donnan, op. cit., Vol. 2, p. 625; Davies, op. cit., p. 364; Ragatz, op. cit., p. 130.

These figures indicate that a most important element of costs increased substantially and steadily with no relief. Among the factors making for this increase were: the expansion in the

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<sup>7</sup> Ragatz, op. cit., p. 130.

<sup>8</sup> Ibid., p. 130.

<sup>9</sup> Goveia, op. cit., p. 122.

<sup>10</sup> Ibid., p. 123.



English and French plantation systems creating "an unprecedented demand for field hands" after 1763.<sup>11</sup> But the decline in fertility of older sugar lands like Barbados and the Leewards increased the absolute amount of slaves needed for maintaining output and thus added to the demand. How did the planters in Barbados respond to this trend in slave costs? Insofar as they managed to maintain their slave stocks, they did so at the expense of ever larger debt commitments. But many planters, caught in this cost squeeze, financed their current expenses by deferring the replacement of slaves until their revenue position made replacement easier. This capital consumption was, in a way, self-defeating, since the reduced slave stock rendered it impossible to capitalize on high prices when they came around.

Codrington's experience illustrates the extent of depreciation during the period. Between 1712 and 1761, the Codrington plantations bought 450 slaves - the equivalent of 250 per cent of the slave stock as it stood in 1710! By the 1760's, however, the slave stock had declined by one third from the 1710 level.<sup>12</sup>

The figures for Barbados as a whole, tell the same story.<sup>13</sup> Imports of slaves between 1712 and 1762 totalled an estimated 150,000 while the slave population increased from 41,970 to 70,000. Slave population therefore increased by two-thirds while imports

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<sup>11</sup> Ragatz, op. cit., p. 129.

<sup>12</sup> Bennett, op. cit., p. 52.

<sup>13</sup> The figures are Pitman's. Pitman, The Development of the British West Indies, pp. 72 - 73.

were an estimated 360 per cent of the 1712 population level.

On the average, Codrington lost six per cent of its slave stock per year, but for some years the figure was much higher. In 1731, only 143 out of the 293 slaves on the plantation in 1710 remained - a loss of over 50 per cent of the old stock in twenty-one years.<sup>14</sup> Of the new stock bought between 1710 and 1731, about forty-eight per cent were lost.<sup>15</sup> Twenty-nine per cent alone were lost in "seasoning".<sup>16</sup>

The risks and high costs inherent in maintaining an adequate slave stock drove the planters to despair for "even with heavy and repeated buying of African Negroes, most of the planters could barely sustain the strength of their field gangs".<sup>17</sup> The attorney at Codrington sums up this despair, 'the common calamity' of all Barbadian planters in the mid-Eighteenth Century this way:

"It is a general complaint that the price of New Negroes rises and their value falls. There is so great a risque in buying them that two out of three is reckoned no extraordinary

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<sup>14</sup> Bennett, op. cit., pp. 58 - 59.

<sup>15</sup> Ibid., pp. 58 - 59.

<sup>16</sup> "Seasoning" referred to adapting the African to plantation routine. That is why a seasoned slave in 1761 was valued anywhere from 66% to 85% higher than a raw "recruit" off the boat, and a Creole likewise was more valuable than an African newly arrived in the Island. Bennett, op. cit., p. 60.

<sup>17</sup> Ibid., p. 53.

loss, & they are for a considerable time rather a burden than an help to the Estate..."<sup>18</sup>

This led finally to the decision to rely on breeding rather than buying new slaves.

"Experience hath taught us how fruitless an attempt it is to aim at stocking... by buying new Negroes".<sup>19</sup>

The management decided that it was cheaper in the long run to breed slaves than to purchase them. This required better treatment: less work and more rations per slave.

There are indications that under the weight of high costs of depreciation, Barbadian planters as a whole turned to more careful treatment of slaves. This allowed them to become less dependent on the market price for new slaves.

"Both in the field and in the boiling house, the system of the Barbadian planter is many degrees in advance of those of the colonists of the other Islands. In the management of their slaves, as slaves, the Barbadians equally excelled... Their aim was to keep them in the highest working and breeding condition, in which they succeeded; and though ever reputed the severest of disciplinarians, yet theirs was the only sugar colony where the population rapidly increased."<sup>20</sup>

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<sup>18</sup> Ibid., p. 54.

<sup>19</sup> Ibid., p. 52.

<sup>20</sup> Joseph Sturge and Thomas Harvey, The West Indies in 1837, Journal of a Visit to Antigua, Montserrat, Dominica, St. Lucia, Barbados and Jamaica, Reprint. Frank Cass and Co. Ltd., London, 1968, p. 153.

But this type of adjustment itself cost a great deal. To rear children and support them until working age would cost the plantation a substantial amount for a period of time during which no returns were obtained.

Probably the best experience was that of the Codrington plantations, where a clear-cut policy of ameliorating the conditions of the slaves was followed. Codrington ceased purchasing slaves in the 1780's and by 1833, the slave stock had increased by one third to a total of 411. <sup>21</sup>

#### Continued Increase in Costs of Imported Commodities

Totally dependent as it was on external markets for satisfying slave and plantation consumption and for commodity inputs of all kinds into the sugar industry, Barbados continued to be particularly vulnerable to the vagaries of trade and to fluctuation of prices and supplies of imports. Wars exercised major influence on the behaviour of prices for reasons explained above. <sup>22</sup>

TABLE 7

Per Unit Prices of Corn and Salt Fish 1774-1797

<u>Commodity</u>	<u>Price Range</u>			<u>% Change</u>
	<u>1774</u>	<u>1776</u>	<u>1797</u>	<u>1774-1797</u>
Corn	2s. 6d- 3s. 9d	10s. - 13s.	---	+275-300% (1774-6
Salt-fish	12s. 6d- 25s.	30s. - 40s.	75s.	+300%

Sources: Bennett op. cit., p. 38; Ragatz op. cit., p. 131

21. Bennett, op. cit., p. 131

22. See pp 68-69 above. The American War of Independence in the 1770's started a long series of wars which ended only in 1815.

Table 7 shows the degree of price increase in the commodities corn and salt fish, the major ingredients in slave diets, for the last quarter of the eighteenth century.

Not only were there large variations in prices within a year-as much as 100% in some cases; but more significantly, in a little under 25 years, the prices of the major food staples rose by 300 percent.

Bennett's calculations for Codrington using market prices common to all Barbadian planters suggest that the average cost of upkeep of a slave increased by something like 75 percent between the earlier years and the end of the eighteenth century.

TABLE 8

Average Cost of Maintaining a Slave in the  
Eighteenth Century

	<u>1710-1731</u>			<u>1770-1793</u>			<u>% Change</u>
	<u>£.</u>	<u>s.</u>	<u>d.</u>	<u>£.</u>	<u>s.</u>	<u>d.</u>	
Food	1	11	0	3	0	0	+ 94%
Medical Care		3	6		8	0	+ 129%
Clothing		8	5 <sup>1</sup> / <sub>4</sub>		8	5 <sup>1</sup> / <sub>4</sub>	0
Total	2	2	11 <sup>1</sup> / <sub>4</sub>	3	16	5 <sup>1</sup> / <sub>4</sub>	78%

Sources: Bennett. op. cit., p. 43

By 1837, this cost of maintenance had risen still further to £4. 7s. 2<sup>3</sup>/<sub>4</sub>d, indicating that the upward trend did not reverse itself after 1815. <sup>23</sup>

23. Bennett. op. cit., p. 132.

It is not surprising that under these conditions, many planters found it difficult to maintain slave diets.

"It is the greatest misfortune in this Island that few Planters give them a Bellyful and the reason is this: Their Numb (ers) are so great and corn so dear, that they can't afford it; that master which gives his slave a pint of corn for one day, thinks him well provided for". 24

This was 1711, or very early in the eighteenth century before the substantial increases in prices of in slave rations. A century later, conditions were worse. One writer explained the reason for underfeeding this way.

"The sole, the avowedly single cause, is that their masters, because they are deeply involved in debt and cannot obtain for their sugar, which they still exclusively cultivate, adequate prices in the markets of Europe, have not money or credit enough to buy them food". 25

But if the "salt-fish" component of slave consumption burdened the planters heavily, why did they not increase the "ackee" component by diverting land and slave time to residentiary output? The experiment of the Codrington plantations suggested that technically this was a possibility. Early in the nineteenth century the Codrington management "gave as much attention to the provision of (food) crops as to the precious sugar cane". 26

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24. Ibid., p. 102.

25. James Stephen, The Slavery of the British West India Colonies Delineated, Joseph Butterworth and Son, London, 1834, p. 91.

26. Bennett, op. cit., p. 101.

About one third of total acreage and a higher figure of arable acreage was devoted to provisions in 1828.<sup>27</sup> But this type of adjustment was not available to the average planter. The flexibility which the Codrington plantations enjoyed was curtailed for others because they had to meet ever growing debt commitments, and the only way to do so was to produce the cash and crop and earn the necessary foreign exchange for meeting the commitments. The above-mentioned writer asks, rhetorically, of the situation facing the planters of the West Indies.

"Where, but in the British West Indies...  
did the subsistence of agricultural slaves  
depend on provisions to be bought or imported  
from abroad; and consequently on the wealth  
or credit of their immediate master?" 28

If this was the general predicament of the West Indian planter, his Barbadian counterpart fared worse. At least, in some territories like Jamaica, land was still relatively abundant, and the only cost of producing foodstuffs was the slave-time involved. The Barbadian planter did not have this option. The financial arrangements with metropolitan merchants bound him to a certain production-mix heavily concentrated on the staple.

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27. Ibid., p. 102

28. Stephen, op. cit., p. 105

"Unfortunately for the Barbadian Negro, he ate from his master's purse, and every mouthful was measured in cash. In the small densely populated colony, the planters were unwilling to follow the Jamaican system of giving the slaves allotments of land on which to raise their own provisions. ...Few plantations raised enough to feed the slaves... The masters could not bring themselves to spare a sufficiency either of land or slave labour from the cultivation of the cash crop". 29

This statement gives an excellent contrast between an island like Barbados or Antigua and one like Jamaica. In Barbados, scarcity of land throughout had made for a difference in experience. When emancipation occurred, this factor would again render the experience of Barbados different from other islands.

The only temporary relief to the pressure of increasing costs came in the form of high prices, from time to time, during the last half of the eighteenth century. Even high prices were not enough when duties were also increasing at a tremendous rate.

Short of abandoning his estate, or going further into debt - if credit was available - the only way out for the planter was to shift the burden forward to his slave stock: underfeeding, overworking and omitting replacements. The first two of these options, however, increased the rate of mortality. Some planters, very early in the eighteenth

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29. Bennett, op. cit., p. 37.



century, before the down-turn of prices reversed itself, resorted to maintaining only a part of their land under cultivation, allowing the rest to go to pasture. This last process did not require the use of slave power. This type of a decision was taken not only because of the high cost of replacement of slaves, but because soil exhaustion was so great and prices of sugar so low that the cost of fertilization exceeded the returns.

"The island is in danger of being ruined, two-thirds of the Christian inhabitants being gone from it, a third of the land laid waste, and those plantations, from which great estates were formerly raised, do not now bear their charges, by reason of war, and the great duties laid in sugar, high freight, and dearness of clothing and provisions, which are at three times the rate they used to be at". 30

The conditions described by this observer refer to the beginning of the eighteenth century. If we take into account the high cost of slaves and the burden of debt, we have a picture of the basic causes of the decline of the sugar economy in Barbados. Collapse was temporarily averted at the end of the 1730's by a reversal in the price trend in the sugar market.

In fact, only fortuitous external sources and protection maintained the Barbadian economy after 1730.

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30. Stock, op. cit., vol. 3, p. 93.

Marketing Costs and the Continued Effects of the Navigation Laws

The costs of marketing Barbados sugar continued to rise during the eighteenth century. In fact, because of continuous war, the costs of transportation and insurance skyrocketed during the later half of the eighteenth century. War also increased the burden of colonial taxes as the metropolitan government sought ways and means to raise revenue to pursue war, especially the Napoleonic Wars. <sup>31</sup>

The marketing costs apparently continued very high up to the end of our present period. One example of the large claim of such costs on revenue is given by an invoice of Codrington's plantations for the year 1822. Twenty hogsheads of sugar valued at £797 were sent to England. The invoice reads as follows: <sup>32</sup>

20 hogsheads of sugar valued at		£ 797	<u>% Percentage</u> 100%
Costs of:			
Transportation			
Customs			
Insurance			
Agents Fees		£ 424	55%
Net Receipts		£ 373	45%

The costs of marketing therefore absorbed 55 per cent of gross revenue. The "Navigation Provision" was the reason these charges were so high. Out of net revenue, of course,

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31. See Table 9, p. 113 below.

32. Klingberg, op. cit., p. 74.

the plantation had to take care of various other costs of production. 1822 was also a year where sugar prices were relatively high, over 50s. per hundredweight. The problem would naturally have been more acute in a year with much lower prices.

We have progressively a situation where a high cost producer also faces high marketing costs, an intolerable situation in the long run. That this was seen by the Barbadian planter is borne out by the numerous petitions seeking relief from customs and requesting the privilege of shipping directly to Europe. When protection was being sought for Barbados (and West Indian sugar), some of the petitioners on the other hand were preaching sound economics when they advocated the relaxing of the "Navigation Provision", quoting the advantages which the French islands had over an island like Barbados.

"The French foresaw the great advantage of encouraging their sugar colonies; they knew the hardships that ours laboured under, from their being obliged to send all their sugars to be unloaded in England ...and in order to give their sugar colonies an advantage over ours, they gave them a liberty of sending their sugars directly to foreign markets without unloading or so much as touching at any post in France... Let us follow the example of our neighbours the French; let us at least put our sugar colonies upon equal footing with their rivals" 33

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33. Stock, op. cit., vol. 4, p. 142. The words are from one Mr. Barnard, representing London in the House of Commons during the debate preceding the enactment of the Molasses Act 1733.

The relief that this would have brought to the sugar planters of Barbados would have come at the expense of the British sugar refiners and merchant factors. Their incomes would have declined as a result of the direct shipment of a part of the West Indian output to Europe. The benefits of the "Muscovado Bias" would also have been lost as Alderman Perry so brilliantly illustrated. <sup>34</sup>

While arguing for the retention of the "Navigation Provision" and the "Muscovado Bias", Alderman Perry speaking before the House of Commons in 1739 attributed "the decay of our sugar trade and the difficulties our sugar planters labour under" to the following reasons:

"...They proceed from the oppressions of our governors, the taxes which planters are obliged to pay upon slaves, and many other things necessary for their sugar plantations, and particularly from that monstrous tax of  $4\frac{1}{2}$  per cent, which is payable upon all sugars exported from most of our sugar islands". <sup>35</sup>

Perry, representing metropolitan merchant interests obviously looked elsewhere for a scapegoat. While his words therefore attempt to absolve the merchants of blame for the high cost the planter faced, he did put his finger on important reasons for the plight of the

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34. Ibid., pp. 814-816. See p. 12 above.

35. Stock, op. cit., vol. 4, p. 817.

planter - colonial taxes of all kinds represented fixed costs that became more burdensome as revenue fell.

In fact, the high costs faced by Barbadian planters (resulting in high prices for the refined re-exports) were a powerful inducement to expansion in French areas.

"The Navigation Act, Sir, and other laws... were certainly right, at the time they were enacted; and if circumstances were now the same, I should be against altering them in any part.... When those laws were passed, we had a monopoly of the sugar trade ....But the case is now very different. We have now (1739) a rival and a dangerous rival in the sugar trade; and if we do not allow foreigners to have our sugars, at least as cheap as they can have the same sort of commodity from our rival , they will have none of ours". 36

This speaker was evidently worried that the additional charges faced by West Indian sugar would price it out of the market. Unlike the previous speaker, he attributed part of the blame to the Navigation Acts. The fact is that the sugar industry in Barbados became a high cost producer partly because of the "general institutional framework". It could continue to be profitable only to the extent that the world market was at least partially monopolized by Britain. The "Navigation Provision" became ruinous for British sugar producing areas as soon as this monopoly ceased.

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36. Ibid., p. 818.

"But either thro' ignorance or neglect, or perhaps from worse motives, we persisted in those regulations, which were well enough, as long as we had no rival, tho they become ruinous, as soon as we began to have one". 37

### Duties

In search of means to finance the many wars she fought in the last half of the eighteenth century, Britain turned increasingly to the sugar duty as an easy way of collecting revenue. The planters of the West Indies, at the very time when distress was highest, had to face these additional charges of marketing their sugar. What is more, there was absolutely nothing the planter could do about it. The factor in London paid the duty on the planter's behalf,<sup>38</sup> so that, in addition to the merchant's profits, another fixed charge was deducted even before the planter received his revenue. In addition, the duties were specific and not "ad valorem".<sup>39</sup> The substantial increase in duty between 1776 and 1816 - over 400 per cent - makes the high sugar prices ruling in the London market within this period look less than rosy. The following

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37. Stock, op. cit., p. 818.

38. Ragatz, op. cit., p. 164.

39. A specific duty of so many shillings per hundred-weight becomes more burdensome to the seller as prices of the commodity fall whereas an "advalorem" duty varies directly with the price. The specific duties imposed on Barbados sugar therefore increased the incidence of the duty when prices fell.

table, by giving both the duty and prices at approximately the same time, spells out what must have happened to the net revenue of the planters.

TABLE 9

Duty and Corresponding Prices of Muscovado Sugar Imported into England from the Colonies (1661-1841-44)

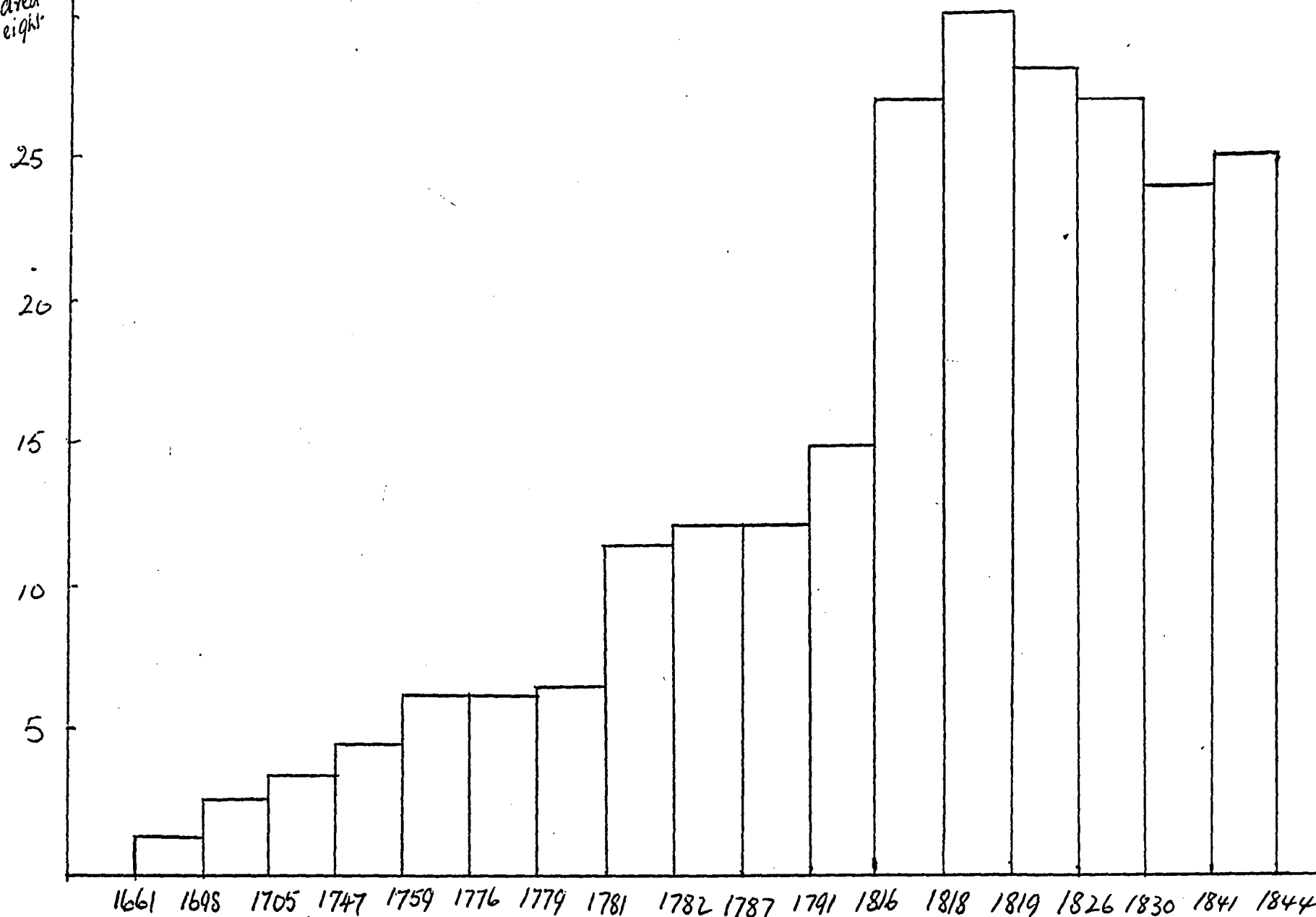
<u>YEAR</u>	<u>DUTY</u> (shillings per cwt.)		<u>YEARS</u>	<u>AVERAGE PRICE</u> (shillings per cwt)
	s.	d.		
1661	1	5		
1698	2	10		
1705	3	4		
1747	4	10	1731-40	20
1759	6	4	1751-60	37
1776	6	39/10	1771-80	34-51
1779	6	7 <sup>13</sup> /20		
1781	11	87/10	1781-90	30-51
1782	12	32 <sup>3</sup>		
1787	12	4		
1791	15	0	1791-1800	44-75
1816	27	0		
1818	30	0	1811-1820	45-60
1819	28	0		
1826	27	0	1821-1830	29-35
1830-40	24	0	1831-1840	30-35
1841-44	25	0	1841-1850	31

Sources: Ragatz. op. cit., pp. 164, 189, 190, 335. Deerr, History of Sugar, v.2, pp. 430, 530-531.

The duty was progressively raised until it exceeded 75 per cent of the price at the end of this period. Coming on top of the increasing costs in all areas of production, this rising duty was disastrous for the planter. Even if he surmounted the problem of debt, the risks inherent in

shillings  
per  
hundred  
weight

Duty on Muscovado Sugar Imported into England from the Colonies  
(1661 - 1841-44) in Shillings per Hundredweight





production and transporting his sugar to market (especially during war years), he then faced a duty that absorbed more of his revenue than his other costs combined;

"The greater cost of supplies after 1783, the drop in the market prices of tropical produce and the continued levying of high duties in Great Britain had a withering effect on West Indian agriculture... The decade 1783-1793 (very high sugar prices) brought no relief to the planters, large numbers fell beneath the weight of accumulated distress." 40

Another and probably a very crucial factor contributing to the decline of the sugar plantation economy was therefore the incidence of high duties.

#### Debt Payments and Encumbrances

With planters constantly on the margin between ruin and survival, debts increased. When in 1831, the Codrington estates took steps aimed at gradually freeing the slaves, widespread opposition from other proprietors arose. Critics of Codrington claimed that the latter's plantations were "unembarassed by debt and may make experiments".<sup>41</sup> The implication here is that by this time debts had mounted to such a level as to be totally restrictive on the planters' choices.

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40. Ibid., p. 90

41. Bennett, op. cit., p. 126

From all sides, therefore, depressing conditions were descending on the Barbadian planters. After the initial period of high profits for the two decades of sugar production during the 1640's and 1650's, cost began to rise and revenue declined. As this occurred, and profits declined, debts mounted and the large fixed cost elements on plantation expenses put the squeeze on the planters. Terms of trade declined in a progressively closed market.

Just as initial high profits had caused rapid expansion of sugar production and concentration of production in sugar, later declining revenue, increasing cost and decreasing fertility of soil forced out some of the marginal planters. Those who remained became more and more dependent on metropolitan merchant credit as the vicissitudes of production and marketing increased the risks of the whole operation. Barbadian planters, high cost producers ever since the late seventeenth century, found that they could clear expenses only with very high prices for their product. Excessively high duties towards the end of the period, however, significantly reduced the effects of high prices.

The long run picture for the Barbadian sugar planters in the 1830 s, just before emancipation, was not a rosy one.

They had helped to finance a war one of the results of which was an increase in the capacity of other British areas to produce sugar. The fact that after 1820 the price of sugar took a decided swing downwards is partly indicative of the increased capacity, and much of the increase came from lower cost producers. For the next one hundred years prices continued to fall. The plight of the economy was to get worse, although the adjustment took a different form as compared with the situation under slavery.

Under the slave economy 1640-1840, all the problems of adjustment were borne by the planter. Under free labour after 1840, the burden was shifted to the worker.

Emancipation in 1838 therefore came at a time when collapse seemed inevitable. Projecting the trends in costs and revenue we noticed, it was only a matter of time before most all plantations became insolvent.

The freeing of the slaves, proved to be a blessing in disguise for Barbadian planters! At one stroke of a pen, the British Parliament removed the most significant charge faced by the planter during the period of slavery - maintenance of the slave stock. Other measures such as windfall payments and the period of apprenticeship provided a cushion softening the adjustment to a wage labour economy. But these subjects constitute the substance of the next chapter.

## CHAPTER V

### THE FREE LABOUR ECONOMY 1840 - 1945

An historic change in the plantation economies of the Caribbean occurred with the emancipation of slaves in 1838, with the elimination of the "Muscovado Bias" and the "Imperial Preference" as the Sugar Duties Act was introduced in 1846, and with the abolition of the Navigation Acts in 1849 which eliminated the "Navigation Provision".

"The direct effects of the abolition of slavery, combined with the disappearance of the preference in the British market for colonial sugar, upon the economic system of cultivation in the West Indies were, first, the need for measures to counteract the shortage and irregularity of the labour supply, secondly, changes in the system of land tenure, and thirdly, changes in the technique of sugar cultivation and manufacture."<sup>1</sup>

The abolition of slavery was followed by the collapse of the 'general institutional framework', as Britain turned towards free trade after 1844.<sup>2</sup> The abolition of slavery and the abandonment of the old mercantilist policies by Britain for the first time in two hundred years, exposed the Barbadian economy to competition from countries previously defined as "foreign."

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<sup>1</sup> C. W. Guillebaud, "The Crown Colonies 1845 - 1870", The Cambridge History of the British Empire, Vol. 2, p. 713.

<sup>2</sup> The abolition of these regulations affecting the West Indies was a part of a bigger movement that saw among other things, the abolition of the Corn Laws.

To the planters, the loss of the imperial preference was probably considered as great a disaster as the abolition of slavery.

The plantation economies were now called upon to make important adjustments to these new conditions - adjustments in the area of labour supplies, land tenure and land allocation and the technology of the sugar industry. We shall argue that it is precisely because Barbados was in fact protected from the necessity of making these adjustments, that the plantation system continued with the minimum of disturbance or alteration.

What effects did emancipation and the changed commercial policy of the metropolis have on the West Indies in general and on Barbados in particular? The answers to these questions are to be found almost exclusively in the resource endowment situation at the time of emancipation.

After emancipation there were three distinct kinds of colony, if we use the resource endowment criterion.<sup>3</sup> First, there were colonies with relatively dense population and no free land. Here emancipation created a large landless population. Emancipation resulted in low wages and the virtual absence of alternative means of employment for the mass of the population. Barbados and Antigua are the best examples of this type of colony.

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<sup>3</sup> C. W. Guillebaud, "The Development of the Crown Colonies", Cambridge History of the British Empire, Vol. 2, Cambridge University Press, Cambridge 1940, p. 511.

Secondly, there were colonies, long settled, where most of the fertile land had been brought under cultivation, but where there still existed substantial supplies of inferior land. This type of land could be worked by the plantation only if labour was cheap and staple prices high. At the same time, the existence of spare land gave the freed slaves an alternative means of existence outside the plantation. These factors created conditions of relatively high wages, and many alternative means of existence for a population that had the option of becoming largely landed. Jamaica, St. Vincent and Grenada are the best examples of this type.

Thirdly, there were colonies with abundant supplies of good land and relatively small populations. These conditions also made for high wages and the possibility of existence outside the plantation. The difference here is that the much higher productivity of virgin land allowed the planter to pay the higher wages and therefore attract labour. British Guiana and Trinidad are the prime examples of this kind.

The different conditions in these three types of plantation economy resulted in important differences in the reaction to the new conditions created by emancipation among the various types. Although we are primarily concerned with explaining why the post-emancipation economy in Barbados experienced so little structural change, a comparison with the other types helps to clarify the position in Barbados.

Two factors were to play crucially important roles in developments in Barbados for the next century:

- (i) In 1838, the slave population in Barbados had exceeded 80,000.<sup>4</sup>
- (ii) For almost two centuries Barbados had been straining at the limits of the land supply.

These two factors - a large number of slaves and no free land - meant that when these slaves were freed, there simply was no alternative for them but to remain as wage-labourers on the plantations. The planters were not unaware of this and the more forward-looking among them even anticipated emancipation.

The planter in Barbados had a ready-made cheap labour supply at his disposal. The planter in Jamaica, by contrast, found that the availability of land gave the freed slaves the alternative of squatting as peasants on their own lands. The example of the "Maroons" was a further inducement. The adjustment in Barbados was therefore, totally different from that in Jamaica.

For the planter in Barbados the crucial factor was whether he could clear his debts. The introduction of emancipation was cushioned for him by windfall payments from the British Government which, at least, partially took care of his debts.<sup>5</sup>

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<sup>4</sup> 83,150 to be exact. A. Burns, History of the British West Indies, George Allen and Unwin Ltd., London, 1954, p. 629.

<sup>5</sup> Ibid., p. 628.

Meanwhile production could be carried on with hardly any interruption. The adjustment was smooth in Barbados as slave labour was replaced by "located-labour".

What did emancipation mean for the planters, the former slaves, the structure of the economy? The answers to these questions provide the clues to the direction taken by the Barbadian economy for the next one hundred years.

### The Planters

Emancipation changed the planters' cost structure. Under slavery, slave time had been procured at a large fixed cost. After 1838, the costs of labour became a variable factor. The planter therefore paid for labour's services in quantities that he could vary according to the needs of the plantation throughout the year. All the costs and risks involved in maintaining an adequate slave stock were shifted to the worker. The wage paid to the worker was determined by a local assembly that represented the interests of the planters. Abundant supplies of free labour would have assured low market wages, but the planters were leaving nothing to chance. Indeed the method of retaining labour services had been well planned by the planters once it became apparent that emancipation was inevitable.

"The just point in all manumissions at the present moment is to secure the continuance of the individual, when freed, on the Estate...the danger is if manumission be without reference to character or a probability of still retaining some hold over them, they will find their way to town, and lose themselves in idleness and debauchery."<sup>6</sup>

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6 Bennett, op. cit., p. 126.



What the management of Codrington plantations might have added was that it would have been impossible to carry on plantation activities without the labour force the freed slaves provided. This was a much greater consideration than the spiritual or moral well-being of the slave! The statement is interesting as a contrast between Barbados and Jamaica where the planters feared much worse than the slaves "losing themselves in town"!

What Codrington had in mind was a changeover from slave-labour to located-labour as a means of retaining the labour supply. The planters' answer to emancipation was a plantation tenantry. The system which replaced slavery in Barbados was, in many respects, not unlike European feudalism.

Codrington's solution to their labour "problem" was followed by other Barbadian planters. The introduction of located-labour was widespread during the period of apprenticeship.<sup>7</sup>

The allotment system, which in effect gave former slaves the status of serfs, was organized in the following way:<sup>8</sup>

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<sup>7</sup> Ibid., p. 133.

<sup>8</sup> Ibid., pp.129 - 130.

This agreement was agreed to by the Codrington slaves, August 16, 1833. It set a pattern followed by planters all over the island and gave rise to the system of plantation tenantry.

- (i) Each family was given a small cottage<sup>9</sup> and a small plot of land, both remaining plantation property.
- (ii) Each family had to provide its own subsistence (food, clothing and other necessities except medical expenses).
- (iii) Most important for the planter, each family paid rent in kind. Seventy-five per cent of working time had to be given to the plantation. The rest of the time was spent working on their own land to meet the requirement of their own subsistence.

Under this system<sup>10</sup> the planter had access to the same labour supply as existed under slavery, but without the attendant costs or risks inherent in maintaining a slave stock. He no longer had to purchase supplies. He had already ceased to purchase slaves. The degree of his indebtedness could be reduced because the major reasons for incurring debts had been removed. Emancipation was, in fact, a blessing in disguise. Whenever the squeeze came, the burden could now be shifted to the labour force.

What is more, another part of the Act abolishing slavery gave the planters a windfall. Collectively, Barbadian planters

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<sup>9</sup> Every Barbadian knows the meaning of a "fourteen-by-nine" and to those over forty it is something more than just a euphamism for a small wooden house! This very descriptive phrase gives the dimensions (in feet) of a meagre dwelling which, no matter how lowly, gives the owner a feeling of independence that perhaps only the Barbadian in these circumstances would understand.

<sup>10</sup> The system was modified after the period of apprenticeship ended. Instead of being paid wages in kind, the labourer received money wages.

were paid £1,719,980 by the British Government.<sup>11</sup> With a slave population of 83,000 this amounted to approximately £21 per slave. This took care of a good part of accumulated debts and cushioned the adjustment.

Codrington with 411 slaves at emancipation received £8,823 sterling, an average of about £21 per slave.<sup>12</sup> Furthermore, over the next five years, every slave had to purchase his freedom by giving free labour, while his upkeep cost the plantation nothing! In a way, the planters continued producing as though nothing had changed.

The ease with which the former slaves - unaware that their status was changing only in name - accepted these arrangements, must have left the planters over-joyed.

"As it apparently had great appeal for the Negroes themselves, the system promised in the uncertain future of a free economy to hold the workers on the estates, provide a supply of labour, and cut down on cash expenditures by substituting land in part for money as a means of compensating the Negroes."<sup>13</sup>

Those at the top in Barbadian Society, the plantocracy, the colonial administration, the Church, liked the plan precisely because it changed little that was fundamental to the continued existence of the plantation economy, while at the same time it satisfied the abolitionists. Bishop Coleridge of Barbados and

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<sup>11</sup> Burns, op. cit., p. 629.

<sup>12</sup> Bennett, op. cit., p. 131.

<sup>13</sup> Ibid., p. 133.

the Society for the Propagation of the Gospel praised the plan highly "for its supposed moral values."

"They trusted it would prevent the disintegration of the social order, help to preserve and strengthen the Negro village communities and families, instill the virtues of independent landholders, and yet keep the Negroes in dependence on those proprietors who must for a long time to come be the chief support of society, economy, Church and State."<sup>14</sup>

These hopes, as we shall see, were not disappointed. The new legal arrangements, combined with the economic factors, continued to operate in favour of the planters. Around 1900, one writer speaking of the worker-planter relationship in Barbados said:

"It must be remembered that in a closely intermingled system like that of Barbados, where houses are rented on sugar estates, with implied or expressed conditions of service or labour, there must always be a tendency to the utmost legal exaction on the part of the planter."<sup>15</sup>

In the post-emancipation period, law and economics were on the side of the planter. Daily wages of nine or ten pence a day<sup>16</sup> and a captive labour force permitted him to avoid technological improvements. This is the reason why no substantial substitution of capital for labour occurred until the labour force had become unionized, thus forcing up the wage bill. But these events came only after 1945. The suggestion

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<sup>14</sup> Ibid., p. 133.

<sup>15</sup> J. L. Olson, "Barbados", British America: British Empire Series, Vol. III, Kegan Paul, Trench, Trubner and Co. Ltd., London 1900, pp. 443 - 444.

<sup>16</sup> See page 144 below.

made in 1900 that "labour service should be on the normal system of direct agreement between employer and labourer without regard to other debts or social arrangements"<sup>17</sup> was certainly not to the planters' fancy. Such a move would have undermined their very existence and forced them into taking the steps to which they later resorted.

#### Effects of Emancipation on Labourers

After emancipation, former slaves found themselves in a position where they had either to "emigrate or to work for the minimal daily wage imposed by the plantation owners".<sup>18</sup> In later years, large numbers of workers resorted to the first alternative. In the years immediately following emancipation, however, they were stuck with the apprenticeship system and the system of "located-labour" dominant in labour relations.

"In the decade after emancipation, the situation began to be stabilized and a code, part statutory, part custom, emerged which remained influential till the 1940's.... The general effect was to restrict the numbers of those engaging in occupations outside the plantation system, and to reduce mobility across the borders of this system; while within it the worker was bound to his employer by a complex of obligations and in particular by the 'located-labourer' system, which made the tenure of estate housing conditional on the performance of labour on the estate."<sup>19</sup>

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<sup>17</sup> Olson, op. cit., p. 445.

<sup>18</sup> Guerra y Sanchez, Sugar and Society in the Caribbean, Yale University Press, New Haven and London, 1964, p. 19.

<sup>19</sup> G. E. Cumper, "Employment in Barbados", Social and Economic Studies, Vol. I, 1952, p. 105.

For the next Century, therefore, the convenient arrangements made by the planters at emancipation influenced the conditions of the labouring classes. Perhaps the turning point was to come with the widespread internal upheavals of 1937. In the meantime, it is obvious that the planters not only were able to retain an adequate and inexpensive labour supply, but they were able, through a form of collusion, to prevent even the movement of labour from one plantation to the next! The worker now was prevented from moving by the commitments of the located-labourer system. Under slavery, movement had been restricted because he was the property of the master. In fact, the same objective was achieved by the planter, but by different means and at lower costs and attendant risks.

Had population not increased, it is possible that the system might have continued to exist - albeit close to stagnation - for a long time. While during the years 1861 - 1881 the number of workers employed in sugar and the value of the sugar crop remained remarkably steady,<sup>20</sup> population increased continually. With the land still monopolized by the plantation and no diversification within the economy, open unemployment became a problem for the first time. With no alternative to unemployment, workers emigrated in large numbers. To show how little had basically changed between 1660 and 1860, the descendants of the slaves emigrated for the same reasons in 1860 and

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<sup>20</sup> Ibid., p. 106.

afterwards that led to mass exodus of white settlers of the Seventeenth Century. Land was still monopolized by the sugar plantation.

The extent of this emigration and its effect on population growth can be seen in the following table and graphs. There were two periods of particularly heavy emigration - 1860 - 1890 and 1904 - 1921. Unemployed or badly paid labourers in Barbados emigrated in response to higher wages paid in Trinidad, British Guiana and other parts of the Caribbean and North America. But emigration to Panama, in response to the need for labour in building the Canal, absorbed the largest single segment of Barbados' excess population within a relatively short period - from 1904 - 1921.

TABLE 10

Barbados: Population, Net Emigration, Rate of Population Growth and Rate of Net Migration.

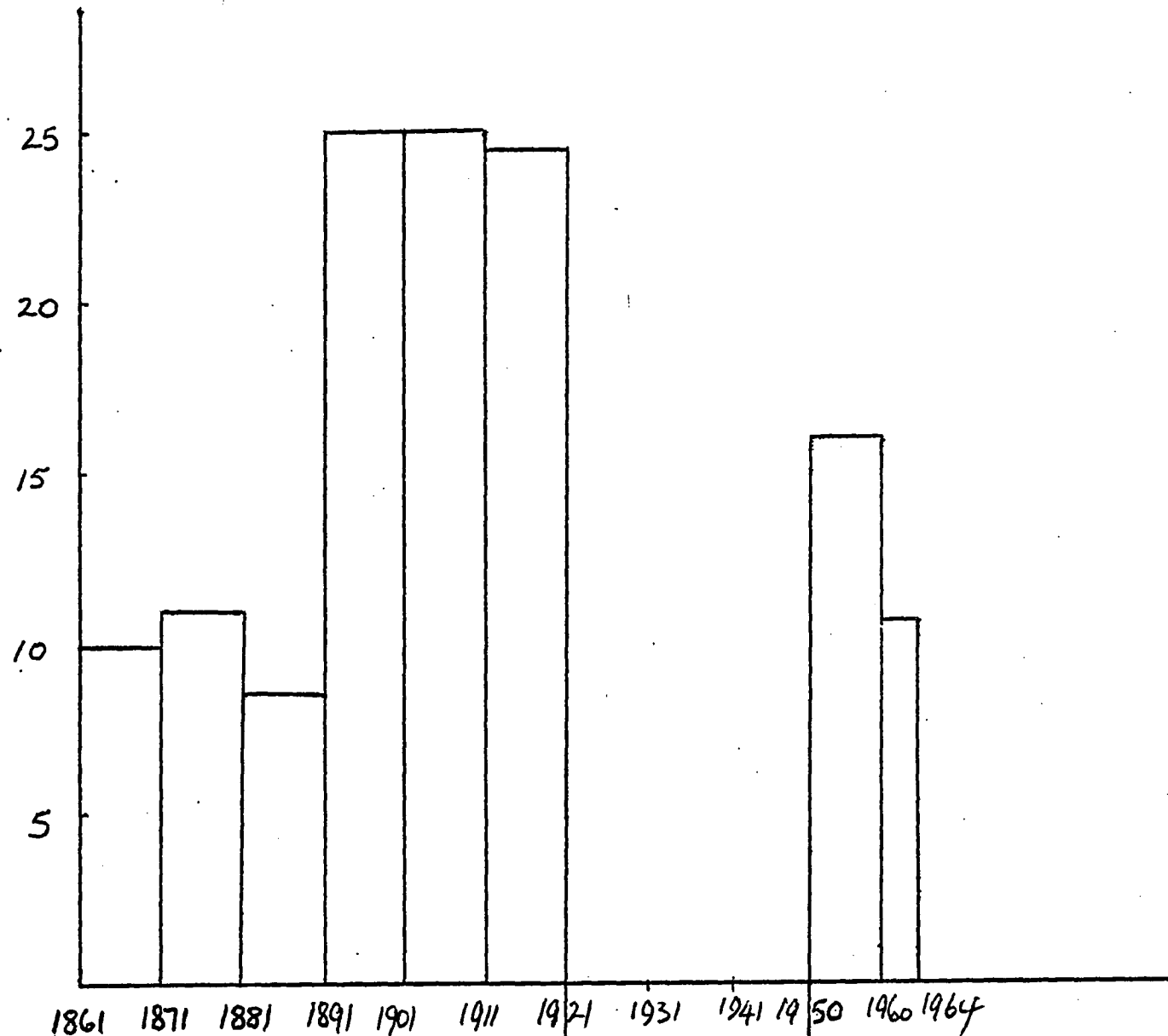
<u>Year</u>	<u>Population at Census</u>	<u>Annual Percentage Intercensal Rate of Increase</u>	<u>Total Net Migration in Decade Ending in Census Year</u>	<u>Average Annual % Rate of Net Migration</u>
1844	122,198	-	NR	NR
1851	135,939	1.53	NR	NR
1861	152,727	1.17	NR	NR
1871	160,042	0.59	- 10,100	-0.68
1881	171,860	0.59	- 11,100	-0.70
1891	182,867	0.62	- 8,300	-0.49
1911	172,337	-0.29	- 49,700	-1.57
1921	156,774	-0.95	- 24,400	-1.52
1946	195,357	0.98	2,000	0.05
1950	211,641	2.08	2,737	0.35
1960	234,575	1.08	- 16,356	-0.77
1964	244,165	1.02	- 10,715	-1.14

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Sources: G. W. Roberts, "Emigration from the Island of Barbados", Social and Economic Studies, Vol. 4, 1955, pp. 275, 285. Barbados, Abstract of Statistics, Vol. 4, No. 3.



Barbados: Net Migration 1861 - 71 - 1964



Note: Net emigration is shown here on the positive side of the 'y' axis.

The period 1861 to 1921 witnessed the very large emigration. After 1921, outlets for Barbadian population declined and between 1921 and 1946, there was an estimated net inflow of 2,000.<sup>21</sup> What occurred between 1921 and 1946 did not change significantly, the picture as established between 1861 and 1921.

Between 1861 and 1891<sup>22</sup> an estimated 30,000 Barbadians - mainly of African descent - emigrated to Trinidad, British Guyana and Surinam. Between 1904 and 1921, 70,000 people, or thirty-five per cent of the population as it stood in 1900, left Barbados, mainly for Panama, neighbouring West Indian Islands and North America. All in all, between 1861 and 1921, net emigration totalled 104,000, a staggering sum. As a result of this, population actually declined from 183,000 in 1891 to 157,000 in 1921. In the sixty years between 1861 and 1921, population increased by only four thousand. Emigration therefore, cancelled out almost the whole of the natural increase in population over a sixty-year period. Another way of putting it is to say that the equivalent of the entire population as it stood at emancipation left Barbados in the sixty years between 1861 and 1921!

The relative exodus of population from Barbados is perhaps without parallel anywhere. It illustrates the uniqueness of

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<sup>21</sup> G. W. Roberts, "Emigration from the Island of Barbados", Social and Economic Studies, Vol. 4, 1955, p. 272.

<sup>22</sup> All the figures following are quoted from D. Lowenthal, "The Population of Barbados", in Social and Economic Studies, Vol. 6, December 1957, pp. 450 - 460.

Barbados even within the system we have been examining. The purest case of the plantation system, the Island where virtually all land was under sugar, the economy most adequately stocked with slaves before, and certainly most adequately supplied with labour, after emancipation, Barbados presented the case where the planter made the least amount of sacrifice. During the Seventeenth Century the merchant shared the risks (and profits) with the planter. When fortunes turned downwards under slavery, the merchants shifted the risks onto the planter; the latter was able, under the system of wage labour, to shift these risks to the workers. Mass unemployment and emigration were symptoms of the persistence of the plantation system. Both effects are still with us.

The factors that would have led to significant adjustment or diversification of the mode of production after 1840 were missing in Barbados. Such diversification as occurred did not encroach on the plantation's allocation of land. Indeed, it occurred specially because the plantation system remained, but in the context of a free-labour economy. The fact that technically the plantation ceased to be a "total economic institution" after emancipation meant that many services now had to be performed outside the sphere of the plantation. The only industries that showed signs of development after 1840 were thus the service industries (including trade and commerce).

Sugar Production in the Post-Emancipation Period

An examination of land allocation after emancipation is perhaps the most meaningful indicator of any change that might have occurred in the structure of the Barbadian economy. All indications are that sugar continued to monopolize the land. After 1840, sugar output increased substantially, while the acreage devoted to sugar production remained fairly stable.

The figures compiled by Edwards for the period 1786 - 1792 indicate that output during these pre-emancipation years averaged 8,400 tons per year.<sup>23</sup> Elsewhere, it is estimated that between 1800 and 1850, output averaged 13,000 tons per year.<sup>24</sup> Output in subsequent periods are presented in the following table:

TABLE 11

Barbados: Average Annual Sugar Output  
1786 - 1792 -- 1900 - 1950)

<u>YEARS</u>	<u>AVERAGE YEARLY OUTPUT (tons)</u>
1786 - 1792	8,400
1800 - 1850	13,000
1879 - 1900	52,000
1900 - 1950	82,000

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Sources: B. Edwards, History of the West Indies, Vol. I, p. 350; British West Indies Sugar Association, Sugar in the West Indies and British Guiana, p. 15; F.A.O., The World Sugar Economy in Figures (1880 - 1959), pp. 21 - 29.

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<sup>23</sup> Edwards, op. cit., Vol. I., p. 350. The figures for these years are given in "hogsheads". A hogshead averaged 13 to 16 cwt. For conversion we have used a figure of 15 cwt. Any error is on the side of inflating rather than deflating the figure.

<sup>24</sup> British West Indies Sugar Association, Sugar in the West Indies and British Guiana, 1961, p. 15.

A more detailed picture of output between 1851 and 1949 is given in the following Table:

TABLE 12  
Barbados: Sugar Output 1849-53 - 1945-49  
(Five Year Averages)

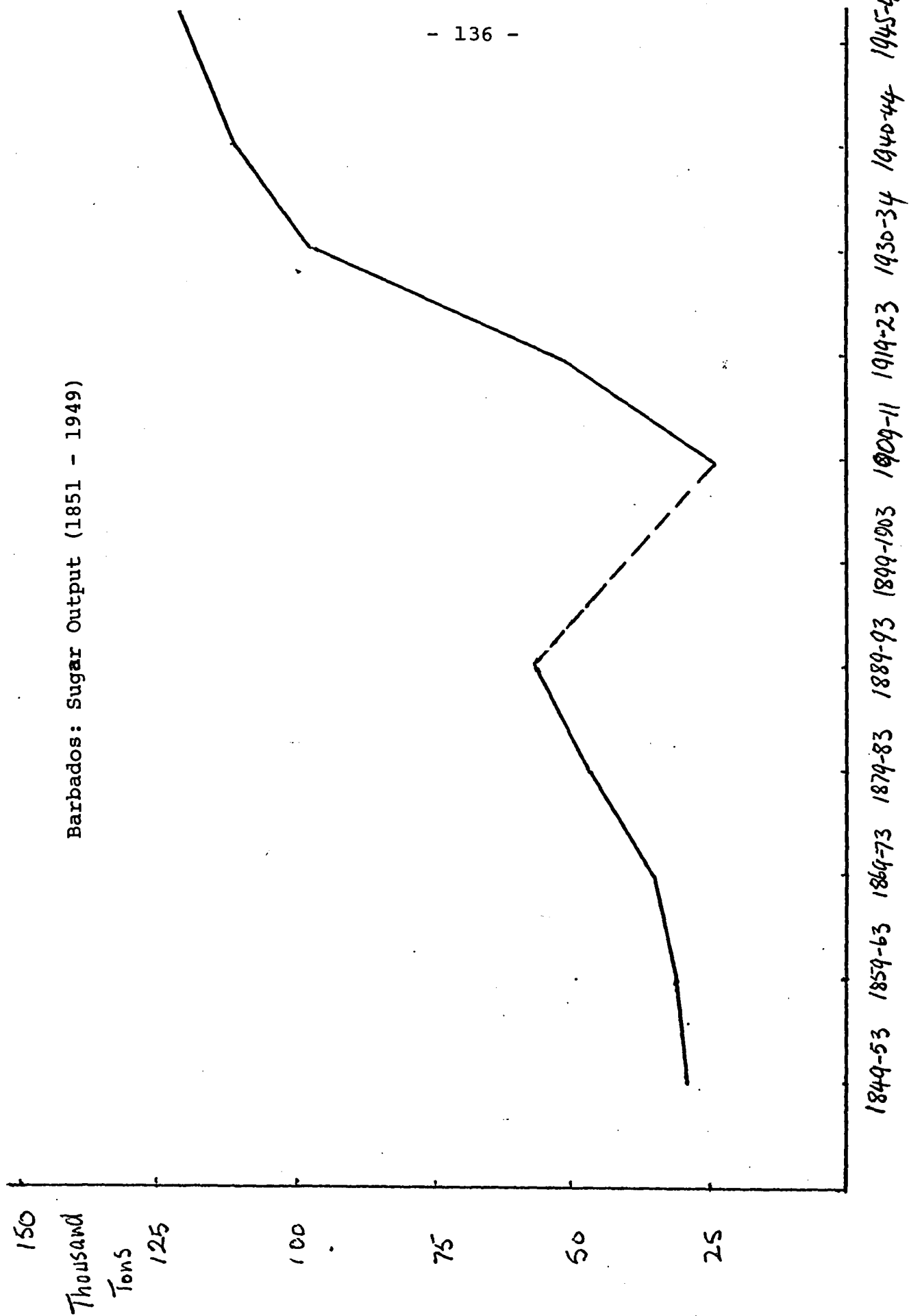
<u>YEARS</u>	<u>OUTPUT (tons)</u>
1849 - 1853	29,200
1859 - 1863	33,800
1869 - 1873	35,000
1879 - 1883	47,400
1889 - 1893	57,300
1909 - 1913	24,900
1919 - 1923	53,500
1925 - 1929	82,000
1930 - 1934	97,000
1935 - 1939	123,000
1940 - 1944	111,000
1945 - 1949	121,000

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Sources: G. W. Roberts, "Emigration from the Island of Barbados", p. 280. F.A.O. The World Sugar Economy in Figures, Table I, pp. 22 - 29. The figures after 1921 are rounded to the nearest thousand.

The trend is clear. Emancipation in Barbados did not reduce the capacity of the planters to produce sugar. On the contrary, output of sugar increased steadily over the next one hundred years. This occurred in spite of the massive amounts of emigration over this period. Emigration, therefore, did not adversely affect sugar production in the long run. The only occasion on which any substantial decline in output occurred was the period around 1921. Though this coincided with the peak of emigration, it was also the occasion of collapse of the sugar market. A further explanation is that the reduction in sugar

Barbados: Sugar Output (1851 - 1949)



production was partly offset by an increase in the production of molasses.<sup>25</sup>

At the same time there was no significant reduction in the number of sugar factories. The number declined from 508 in 1849 to 440 at the end of the Nineteenth Century - a fall of only 13 per cent.<sup>26</sup> This is another example of the limited effect emancipation had on plantation operations and what is more, these factories survived, using the old process of wind-mill power. At the end of the Nineteenth Century, only 99 of the 440 factories had shifted to the more efficient steam power, which increased productivity by up to one third.<sup>27</sup>

#### Allocation of Land in the Post-Emancipation Period

Acreage devoted to cane in Barbados likewise showed little significant decline after 1840. Around 1900, the estimated acreage under cane was 74,000 acres.<sup>28</sup> Estimated arable acreage in 1958 was just over 61,000 acres. While figures for acreage planted or harvested in the Nineteenth Century are not available, data for the Twentieth Century indicate that acreage devoted to sugar has increased in the last sixty years. In 1958, the area

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<sup>25</sup> G. W. Roberts, "Emigration from the Island of Barbados", p. 280.

<sup>26</sup> British West Indies Sugar Association, op. cit., pp. 14, 16.

<sup>27</sup> Ibid. p. 16.

<sup>28</sup> Ohlson, op. cit., p. 446. The figure does seem a bit high, exceeding even the figure for total arable acreage given in 1958.

of cane harvested represented 77 per cent of all cultivable acreage, indicating that an even greater percentage of all cultivable acreage was under cane. This represents a substantial increase from the years 1908 - 1912.

TABLE 13

Barbados: Area Harvested In Sugar Cane 1908/9-1912/13

<u>YEARS</u>	<u>ACREAGE (1000 acres)</u>
1908/ 9 - 1912/13	32
1924/25 - 1928/29	35
1934/35 - 1938/39	40
1949/50 - 1953/54	44
1954/55 - 1958/59	47
1959 - 1962	48

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Sources: F.A.O. Commodity Reference Series No. 1, Table 4, p. 33; Commonwealth Economic Association, Plantation Crops 1964, London, 1964, Table 21, p. 50.

#### Occupational Distribution of the Labour Force

After emancipation, the Barbados economy remained not only agricultural, but predominantly a sugar economy in which the pervasiveness of the plantation persisted. The numbers employed in agriculture remained steady from 1861 to 1891 and declined gradually thereafter.

The implications are clear. The sugar industry remained the dominant economic activity but one that was unable to provide jobs for a growing population. In fact, the numbers employed gradually declined after the turn of the Twentieth Century. The situation can be contrasted with that of Jamaica where diversified agriculture - export and peasant agriculture - provided a



growing number of jobs for the increasing population, although the relative numbers employed in agriculture declined.<sup>29</sup>

TABLE 14

Labour Force and Numbers Employed in Agriculture

1851 - 1946

<u>Year</u>	<u>Numbers in the Labour Force</u>	<u>Numbers Employed in Agriculture</u>	<u>Percentage of Total</u>
1851	62,800	36,700	58.4
1861	85,000	44,700	52.6
1871	91,500	41,100	44.9
1881	93,900	44,600	47.5
1891	104,500	45,000	43.1
1911	100,600	37,700	37.5
1921	94,600	34,200	36.2
1946	92,200	26,800	29.1

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Sources: G. W. Roberts, "Emigration from the Island of Barbados", p. 278. Barbados Statistical Service, Abstract of Statistics, No. 4, 1963, pp. 67 - 68.

This process of displacement of labour in the sugar industry in Barbados was speeded up after unionization forced planters to substitute capital for labour through mechanization. This was the only way for the planters to effect cost reductions in the modern period. Emigration or movement into service industries was the only alternative for surplus labour.

A detailed sectoral breakdown for the years 1921 and 1946

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<sup>29</sup> See page 154 below.

is given in the table below:

TABLE 15

Working Population by Major Industrial Group  
1921, 1946.

	<u>1921</u>		<u>1946</u>	
	<u>Total</u> <u>('000)</u>	<u>%</u>	<u>Total</u> <u>('000)</u>	<u>%</u>
Agriculture and Fishing	32.2	36.3	26.8	29.3
Mining and Quarrying	-	-	0.4	0.4
Manufacturing	15.0	17.2	18.3	20.0
Construction	3.8	4.4	7.1	7.8
Public Works				
Commerce	9.4	10.8	12.4	13.6
Transport, Storage and Communications	3.8	4.4	3.2	3.5
Services	22.9	26.3	21.9	24.0
Others Not Stated	-	-	0.5	0.6
 TOTAL	 87.1	 100.0%	 91.4	 100.0%

Source: Cumper, "Employment in Barbados", Table I, p. 108.

The high percentage employed in services and commerce reflect:

- (i) the lack of employment opportunities outside the sugar industry, which in 1921 still employed almost one third of the working population.
- (ii) the flow of workers, especially female workers, into the domestic service.
- (iii) the growth of the distributive trades which became necessary when a free population after emancipation had to look after its own upkeep by importing and distributing the prerequisites for everyday upkeep.

Further, recognizing that in 1921 and 1946 manufacturing also included the manufacture of sugar, we can hazard a guess that about forty per cent of the employed labour force was occupied in the sugar industry. Other sectors like 'Transport Storage and Communications' partly exist because the sugar industry requires their services as inputs.

The Moyne Commission in 1939 summed up the situation in Barbados well.

"The special problems of Barbados are in a sense an intensification of those affecting the West Indian group as a whole, ... They are in brief, a very heavy and increasing pressure of population on territory almost wholly dependent for its livelihood on the proceeds of a single export crop, sugar, of which export has been limited by treaty and the disposal rendered barely profitable by depressed prices."<sup>30</sup>

#### Contrasting Experiences: Barbados and Jamaica

If the plantations in Barbados did not suffer significantly as a result of emancipation, planters in other Islands were not so fortunate as those in Barbados or Antigua.

"The rate of wages varied widely in different colonies, being highest in British Guiana and Trinidad, where the soil was the most fertile and the population the smallest in relation to the area under cultivation or available for settlement, and lowest in Barbados with its dense population and in some of the smaller Islands".<sup>31</sup>

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<sup>30</sup> West India Royal Commission Report, His Majesty's Stationery Office, London, June 1945, p. 392.

<sup>31</sup> C. W. Guillebaud, "The Development of the Crown Colonies, 1815 - 1845", p. 499.

Wages in Trinidad and British Guiana in the 1840's varied between 1s. 8d. and 2s. 6d. per day.<sup>32</sup> In Jamaica, planters offering 1s. 0½d. per day could not get any labour at this price,<sup>33</sup> Other planters offered 1s. 8d. per day.<sup>34</sup> Workers at the same time were demanding as much as 3s. 6d. to 4s. 6d. per day.<sup>35</sup> In the smaller Islands, including Barbados, average wages of 9d. were the usual rate.<sup>36</sup> Agricultural workers in Barbados were still being paid 10d. per day in the 1880's.<sup>37</sup>

Further it is obvious from the figures below that this regional disparity in wages was not eliminated either by immigration and the import of indentured labour into Trinidad and British Guiana, or by a substantial amount of emigration from Barbados and Jamaica. In the 1930's the same pattern is to be found.

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<sup>32</sup> Ibid., p. 499.

<sup>33</sup> Ibid., p. 498.

<sup>34</sup> Ibid., p. 498.

<sup>35</sup> Ibid., p. 499.

<sup>36</sup> Ibid., p. 499.

<sup>37</sup> Her Majesty's Colonies, A series of Original Papers Issued under the Authority of the Royal Commission, William Clowes and Sons Ltd., London 1886, p. 307.

TABLE 16

West Indies: Range of Daily Wages of  
Agricultural Labourers, 1930's

	<u>Minimum</u>		<u>Maximum</u>	
	s.	d.	s.	d.
Barbados	1	0	1	6
Antigua	1	0	2	0
St. Kitts	1	2	1	7½
Jamaica	1	6	2	6
Trinidad	1	10	3	4
British Guiana	2	2	-	-

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Source: West India Royal Commission Report 1945, pp. 194 - 195.

Planters in Barbados continued for a century to pay the lowest wages in the West Indies - 33 to 40 per cent less than those of Jamaica.

The Barbadian planter enjoyed a cost advantage over other planters in the West Indies. What is more, indications are that free labour was cheaper for him than slave labour had been. We shall attempt to show this. An attempt will be made to calculate the average cost of buying and maintaining one slave per year and the cost of an equivalent amount of labour after emancipation. Some approximation is necessary.

The annual cost of a slave consists of two components: the capital cost which we can call "k", and the cost of maintenance which we shall call "m". Bennett has calculated that the average cost of maintaining one slave in 1837 was £4.7s. 2 3/4d.<sup>38</sup> We

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38 Bennett, op. cit., p. 132.

have calculated the capital cost of one slave per year at £10. 2s. 6d. The calculation was made as follows: Using Bennett's estimate for the depreciation of the slave stock on the Codrington plantations as 6% per year during the Eighteenth Century<sup>39</sup> yields an average life of a slave of something like 16 years. Slave prices at the end of the Eighteenth Century were around £70. The annual capital cost of a slave whose life-span was 16 years is therefore given by:<sup>40</sup>

$$\begin{aligned} k &= \mathcal{L} \left\{ \frac{70 (1.06)^{16}}{16} \right\} \\ &= \mathcal{L} \quad \frac{162}{16} \\ &= \mathcal{L} 10. 2s. 6d. \end{aligned}$$

Therefore, the annual cost of one slave was 14 9s. 8d.

After emancipation, we use a wage rate of 10d. per day, which was the rate in the 1880's. At 5½ days a week for fifty weeks of the year, this labour would cost 11 4s. 6d.

Therefore:

		£	s.	d.
Annual cost of one slave	=	14	9	8
Annual cost of equivalent labour time	=	11	4	6
Saving		<u>3</u>	<u>5</u>	<u>2</u>

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<sup>39</sup> Ibid., p. 55

<sup>40</sup> Pitman, op. cit., p. 135. Rate of interest on capital 6%.

In Jamaica, we would have to increase the annual cost of the equivalent labour time by a substantial amount. Free labour in Jamaica was much more expensive - too expensive to be economical.

Not only had the planter in Barbados reduced his average labour costs, but he had been given flexibility in varying the amount of labour he was required to maintain at one time.<sup>41</sup> He could choose to use the worker for forty weeks instead of fifty, and thus reduce his labour cost by more than is indicated in the comparison above.

Under these conditions, the sugar planters in Barbados enjoyed a cost advantage over their counterparts in Jamaica and other Islands. One striking example of this is that planters in other Islands resorted to piece-work as a means of reducing costs. Piece-work gave workers an incentive to put out more. This was unnecessary in Barbados, where the most serious labour problem arose at crop-time. Even this did not prove to be an insurmountable problem for the Barbadian planter.

These differing economic conditions are reflected in what happened to output and exports in the three or four decades following emancipation. Until the higher cost producers could make the various adjustments necessary for continued operation

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<sup>41</sup> In 1781, figures for Codrington plantations indicate that approximately 20 per cent of the slave stock was made up of non-workers. Bennett, *op. cit.*, p. 12. This meant that a significant portion of the planter's current outlay on slave maintenance led to no return. This is something the planter did not have to worry about after emancipation.

TABLE 17

Imports of Sugar from the West Indies into the United Kingdom 1829-33, 1835-38 and 1842-45  
and Total Exports of West Indies to all Countries 1853-55 and 1868-70  
Yearly Averages in Hundredweights

	<u>1829-1833</u>	<u>1835-1838</u>	<u>1842-1845</u>	<u>1853-1855</u>	<u>1868-1870</u>	% Change <u>1829-33 -</u> <u>1842-45</u>	% Change <u>1829-33 -</u> <u>1868-70</u>
British West Indies and British Guiana	3,917,912	3,487,801	2,582,291	3,419,000	4,774,000	- 34.0%	+ 22.0%
Barbados	333,311	409,356	335,451	719,000	772,000	+ 0.6%	+132.0%
Antigua	159,704	143,878	188,994	270,000	200,000	+ 18.0%	+ 25.0%
Jamaica	1,384,111	1,040,070	677,896	459,000	551,000	- 51.0%	- 60.0%
St. Vincent	224,638	194,228	132,106	156,000	212,000	- 41.0%	- 6.0%
Grenada	201,941	161,328	79,903	102,000	75,000	- 60.0%	- 63.0%
Trinidad	305,034	295,787	312,026	421,000	860,000	+ 2.0%	+182.0%
British Guiana	893,615	935,599	537,132	931,000	1,567,000	- 40.0%	+ 75.0%

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Source: C. W. Guillebaud, "The Crown Colonies" 1815 - 1845  
and 1845 - 1870. Cambridge History of the British  
Empire, Vol. 2, pp. 511, 731.



in a market where product prices continued on the decline (with occasional interruptions) Barbados enjoyed a decidedly competitive cost advantage by reason of "overpopulation which made the sugar estates in Barbados the 'consols' of the West Indies".<sup>42</sup>

There is no better way of illustrating this than by comparing production figures in the West Indies following emancipation with those of Barbados. The former showed a significant reduction when compared with Barbados.

As the table indicates, sugar output<sup>43</sup> in the West Indies declined by one third between 1829 and 1833 and 1842 - 1845 as a result of the labour problems brought on by emancipation. The general problems facing the planters in the West Indies were intensified in Jamaica where output fell by one-half. Barbados, an exception, did not suffer at all. Trinidad, where land was more productive and where planters could therefore offer higher wages, also managed to maintain sugar output at almost the pre-emancipation level. British Guiana was not so fortunate.

Over the longer period 1829 - 1833 to 1868 - 1870, the contrast between Barbados and Jamaica is even sharper. Sugar production in Barbados more than doubled while in Jamaica, it was reduced by more than one-half.

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<sup>42</sup> Guillebaud, "The Crown Colonies 1845 - 1870", p. 734.

<sup>43</sup> The figures are for exports rather than output. At this time, however, there is no difference between the two as the "Navigation Provision" is still operative.

Barbados, however, paid the price for this "success". It remained a plantation economy while Jamaica experienced substantial diversification of land use, production, exports and employment. A brief examination of the experience of Jamaica in the half century following emancipation helps to throw into sharper focus the absence of change in Barbados.

### The Experience of Jamaica

The contrast between Barbados and Jamaica can be illustrated by a brief sketch of developments in Jamaica. The chief features of Jamaica's post-emancipation development consisted of:

- (1) the growth of a significant peasantry after emancipation,
- (2) the substantial diversification of output and exports - peasant output playing an important role in this diversification,
- (3) a completely different pattern of sectoral employment as compared with Barbados.

#### (1) The Growth of a Peasant Sector

Despite sustained efforts made by the planters and colonial administrations, especially in the years immediately following emancipation, the number of small holdings increased rapidly. This is illustrated in the table that follows. In fact, one study shows that after 1865, Jamaica passed through a phase which could be called a peasant economy.<sup>44</sup> This movement

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<sup>44</sup> Christopher Burke, Decisions and Revisions, Three Phases of Jamaican Economic Development, 1865 - 1900, McGill University Thesis, 1968, p. 74.

was expedited by the widespread abandonment of land by the planters because of shortages of labour and capital.

TABLE 18

Jamaica: Number of Smallholdings of less than  
50 Acres (1838 - 1902)

<u>Year</u>	<u>Under 5 acres</u>	<u>5 to 49 Acres</u>	<u>Total Under 50 Acres</u>
1838	-	-	2,114
1841	-	-	7,919
1845	-	-	19,397
1860	-	-	50,000
1866	-	-	60,000
1880	36,756	13,189	49,945
1890	95,942	16,015	111,957
1895	70,740	16,887	87,627
1899	60,671	16,160	76,831
1902	108,943	24,226	133,169

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Source: C. A. Pestieau, The Relationship Between the Fluctuations of the Sugar Industry and Diversification of the Economy in the British West Indies, McGill University Thesis, 1966, p. 73.

It should be emphasized that the result of this expansion of the peasantry was an increase in the amounts and variety of agricultural output produced for the market. Workers remaining on the plantation and those going into services became an important source of demand for peasant output. We should not view the expansion of peasant output as subsistence agriculture, as was the case of any small amount that was produced by the plantation tenantry in Barbados. In Jamaica we have an increase in the degree of integration of the economy and a reduction in dependence on the metropolitan economy. In Barbados, this was

not to be the case.

(2) Diversification of Output

The growth of a peasantry led to a substantial diversification of output. First, the peasantry shifted resources away from sugar to domestic agricultural output. For a growing number of people, this meant a reduction in reliance on the plantation as a source of income. The planters' reaction was predictable.

"The provision grounds are now the greatest curse the proprietors have to contend with, as the people are independent of labour for the estates".<sup>45</sup>

The percentage contribution of sugar to gross domestic product fell from 25 per cent in 1850 to 19 per cent in 1890, while domestic agriculture showed an increase from 28 per cent to 36 per cent over the same period.<sup>46</sup> In Barbados, by way of contrast, sugar continued to dominate all economic activity.

In Jamaica the peasants not only increased the degree of integration in the economy by expanding and diversifying the domestic agricultural sector, they also produced a diversified group of commodities for the external sector. The best illustration of this is provided by a breakdown of exports between estates and small proprietors for the year 1890.

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<sup>45</sup> Ibid., p. 74.

<sup>46</sup> Ibid., pp. 4 - 5.

TABLE 19

Exports of Jamaica 1890:

Estates and Smallholders

<u>Crop</u>	<u>Estates</u>		<u>Smallholders</u>		
	<u>'000</u>	<u>%</u>	<u>'000</u>	<u>%</u>	<u>Total</u>
Sugar	196.2	40.2	282.4	59.8	478.6
Rum	265.4	100.0	-	0.0	351.7
Logwood	176.8	50.0	176.7	50.0	353.6
Coffee	304.6	83.2	61.5	16.8	366.1
Bananas	210.7	59.9	141.0	40.1	351.7
Pimento	32.2	48.4	33.3	51.6	66.5
Oranges	23.3	50.0	23.2	50.0	46.5
Ginger	15.2	50.0	15.3	50.0	30.5
Cocoanuts	14.5	54.3	12.2	45.7	26.7
Cocoa	6.4	52.5	5.8	47.5	12.2
Lime Juice	3.2	100.0	-	0.0	3.2
Other	-	0.0	47.4	100.0	47.4
<b>TOTAL</b>	<b>1,249.5</b>	<b>61.0</b>	<b>798.8</b>	<b>39.0</b>	<b>2,048.3</b>

Source: Pestieau, op. cit., p. 86.

By 1890, therefore, peasants were producing almost 40 per cent of total exports. What is more, these exports were significantly diversified. A transformation of great proportions had occurred. Jamaica had become less vulnerable to external fluctuations in any one market. In addition, the growth in the proportion of peasant output in total output had led to a better distribution of income not only directly, but indirectly because those workers that remained in the plantation sector commanded higher wages. No such change occurred in Barbados. In the 1890's

sugar (and related products) still made up the bulk of domestic exports. In the 1960's, the same is true.<sup>47</sup>

(3) Occupation<sup>al</sup>/Distribution of the Labour Force in Jamaica

Sectoral distribution of employment in Jamaica assumed a completely different pattern from that of Barbados. The Table below indicates that domestic agriculture indeed absorbed a very high proportion of the labour force following emancipation. This avenue simply was not open to workers in Barbados. Also remarkably different is the relatively small percentage of the labour force that drifted into services - 12 per cent in 1921 as compared with 23 per cent in Barbados at the same time.<sup>48</sup>

In 1844, 80 per cent of those gainfully employed were in agriculture. Though the relative figure dropped from this period up to 1921, falling to 64 per cent in that year, the numbers employed in agriculture have increased from 188,000 to 229,000. In Barbados on the other hand, numbers in agriculture (or export agriculture) have declined both absolutely and relatively. The

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<sup>47</sup> See pp. 182-183 below.

<sup>48</sup> The classifications in Barbados and Jamaica are not identical. The figure for Barbados is for services generally, while that for Jamaica is for domestic services. However, the disaggregation for Barbados is greater with transport, communications and storage entered separately. Thus at least this category is excluded from services. The wide difference in the percentages of the two countries does suggest that, even allowing for some error, Barbados has a greater percentage in the service sector.

following table summarises occupational distribution for the Jamaican labour force over the relevant period.

TABLE 20  
Distribution of Labour by Industry

<u>Industry</u>	<u>1844</u>		<u>1861</u>		<u>1871</u>		<u>1881</u>		<u>1891</u>		<u>1911</u>		<u>1921</u>	
	<u>'000</u>	<u>%</u>	<u>'000</u>	<u>%</u>	<u>'000</u>	<u>%</u>	<u>'000</u>	<u>%</u>	<u>'000</u>	<u>%</u>	<u>'000</u>	<u>%</u>	<u>'000</u>	<u>%</u>
1. Agriculture <sup>+</sup>	188.4	80.3	183.1	76.0	143.7	66.4	208.6	73.8	271.3	72.6	271.5	66.1	285.7	64.3
2. Industry and Construction	18.5	7.9	34.6	14.5	45.5	21.1	47.1	16.6	57.6	15.4	72.4	17.6	73.6	16.6
3. Commerce	4.9	2.1	4.1	1.7	6.3	2.9	7.4	2.6	10.9	2.9	19.8	4.8	20.6	4.6
4. Professions	2.0	0.9	2.5	1.0	4.4	2.0	4.7	1.7	7.0	1.9	9.2	2.2	11.4	2.6
5. Domestic Service	20.8	8.8	16.4	6.8	16.5	7.6	15.0	5.3	26.7	7.2	38.0	9.3	52.6	11.9
	234.6	100.0	240.7	100.0	216.4	100.0	282.8	100.0	373.5	100.0	410.9	100.0	443.9	100.0

+ Includes sugar factory workers.

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Source: Pestieau, op. cit., p. 88.



Summary: Barbados 1647 - 1945

We have shown how the sugar plantation was established in Barbados and the speed with which it grew until it monopolized all land. Since the mid-seventeenth Century up to the present time, this monopolization of land has changed very little, contrary to the experience of Jamaica and other Islands in the Caribbean.

The period immediately following the introduction of sugar was a very prosperous one for Barbados, and in this initial period, the pattern of production was firmly entrenched. Because of the technology of sugar production and the financial arrangements made in the expansion of the sugar industry, the profits during this period of prosperity were not reinvested in Barbados in such a way as to broaden the base of the economy.

As to the technology of sugar production, this plantation crop required relatively much unskilled labour and production on a large scale if economies of scale were to be reaped. In the absence of adequate supplies of labour, planters resorted to the slave trade to meet their labour supply and borrowed from metropolitan merchants to satisfy their capital requirements. The fact that so much capital was required to start a plantation, and thereafter to maintain it, excluded small scale production. These developments meant that whatever resources remained in Barbados after 1645 or flowed there after this date were specific to plantation operation. For the next two hundred years under slavery, the economy developed no skills but those specific to

the export staple, and these were not many or varied. When emancipation occurred, a large unskilled population, with no alternatives continued to work for the plantation or emigrated.

During slavery there was no distinct domestic sector. After slavery, the major commodity bought from the domestic economy by the plantation was labour services. Its output was not used as an input in any domestic activity. The sugar industry therefore was and is marked by the absence of either forward or backward linkages<sup>49</sup> either because there was nothing to which it could be "linked" during slavery or because it was not integrated into the rest of the economy afterwards.

Further, the way in which it was capitalized from its inception made for a distribution of income that militated against any diversification of the economy. Profits either flowed into the hands of metropolitan merchants who used them for further expansion of the sugar industry in Barbados or elsewhere, or into the hands of planters who resided in the metropolis or, by their consumption pattern, behaved as if they did. Planters' net income was spent either in further expansion of the sugar industry or in conspicuous consumption.

The early profitability of sugar was itself the factor that encouraged the lopsidedness of the Barbadian economy. When the sugar industry ceased to be profitable on a long term basis, the planters were in no position to retrench and diversify. Their

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<sup>49</sup> A. O. Hirschman, The Strategy of Economic Development, p. 100.

resources were geared to the production of the export crop, and the debt which they had by then accumulated forced them to go on concentrating on the production of the export staple as the only means of earning the foreign exchange necessary for meeting debt payments to the metropolitan merchants. Protection in the metropolitan market helped the planters to maintain the plantations intact during the Eighteenth Century.

When emancipation came, it forced the widespread abandonment of the plantations in Jamaica because of labour costs that were prohibitive. In Barbados, such was not to be the case. Blessed with abundant supplies of cheap labour, the Barbadian planter was able to reduce his labour costs in what had become a labour-intensive activity, and keep the plantation in operation.

The Barbados economy, just prior to World War II, was fundamentally the same as it had been three hundred years earlier. Instead of a society made up of planters and slaves, what we have is a society made up of planters and a large free but landless population, forced to work for low wages on the plantation. The only exception was the emergence of a third group whose chief activities were in services used by the plantation or made necessary by its continued existence alongside a free population.

Through periods witnessing important changes in the Island's history, the plantation structure has survived: through slavery to emancipation, from government by the metropolis in the interest of the metropolis through government by a plantocracy to representative government and even political independence. The one

common thread running through the history of Barbados since the 1640's has been the monopolization of land by the sugar plantation and the inability of the sugar industry to spur on any kind of economic development in the economy.

The postscript on the modern economy presents the legacy of this past.

## CHAPTER VI

### LEGACY OF THE PAST

#### The Contemporary Economy

It is not our intention here to give any detailed account or analysis of the economy of Barbados in the modern period. Our primary concern is to illustrate, by means of a brief summary of major structural features of the modern economy that nothing has substantially changed in 300 years. The assertion that any economy or society embodies in it the legacy of the past, is, at least, partly tautological. In our case, this view is worth exploring because of the high degree of resemblance and the seeming lack of change between one period and another. This is especially the case when the 300 years witnessed so fundamental a change as the abolition of slavery.

Using the years 1957 - 1964 as representative of the modern period, the Barbadian economy presents the following picture.<sup>1</sup>

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<sup>1</sup>

See table 1 in the Appendix.

(a) The sugar industry, accounting for the greater part of all agriculture, is the single most important contributor to gross domestic product. As Table I in the Appendix shows, the contribution of sugar to gross domestic product has been remarkably constant at a little over twenty per cent. As such, therefore, fluctuations in the sugar industry are reflected in the changes in the level of income.

(b) Next to sugar, the most significant contributor to gross domestic product is distribution. In an economy where trade (imports and exports) are so high, in relation to the level of domestic output, retail and wholesale trades loom large in total economic activity. This development is also the result of a lack of employment opportunities elsewhere.

(c) Likewise, services (and professions) attract significant numbers, many of whom are poorly paid - especially those employed in domestic services. This is one reason why the percentage of those employed in services far exceeds their contribution to gross domestic product.

(d) Of significance is the relatively small contribution made over the period by manufacturing. Obviously, there has been little structural diversification, either in terms of manufacturing's contribution to gross domestic product or in terms of the numbers employed there.

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(e) Though it does not show up individually in these figures, the tourist industry, the "new" export industry, has been growing by leaps and bounds. The extent of the growth in the tourist industry is seen by the estimated increase in tourist expenditures from \$10.4 million to \$26.1 million between the years 1958 and 1965.<sup>2</sup> This is the most significant departure in the modern period, and has contributed in a big way to the continued increase in income.

"The tourist industry has been principally responsible for the continued growth of the Gross Domestic Product in face of fluctuations in earnings of the sugar industry".<sup>3</sup>

Structurally, however, the tourist industry is similar to the sugar industry. We can equate it to a new export industry.

Of prime importance in explaining the picture presented here, is the fact that, in the 1960's, as in the 1660's, land is still being monopolized by the plantation. At the same time, whatever land has passed into the hands of part-time peasants is being used principally to cultivate sugar cane.

Between 1946 and 1964 sugar and related products consistently made up over ninety per cent (90%) of total Domestic

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2

Government of Barbados, Economic Survey 1966, p. 50.

3

Ibid., p. 50.

exports. Only in two years did this ratio fall below ninety per cent, and in these two years the figures were eighty-nine and eighty-five per cent. For a consistently high value, this ratio is perhaps exceeded only by that of Mauritius.<sup>4</sup> Table 2 in the Appendix illustrates this.<sup>5</sup>

Whatever factors affect the export market for sugar and the conditions of production in the sugar industry will be the determining factors in the size and value of total domestic exports. The structure of exports, therefore, illustrates the classic picture of the concentration of exports and the consequent vulnerability of the economy to unfavourable external forces. This, we should recall, was an important feature of the slave economy.

Imports, meanwhile, are influenced by the level of income which is itself related to exports. In addition, imports are influenced by such things as tastes etc., which are less subject to fluctuations. It is no surprise, imports have increased at a more steady rate than exports, which are subject to sudden variations in volume and value.

The percentage distribution of imports by commodity from 1954 to 1964 is given in Table 3 of the Appendix.

Imports are more diversified than exports, as would be

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<sup>4</sup> J. E. Meade, The Economic and Social Structure of Mauritius, Methuen and Co. Ltd., London 1961, Table xxii, p. 52.

<sup>5</sup> Appendix Table 2, pp. 182-183.



expected, where production and exports are so specialized. Imports range over a wide group of products, starting from basic food items and more sophisticated consumer non-durables, through highly finished consumer durables right through to intermediate capital inputs and finished capital goods like machinery.

Food items have formed a significant part of total imports throughout, but although increasing in absolute value, have been on a slight decline as a percentage of total imports. Manufactures, a diversified group in themselves, although fluctuating as a percentage of total imports, have fluctuated only within a small range, with the exception of the year 1955. Mineral oils, machinery and vehicles, and miscellaneous manufactures have all shown appreciable gains, and represent significant shifts in tastes. Mineral oils and machinery and vehicles are, in fact, complementary items and the significant increase in the shares of these categories indicate a shift both towards consumer durables with an increase in income, and the provision of credit facilities of consumer credit, and the increase in transportation facilities and growth in the building trade. Miscellaneous manufactures, including footwear and clothing, also showed a significant increase in its percentage share, again, indication of a shift in tastes away from basic foodstuffs to other consumer amenities associated with the standard of living.

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A further indication as to important increases in demand for imports can be got by using the following broad categories and years.

TABLE 21

Estimated Increase in National Income and Major Imports

(Percentage changes 1946 - 1953, 1954 - 1964)

	<u>National Income</u>	<u>Imports</u>	<sup>a</sup> <u>Food</u>	<u>Total Manufactures</u>	<u>Raw Materials</u>
1946 - 1953	71.9	90.0	118.0	77.4	42.9
1954 - 1964	<sup>b</sup> 73.0	123.6	89.0	165.8	4.5

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Source: All figures computed from: Barbados Statistical Service  
Abstract of Statistics No. 4, 1963, Table 91, p. 113.

a Including beverages and tobacco

b 1954 - 1962

These figures indicate, in approximation, that the income elasticity of demand for imports was greater than unity in both periods. It was greater for food imports than the imports of manufactured commodities in the first period. The reverse is true in the second period. This would certainly explain the growing trade gap as any increase in income brings about a bigger percentage increase in the demand for imports.

Of the main components of imports, food imports increased 118 per cent while total imports increased 90 per cent (1946 -

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1953). During the period 1954 - 1964, imports of food increased 123.6 per cent. Food imports increased faster than income in both periods, but with a difference. The demand for food imports increased at a slower rate in the second period. The period 1946 - 1953 was the immediate post-war period when, with a return to anything like normal shipping, many imports cut off during the war became available again. This bottled-up demand, when freed, was responsible for significant increases in demand for all types of consumer goods. In Barbados, we would have to substitute imports for consumer goods. The much smaller percentage increase in food imports in the period 1954 to 1964 would indicate that consumers, having reached a certain level of food imports (consumption) have shifted some of the emphasis to more sophisticated consumer goods.

During the period 1946 - 1953, total imports of manufactures increased by 77 per cent, a rate below the increase in total imports. The same post-war conditions probably influenced this figure. In the latter period, however, total imports of manufactures increased faster than total imports, 155.1 per cent as opposed to 123.6 per cent.

Raw materials have increased at a slower rate than total imports in both periods. In fact, there was hardly any increase in the second period - a definite shift in the preference for finished products.

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Because the category manufactures include<sup>s</sup>/a broad range of commodities making up both consumer and investment goods, a specimen breakdown might be useful. In one year, 1963, taken as an example, this category was responsible for approximately \$18.7 million.<sup>6</sup> Included in this section, however, are" (1) Final consumer goods, (2) Final investment goods, (3) intermediate goods. In an attempt to find the appropriate distribution between these three sub-groups, we have called all goods imported and going directly to the consumer without any change in form, final consumer goods. Commodities used for productive purposes, but whose form does not change after being imported, are classified as final producer goods. Then, there are numerous commodities used as inputs and whose form is altered in the productive process. These are called intermediate goods. Following this approach, we find that the whole group of \$18.6 million is divided thus" final consumer - \$4.98 million, final producer \$3.65 million, intermediate input \$9.95 million. A large portion of this section is, therefore, devoted to the import of intermediate inputs, although it should be stressed that the vast majority of even the intermediate commodities are far from being crude materials. This last sub-group, including a sizable amount of base metals, metal manufactures and non-metallic manufactures, can be expected to increase with development and the building up of infra -

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Barbados Statistical Service, Abstract of Statistics,  
No. 4, 1963, Table 91, p. 113.

structure.

The overall picture presented by the balance of visible trade is that exports have increased more slowly than imports and have tended to fluctuate more. More and more, therefore, invisible exports and 'capital flows' have brought about the adjustment in the balance of payments.

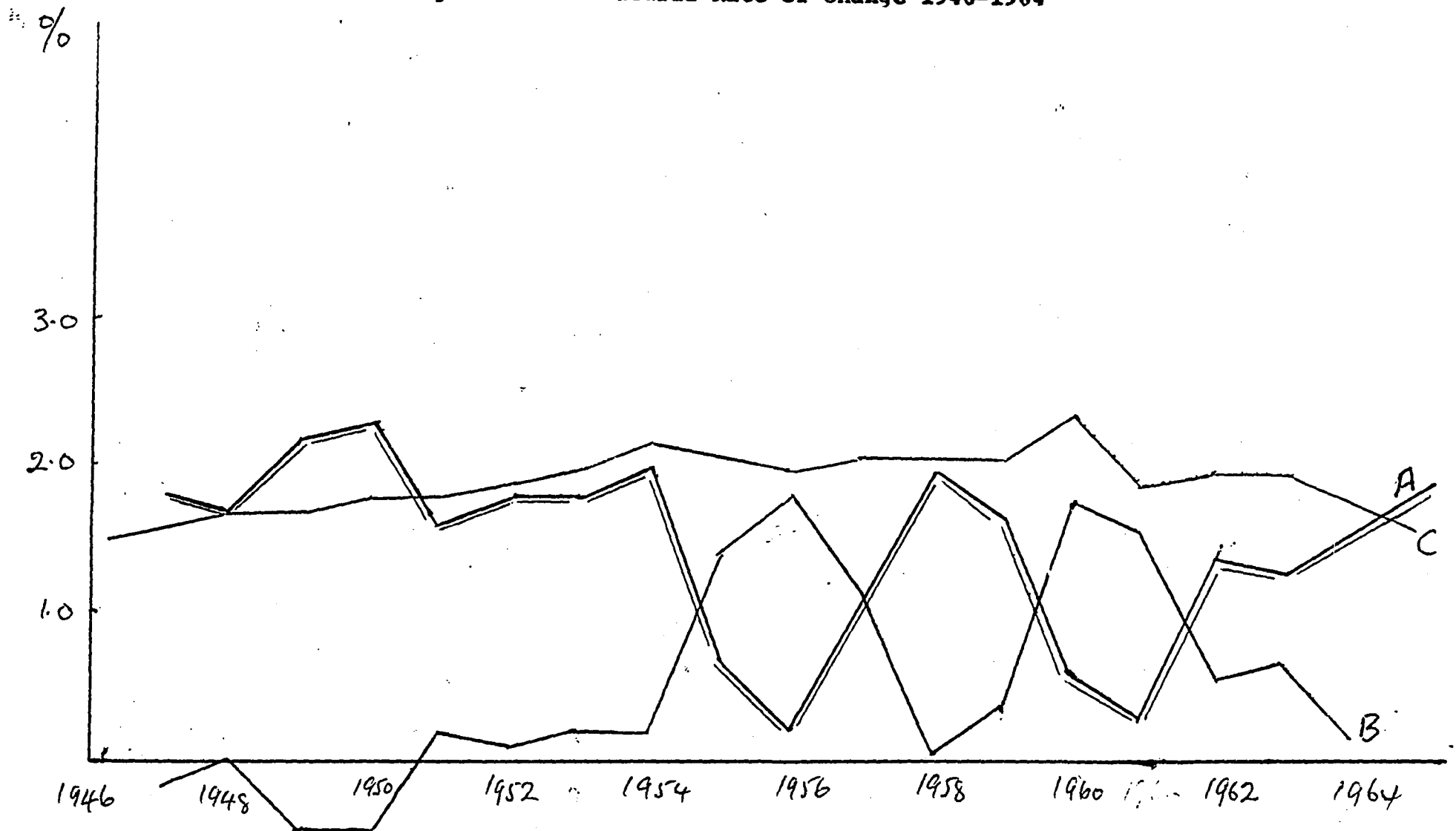
Between 1946 and 1964, population increased from 195,000 to 244,000, an increase of twenty-five per cent in eighteen years. Further emigration over the period represented some fourteen per cent of the 1946 population or a total of 27,071. The breakdown of this population growth and emigration is given in Table 4 in the Appendix.

Quite simply, this large and increasing population is related to the large base that had been laid by the end of the period of slavery. Interesting, however, is the fact that emigration has absorbed almost 40 per cent of the natural increase in population.

The birth rate has declined to just under three per cent. The death rate meanwhile has fallen significantly from 1.7 per cent to 0.9 per cent. The result is that the rate of natural increase has risen slightly over the period from fifteen to eighteen per cent. Net migration, however, has been outwards since 1951, keeping the rate of actual increase. Fluctuations in the level of net migration have caused the rate of increase in population to fluctuate widely from 2.3 per cent in 1950 to only 0.2 per cent in 1956. These trends are illustrated in the following diagram.

# Rate of Population Change

Migration and Natural Rate of Change 1946-1964



A = Ave. rate of increase in population per year

B = Net migration. Note: Migration on the positive side of the y axis represents a net outflow

C = Average annual rate of natural increase in population; birth rate + death rate

The overriding feature of the occupational distribution of the labour force has been the continuance of a long-term trend of labour displacement in export agriculture. Since 1921, the numbers employed in agriculture have progressively declined. This has occurred during a period when both the acreage employed in sugar cultivation and productivity (per acre and man hour) have shown increases. However, it does not represent any conscious pattern of industrialization à la Lewis or Nurkse.<sup>7</sup> Those leaving agriculture were not attracted by higher wages in industry. They left simply because of a lack of employment opportunities. The trend has simply served to bring into sharper focus the employment effects of structural imbalance.

An idea of the declining numbers in agriculture can be got by examining the following figures.

<u>Employment in Agriculture</u>			1921, 1946 and 1960 (in thousands)
<u>1921</u>	<u>1946</u>	<u>1960</u>	
32.2	26.8	22.4 <sup>a</sup>	

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Sources: G.E. Cumper, "Employment in Barbados", Social and Economic Studies, V. 8, table 1, p. 108. Barbados, Development Plan, 1965-68, table v. p. 19.

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7. W.A. Lewis "Economic Development with Unlimited Supplies of Labour", Manchester School of Economic and Social Studies May 1954.  
R. Nurkse, Problems of Capital Formation in Underdeveloped Countries, Basil Blackwell, Oxford, 1957.

What have been the accompanying trends? A slight difficulty arises since the figures for 1921 are not classified by the same groups as in the later years. By some approximation and matching of the old to the new groups we are able to follow the trends.

TABLE 22

Working Population by Major Industrial Group. 1921, 1946, 1960  
(in thousands)

	<u>1921</u>		<u>1946</u>		<u>1960</u>	
	<u>Total</u>	<u>%</u>	<u>Total</u>	<u>%</u>	<u>Total</u>	<u>%</u>
Total Working Population-						
Agriculture & Fishing	32.2	36.3	26.8	29.3	<sup>a</sup> 22.4	26.4
Mining & Quarrying-	-	-	0.4	0.4	0.5	0.6
Manufacturing-	15.0	17.2	18.3	20.0	<sup>a</sup> 13.0	15.3
Construction-	3.8	4.4	7.1	7.8	9.0	10.6
Electricity, Gas, Water and Sanitary Services					0.8	0.9
Commerce-	9.4	10.8	12.4	13.6	14.7	17.3
Transport, Storage and Communications-	3.8	4.4	3.2	3.5	4.4	5.2
Services	22.9	20.3	21.9	24.0	20.1	23.7
Other	-	-	0.5	0.6	-	-
Not Stated	-	-	-	-	0.1	0.1
Unemployed	-	15.0	-	-	-	-
Total	87.1	100%	91.4	100%	85.0	100%

Sources: G.E. Cumper, "Employment in Barbados", Social and Economic Studies, V. 8, Table 1, p. 108. Barbados, Development Plan, 1965-68, table v. p. 19.

- (a) Because of regrouping in 1960, the figure for that year is not directly comparable with those of the two previous years. In 1960, this figure includes those employed in sugar manufacturing as well--previously included under employment in manufacturing. The decline in numbers between 1946 is there-much greater than indicated by the figures.



It is apparent immediately that the occupation that has absorbed the single most significant part of the out-flow from agriculture is commerce.

In other words, it is the distributive trades that have shown the biggest increase in employment. This is in keeping with trends noticed elsewhere, especially the growing volume of imports. Whereas in 1921, 9.2 per cent of the working population was engaged in commerce, in 1960 the figure was 17.3. Next comes construction. Though the increase in the number employed in construction is slightly less than that in commerce, construction between 1921 and 1960 has almost trebled the percentage of the labour force employed therein. This is a reflection, no doubt, of the expansion in building by both public and private sectors.

It should be noticed that both of these activities are heavily dependent on the volume of imports. In the case of commerce, the volume of imports sustains employment for many in the distributive trades. Construction depends on the ability to import a wide range of industrial inputs. Employment in these two activities, therefore, depends at present on continuing imports themselves limited by export (visible and invisible) earnings.

It is fair to estimate that, from the change recorded by the reclassification of 1960, sugar manufacturing constitutes a major part of total manufacturing. It is not

possible to estimate how much growth took place in the numbers employed in other types of manufacturing between 1964 and 1960. However, it is clear that in 1960, manufacturing placed fourth among the major sources of employment, following agriculture, services and commerce in that order. Manufacturing still only employs 15 per cent of those employed.

Numbers employed in services have remained remarkably steady over a 40 year span with hardly any change between 1946 and 1960. Services in total, therefore, have not been able to absorb additional numbers, although the fact that the tourist industry has grown significantly since 1960 suggests that at present, the number employed in other services must have risen.

The major changes, therefore in the structure of employment have been (1) a decline in the numbers employed in agriculture matched by (11) an almost equivalent increase in the numbers employed in commerce and construction combined.

We therefore get a picture of an economy where a single economic activity (and the production of a single product) is responsible for generating the single largest, and a significantly large, portion of output and income, employment and foreign exchange.. Income tends to fluctuate with the fortunes of sugar. Income earned in the sugar industry

becomes the source of consumer expenditure, and therefore the demand for the products and services of other industries and of the rest of the world (imports). A busy import trade creates or makes possible the sustenance of the trades of commerce and distribution. Secondly consumer expenditure on both domestic goods and services and imports provide the biggest single source of government current revenue - indirect taxes. Thirdly, the sugar industry, through the creation incomes both directly and indirectly, sustain the source of other government revenue, direct taxes. Favourable conditions in the external market for sugar we usually translated into higher incomes, consumption, employment and increased economic activity in general. The reverse becomes true if there are adverse conditions in the external market (or in domestic production, climatic conditions). Whether or not such an economy, in times of adverse conditions, in the external market for its product or elsewhere, is in fact resilient to such conditions and can therefore insulate itself from the most unfavourable effects depends on the degree to which it can bring into play various adjustment processes such as:

- (1) Changing technology in order to become even more competitive and retain share of the market.

- (2) Shifting to the production of other exports (and thus maintaining the level of income, consumption and imports).
- (3) Substituting production of output for the domestic market for exports, therefore reducing the volume of imports to the level which can be supported by the new lower level of export earnings.
- (4) Finding other markets for the still high-cost export.

As presently operating, the economy of Barbados is not in a position to adopt any of these alternatives without adverse short-run conditions. Changing technology to reduce costs would involve some degree of mechanization and this in turn raises the problem of aggravating an already high level of unemployment. Shifting to the production of other exports, as well as production for the domestic market, (ignoring the inter-connection between size and economics of scale) requires some mechanism for the re-deployment of of factors of production. Such a mechanism is at present absent. The owners of land are reluctant to use it for the production of commodities where the market is not guaranteed in the way in which the sugar market is guaranteed. As to finding markets

for sugar elsewhere, recent studies have shown that (1) both income and price elasticities are very low at most levels of income and prices, (ii) there is a growing degree of self-sufficiency in the world sugar market.<sup>8</sup>

The net result of all this is that as far as mobilizing factors of production are concerned, the Barbadian economy at present illustrates little flexibility - either in the sense of varying production to suit market conditions or producing competitively enough to sell in any market.

It is in this inability to do anything in the face of adverse conditions rather than just the high dependence on world markets that the danger lies. A depression in the sugar market would still therefore have the following effects: (1) fall in income and export earnings created from sugar; (2) fall in imports and consumption; (3) fall in government revenue; (4) fall in general economic activity; other sectors - distribution and commerce, services being adversely affected.

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8. F. O. A., Commodity Bulletin Series No. 32: Trends and Forces in World Sugar Consumption, Rome, 1961.

### Conclusion

There has been little fundamental change in the structure of the Barbadian economy. Changes of course there have been, but all of these changes have occurred within, and because of the on-going framework of the plantation economy.

One of these developments has been the emergence of a wage economy after 1838. We have seen that the economic conditions in Barbados effectively prevented any significant changes up to the formation of a vigorous and centralized trade union movement after the second world war. Any change was effectively stymied because the plantations, still monopolizing the land, and enjoying the opportunities offered by an abundant labour force and low wages, reverted to a labour intensive method of production. The cheapness of this method more than out-weighed its inefficiency.

When, after the 1940's, the union began to get substantial increases in wages for the workers, the planters in Barbados were for the first time faced with the conditions that had confronted the planters in Jamaica, Trinidad, British Guiana and other islands one hundred years previously at emancipation -- high labour costs. It is at this time therefore that we find the most significant change in the

structure of the sugar industry itself. The planters were forced to substitute capital for labour by mechanization of sugar agriculture and centralization of marketing and manufacturing.

The effects on the labour market were inevitable. Progressively the sugar industry provided less and less employment for a growing population that still remained landless.

Under these conditions, mass emigration of the population continued and in this we have the traditional exodus of population that had occurred after expansion of sugar production in the seventeenth century and after emancipation in 1838. Even with continuing emigration high levels of unemployment -- as high as 15 per cent -- have remained as a long term problem. As long as the structure remains the same, as long as sugar continues to monopolize the land, the plantation economy will not be able to generate enough jobs to take care of the growing population. With population continuing to grow, the urgency to find a solution to the employment problem increases.

The only new industry of any significance is tourism. Tourist expenditures have been on the increase in Barbados ever since the end of the Second World War. It has contributed significantly to the substantial growth in money

income that has occurred since 1949, and furthermore has partly financed the growing trade gap that has been a particular feature of the economy in recent years.

Tourism also has had linkage effects on industries such as construction, services and transportation. Here it has created both income and employment for a part of the labour force no longer able to find employment in the traditional export sector. Naturally tourism, the new export industry, has been a blessing to Barbadians.

But there are other sides to tourism. As an export industry catering to a foreign public, it has reinforced the taste patterns inherited from the slave economy. Catering to the tastes of North American tourists, for instance, requires the importation of North American commodities. Furthermore, the "spill-over" effects then influence native tastes. The tourist industry, like government expenditure, like personal consumption expenditure, like private investment expenditure, is contributing to the growing demand for imports. The fault of course lies not in the tourist industry itself, but in the structure of the economy. The open economy is capable of generating tastes for a continental pattern of consumption without being able to produce a whole stream of goods to satisfy these tastes. This goes back to the days of the



slave economy. At present, the relative "ackee" content of production is still low and the "salt fish" component is as high as ever, although it is now much more varied. "Residentiary" output has increased tremendously because of the growth of services, and because the alternative would be even higher unemployment of labour resources. Surplus resources of labour therefore allow this type of output to be produced without any reduction of the staple output of sugar.

While therefore it has contributed substantially towards financing the adverse trade gap, the tourist industry has contributed as well to the emergence of this gap.

Another modern feature of Barbados has been the election of governments by universal suffrage representing the whole population. Government under the slave economy as well as under the post-emancipation economy was in effect government of the plantocracy representing the interests of the planters and the metropolitan government. The government's active role is spelled out in a series of development plans.<sup>9</sup> The various governments elected since 1950 have addressed themselves to the problems of vulnerability of the economy to external forces, because of the structural imbalance and the dependence of one

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9. Two examples are: Government of Barbados, Development Plan 1960-65, and Development Plan 1965-68.

commodity; to the problem of unemployment; to the problem of raising the standard of living of the population. The method used has been "industrialization by invitation". Government expenditure has been concentrated on building infrastructure while private investment, both domestic and foreign, has been offered attractive tax concessions etc. in the hope that such measures will prove to be strong enough incentives to attract the necessary capital. Government has even gone as far as providing facilities and leasing them to private citizens in order to get small industries started. In other cases, government has made loans for the purpose of getting small industries started. We therefore have very active government involvement in the economic affairs of the island, rather than simply passive government serving the sugar industry.

The problem is that under the structure of the plantation economy, where the propensity to import is very high, the multiplier effects of any type of expenditure are very weak. If \$1 million of income flows into the hands of consumers as a result of a government project and the bulk of this income is spent on imported commodities, the leakage out of the economy is very great. Only to the extent that the value added in distribution creates income for the retail sector and other services, and excise taxes on imports create tax revenue for the government

does a part of this expenditure remain in the domestic economy. The multiplier is therefore very small.

Government expenditure of the type mentioned above therefore has many limitations as one source of creating on-going development. To the credit of the present government, it has recently begun to take actions to tackle the problems at the source -- the monopolization of land by the plantation. By demonstration, attempts are being made to show the feasibility of diversifying agriculture -- that is -- reallocating land away from export agriculture to domestic agriculture.

# APPENDIX TABLE 1

## Gross Domestic Product at Factor Cost 1957-1965.

### Sectoral and Percentage Contributions.

	1957		1958		1959		1960		1961		1962		1963		1964		1965	
	\$m.	%	\$m.	%	\$m.	%	\$m.	%	\$m.	%	\$m.	%	\$m.	%	\$m.	%	\$m.	%
Cost	103.0	100	97.6	100	103.5	100	119.8	100	128.7	100	133.1	100	151.4	100	147.3	100	153.9	100
	35.3	34	28.0	29	32.0	31	25.5	21	25.9	20	25.3	19	37.0	24	29.7	20	31.5	21
Lease	-	-	-	-	-	-	8.1	7	8.1	6	8.4	6	8.2	5	8.2	6	8.3	5
	6.7	6.5	6.9	7.1	7.0	6.8	11.8	9.8	13.6	10.6	14.0	10.5	14.2	9.4	14.2	9.6	14.3	9.3
	16.6	16.1	16.1	16.5	17.0	16.4	10.0	8.3	12.2	9.5	13.3	10.0	13.5	8.9	14.0	9.5	14.1	9.2
	6.0	5.8	6.0	6.1	6.0	5.8	6.8	5.7	7.9	6.1	8.3	6.2	8.5	5.6	8.7	5.9	9.0	5.8
	20.7	20.1	22.0	22.5	22.0	21.3	27.6	23.0	28.0	21.8	29.2	21.9	33.6	22.2	34.1	23.2	35.6	23.1
	7.3	7.1	7.6	7.8	8.0	7.7	12.1	10.1	14.5	11.3	14.6	11.0	15.0	9.9	15.4	10.5	17.0	11.0
	2.4	2.3	3.0	3.1	3.5	3.4	6.2	5.2	6.2	4.8	6.4	4.8	6.4	4.2	6.5	4.4	6.5	4.2
	8.0	7.8	8.0	8.2	8.0	7.7	11.7	9.8	12.3	9.6	15.6	10.2	15.0	9.9	16.5	11.2	17.6	11.4

Sources: Government of Barbados, Development Plan 1965-1968.

\_\_\_\_\_, Economic Survey 1966.

# APPENDIX TABLE 1

## Gross Domestic Product at Factor Cost 1957-1965.

### Sectoral and Percentage Contributions.

	1957		1958		1959		1960		1961		1962		1963		1964		1965
	\$m.	%	\$m.	%	\$m.	%	\$m.	%	\$m.	%	\$m.	%	\$m.	%	\$m.	%	\$m
Gross Domestic Product	103.0	100	97.6	100	103.5	100	119.8	100	128.7	100	133.1	100	151.4	100	147.3	100	153.9
Sugar	35.3	34	28.0	29	32.0	31	25.5	21	25.9	20	25.3	19	37.0	24	29.7	20	31.5
Other Agriculture	-	-	-	-	-	-	8.1	7	8.1	6	8.4	6	8.2	5	8.2	6	8.3
Construction	6.7	6.5	6.9	7.1	7.0	6.8	11.8	9.8	13.6	10.6	14.0	10.5	14.2	9.4	14.2	9.6	14.3
Manufacturing & Mining	16.6	16.1	16.1	16.5	17.0	16.4	10.0	8.3	12.2	9.5	13.3	10.0	13.5	8.9	14.0	9.5	14.1
Transport	6.0	5.8	6.0	6.1	6.0	5.8	6.8	5.7	7.9	6.1	8.3	6.2	8.5	5.6	8.7	5.9	9.0
Distribution	20.7	20.1	22.0	22.5	22.0	21.3	27.6	23.0	28.0	21.8	29.2	21.9	33.6	22.2	34.1	23.2	35.6
Services & Professions	7.3	7.1	7.6	7.8	8.0	7.7	12.1	10.1	14.5	11.3	14.6	11.0	15.0	9.9	15.4	10.5	17.0
Rent	2.4	2.3	3.0	3.1	3.5	3.4	6.2	5.2	6.2	4.8	6.4	4.8	6.4	4.2	6.5	4.4	6.5
Government	8.0	7.8	8.0	8.2	8.0	7.7	11.7	9.8	12.3	9.6	13.6	10.2	15.0	9.9	16.5	11.2	17.6

Sources: Government of Barbados, Development Plan 1965-1968.

\_\_\_\_\_, Economic Survey 1966.

## APPENDIX TABLE 2

Structure of Domestic Exports (1946 - 1964)


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	Sugar		Molasses		Rum		Subtotal	
	(\$000)	%	(\$000)	%	(\$000)	%	(\$000)	%
1946	8,590	61.1	3,769	26.8	1,225	8.7	13,584	96.7
1947	9,020	53.9	5,507	32.9	1,650	9.9	16,177	96.7
1948	5,771	43.4	5,050	37.9	1,808	13.6	12,629	94.9
1949	15,715	75.1	3,275	15.7	1,225	5.9	20,215	96.6
1950	18,567	71.6	5,166	19.9	1,416	5.5	25,149	97.0
1951	23,213	70.7	6,625	20.1	1,972	6.0	31,810	96.5
1952	26,064	70.6	7,144	19.4	1,770	4.8	34,978	94.8
1953	27,014	70.8	5,091	13.3	1,753	4.6	33,858	88.7
1954	28,181	75.0	4,162	11.1	2,155	5.7	34,498	91.9
1955	26,525	74.1	4,469	12.5	2,217	6.2	33,211	92.8
1956	24,176	73.5	4,307	12.8	2,063	6.3	30,446	92.6
1957	35,996	80.0	4,833	10.7	2,084	4.6	42,918	95.3
1958	26,527	74.7	4,851	13.7	2,249	6.3	33,627	94.7
1959	31,043	78.0	4,228	10.6	2,165	5.4	37,436	94.0
1960	26,834	76.6	3,161	9.0	2,412	6.9	32,407	92.5
1961	28,939	78.1	3,564	9.6	2,209	6.0	34,712	93.7
1962	27,476	74.1	4,336	11.8	1,892	5.1	33,734	91.0
1963	41,681	77.9	5,700	10.7	1,992	3.7	49,373	92.3
1964	30,893	68.4	5,142	11.4	2,242	5.0	38,277	84.8

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(continued)

APPENDIX TABLE 2 (continued)

	Other <sup>a</sup>		Total	
	(\$000)	%	(\$000)	%
1946	464	3.3	14,048	100
1947	564	3.3	16,741	100
1948	481	5.1	13,310	100
1949	708	3.4	20,923	100
1950	775	3.0	25,924	100
1951	1,142	3.5	32,952	100
1952	1,922	5.2	36,900	100
1953	4,292	11.3	38,150	100
1954	3,057	8.1	37,555	100
1955	2,568	7.2	35,779	100
1956	2,429	7.4	32,875	100
1957	2,093	4.7	45,011	100
1958	1,871	5.3	35,498	100
1959	2,385	6.0	39,821	100
1960	2,609	7.5	35,016	100
1961	2,350	6.3	37,062	100
1962	3,336	9.0	37,070	100
1963	4,133	7.7	53,506	100
1964	6,877	15.2	45,144	100

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Source: Barbados Statistical Service, Abstract of Statistics, No. 4, 1963, tables 94, 95, 96 pp. 116-118

a Other exports include: lard and margarine, laundry soap, edible oil, sugar confectionery and a small miscellaneous group.

## APPENDIX TABLE 3

Percentage Composition of Imports (1954 - 1964)

	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
<u>Total Imports</u> (\$m.)	<u>48.8</u>	<u>55.2</u>	<u>61.3</u>	<u>68.3</u>	<u>73.4</u>	<u>74.9</u>	<u>83.3</u>	<u>80.3</u>	<u>89.1</u>	<u>98.9</u>	<u>109.0</u>
Food	31.4	30.5	29.1	28.1	28.6	28.4	26.3	28.9	27.0	27.2	26.8
Beverages & Tobacco	2.6	2.5	2.6	3.2	2.9	3.0	2.6	2.4	2.2	2.0	2.0
Raw Materials	6.9	6.1	7.7	5.9	5.0	5.0	5.3	4.9	4.0	4.3	3.3
Mineral Oils	5.0	5.3	5.0	4.6	5.0	5.4	5.1	5.4	12.5	13.9	10.3
Other Oils & Fats	2.3	1.1	1.4	1.2	0.7	0.9	0.6	0.5	0.3	0.6	0.5
Chemicals	8.0	7.8	8.2	8.8	7.5	8.0	7.2	8.0	7.9	7.0	7.9
Manufactures	20.6	23.5	21.1	21.5	21.7	21.8	22.1	21.7	18.9	18.9	19.2
Machinery & Vehicles	11.6	13.6	12.8	15.0	16.9	15.4	18.3	15.2	14.4	13.8	16.6
Misc. Manu- factures	7.0	7.0	7.8	7.8	8.1	9.1	9.4	9.5	9.5	9.0	10.1
Misc. Transac- tions	4.8	4.1	4.1	4.0	3.6	3.2	3.2	3.4	3.3	3.3	3.4

Source: Barbados Statistical Service, Abstract of Statistics,  
No. 4, 1963, table 90, p.112



## APPENDIX TABLE 4

Population, Birth Rate, Death Rate, Migration, Annual Rate of Increase (1946 - 1964).

<u>Year</u>	<u>Total</u>	<u>Birth Rate</u>	<u>Death Rate</u>	<u>Natural Increase</u>	<u>Annual Net Migration</u>	<u>Annual Increase</u>	<u>Annual Rate of Population Increase</u>
1946	195,357	31.9	17.0	14.9	-1,300	3,467	-
1947	198,849	31.7	16.3	15.5	- 443	3,492	1.78
1948	202,396	32.5	15.7	16.8	- 171	3,547	1.74
1949	206,797	31.1	14.6	16.5	-1,023	4,401	2.15
1950	211,641	30.7	12.8	17.9	-1,100	4,844	2.29
1951	215,128	32.0	14.2	17.9	- 306	3,487	1.64
1952	219,015	33.7	14.7	19.0	- 218	3,887	1.80
1953	222,942	33.1	13.6	19.5	- 380	3,927	1.76
1954	227,550	33.7	11.3	22.4	- 424	4,608	2.04
1955	229,113	33.2	12.5	20.6	-3,143	1,563	.70
1956	229,579	31.0	10.6	20.4	-4,186	466	.22
1957	232,227	31.7	10.7	21.0	-2,197	2,648	1.13
1958	236,812	30.3	9.8	20.5	- 232	4,585	2.00
1959	240,799	29.8	8.7	21.1	-1,039	3,987	1.67
1960	234,575 <sup>a</sup>	33.3	8.0	24.3	-4,231	1,475	0.64
1961	233,956	28.9	10.3	18.6	-4,963	619	0.26
1962	237,376	29.3	9.0	20.3	-1,345	3,420	1.44
1963	240,341	28.3	9.0	19.5	-1,701	2,965	1.26
1964	244,161	26.9	9.0	18.1	- 551	3,828	1.58
Total							

Source: Barbados Statistical Service, Abstract of Statistics, No. 4, 1963, table 4, p. 7.

a: Figures from 1960 onwards were revised in the light of the 1960 Census which found population some eight thousand less than expected in that year. Ibid., p. 4.

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