

# Economic Liberty



## *Legacy of the Pilgrims*

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## ECONOMIC LIBERTY IN AMERICA: *A Legacy of the Pilgrims*

By Dr. Paul Jehle, Executive Director, Plymouth Rock Foundation

The Pilgrim story commonly known today does not usually embrace the notion of *economic liberty*. The Pilgrims, in their quest to be *stepping-stones* of freedom for their own conscience in worshipping God but also for their children and those that would follow them, had almost everything go wrong as they attempted to plant a colony in the new world. By the time they reached the shores of New England, they were poor, had barely enough provisions for the first winter, and began to die at an alarming rate. With such beginnings, the seed of economic prosperity and productivity seems a bit out of place. But the experience of these Pilgrims would precede a century of experimentation by their neighbors the Puritans who came a decade later. Both would come to the same conclusion on the recipe for economic liberty.

### The Pilgrims Take Six Steps of Liberty; *One of them being Economic*

Dr. Charles Wolfe, co-founder and President of Plymouth Rock Foundation and long-time historian on the Pilgrims, makes the observation that there were no less than six steps of freedom taken by the Pilgrims. At the time, they were developed out of necessity, but with the advantage of hind-sight and Providential insight, they are the consequences of their commitment to practice the simple truths of the Bible. Dr. Wolfe put it this way:



“Recently, while looking at a reproduction of the famous painting of the Pilgrims marching through the snow, it occurred to me that they had taken six bold steps to liberty, that these are steps which each generation of Americans must continue to take, that they begin with the most important step of all, gaining a degree of spiritual liberty or freedom from sin, that the other steps followed in a logical, almost inevitable sequence, and that together these six aspects of liberty, resulting from the application of six facets of the principle of Christian self-

government, form a beautiful, realistic paradigm or pattern for an enduring, free and orderly America.”<sup>1</sup>

The steps Dr. Wolfe identifies begin with *Spiritual Liberty*. This was their recognition of personal sin revealed by the Bible and their subsequent conversion to the Christian faith. The second step was *Religious Liberty*. As they began to be persecuted by the State supported Church, they withdrew (hence the derogatory name *separatist*), and formed their own church by covenant in Scrooby in 1606. The third step was *Political Liberty* when they wrote the Mayflower Compact in Provincetown Harbor in 1620, thus securing protection for both their spiritual and religious (church) liberty. Fourth, their *defense of liberty* was evident in their willingness to protect their lives and families – first during their exploration

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<sup>1</sup> Wolfe, Charles Hull, *Pilgrim Paradigm for the New Millennium*, Letter from Plymouth Rock, Volume 23, Issue 1, January/February, 2000, page 2, Plymouth Rock Foundation, Plymouth, Massachusetts – [www.plymouthrock.org](http://www.plymouthrock.org).

on the Cape when they encountered unfriendly Natives, and then by building their pallisade wall around the plantation.<sup>2</sup>



Then, Dr. Wolfe highlights their *economic liberty*, beginning in 1623. It is this fifth step we wish to expand upon here. The sixth step, *constitutional liberty* (1636), was the writing of their Constitution that secured the freedoms they had begun to practice. They did not begin in the practice of economic liberty, though out of necessity they would practice as much as possible. The Council of New England, the subsequent joint-stock company to the original Virginia Company of London which was first formed in 1606, were called the Adventurers and represented businessmen willing to invest in planting a colony. The Planters were the Pilgrims, those willing to go and in this case included members of the Pilgrim Church of Leyden. In England, an economic contract between Adventurers and Planters was a bit one sided. It recognized the right to a profit by those who invested but did not recognize such a right in those who were Planters.

### **Poverty from a Socialistic Economic Contract**

The initial agreement between the Adventurers and Planters required the sharing of all profits, but the Pilgrims had insisted on privately owning their homes, gardens and lands they would develop.<sup>3</sup> However, this agreement was changed at the last minute by Thomas Weston and Robert Cushman, the Pilgrim agent. William Bradford describes this in Of Plimoth Plantation: “*the chief and principal differences between these and the former conditions, stood in those two points; that the houses, and lands improved, especially gardens and home lots, should remain undivided wholly to the planters at the seven years’ end. Secondly, that they should have had two days in a week for their own private employment, for the more comfort of themselves and their families, especially such as had families.*”<sup>4</sup>

Though the Pilgrims did not initially want to share profits (which was a communal arrangement of labor), they were now being forced to share, in addition to labor, their homes, gardens and land in a communal arrangement. It was as if Karl Marx’s philosophy of “*from each according to his ability, to each according to his needs*” was being implemented (though of course Marx would not publish such notions until 1859). In essence, to the redistribution of labor had now been added the redistribution of wealth. Simply put, it was a change they did not like, but due to the time and their condition, they had to accept it. Lands and labor had to now remain in a common storehouse until 1627, and instead of having two days for their private employment (and profit), everything was now to be kept in common.

The Pilgrims knew by the experience of Jamestown (planted in 1607) as well as their experience in England that unless concessions to private property and labor were given, there would be little incentive to work. The prevailing notion in England and by the Adventurers was that all use of land and labor was government-granted rather than private in order to insure a profit for the investors. The profit motive was thought to be sinful in and of itself. The bottom line, then, was simple when the Pilgrims arrived in 1620 – *there was no trust in a free market.*

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<sup>2</sup> *Ibid.*, pages 2-4.

<sup>3</sup> North, Gary, *Puritan Economic Experiments*, Institute for Christian Economics, 1988, page 8.

<sup>4</sup> Bradford, William, *Of Plimoth Plantation*, edited by Samuel Eliot Morison, Alfred A. Knopf, 1991, page 41.

Bradford speaks frankly when he says he retells these problems *“that their children may see with what difficulties their fathers wrestled in going through these things in their first beginnings; and how God brought them along, notwithstanding all their weaknesses and infirmities.”*<sup>5</sup> They purchased a ship called the *Speedwell*, but had to sell it for much less than it was worth when it proved to be un-seaworthy. The Pilgrims suspected it was the Captain who over-masted the ship so he didn’t have to go on the voyage. Several returned, and extra people and supplies had to be crammed aboard the *Mayflower*, causing a loss of both time and money.<sup>6</sup>

After arriving at Cape Cod, they wrote the *Mayflower Compact* in order to govern themselves and preserve unity due to the fact that they were off course from their original Patent. Then half the company died the first winter. The growing season became one of survival, and without the Providential help of Squanto, who could speak English, and who taught them how to fertilize the corn in the sandy soil of New England, the small Pilgrim band of 51 would not have survived.<sup>7</sup> The *Peace Treaty* with the Natives was essential in protecting the relationships with the local inhabitants, and it was enacted by the Pilgrims as an extension of the principles of covenanting they had practiced in both their church (Scrooby - 1606) and civil (Mayflower - 1620) covenants.



Even without much of a first harvest, the Pilgrims celebrated the first Thanksgiving in 1621 with ninety of their Native neighbors. The Natives brought most of the food. During the next year, 1622, Mr. Weston proved to be unfaithful in his promises or business priorities. When the *Fortune* arrived in the fall of 1621, it had 36 individuals with not enough food to sustain them, let alone the others who were already there. Bradford summarizes: *“they never had any supply of victuals more afterwards (but what the Lord gave them otherwise), for all that the company sent at any*

*time was always too short for those people that came with it.”*<sup>8</sup>

Bradford relates their pitiful condition of near starvation when he says of the second harvest *“now the welcome time of harvest approached, in which all had their hungry bellies filled. But it arose but to a little, in comparison of a full year’s supply; partly because they were not yet well acquainted with Indian corn (and they had no other), also their many other employments; but chiefly their weakness for want of food, to tend it as they should have done... so as it well appeared that famine must still ensue, the next year also if not some way prevented, or supply should fail, to which they durst not trust.”*<sup>9</sup>

### **The Pilgrims Embrace a Free Economy**

In the Spring of 1623, Bradford, as Governor, and others with him, realized that unless something was done to make them productive enough to be self-sustaining, they would starve. Thus, Bradford’s

<sup>5</sup> *Ibid.*, page 46.

<sup>6</sup> *Ibid.*, pages 52-54.

<sup>7</sup> *Ibid.*, pages 81, 85.

<sup>8</sup> *Ibid.*, page 102.

<sup>9</sup> *Ibid.*, page 112.

analysis and his decision, in counsel with others, demonstrates their Biblical reasoning in applying the wisdom they had learned from Scripture to their present situation.

*“So they began to think how they might raise as much corn as they could, and obtain a better crop than they had done, that they might not still thus languish in misery. At length, after much debate of things, the Governor (with the advice of the chiefest amongst them) gave way that they should set corn every man for his own particular, and in that regard trust to themselves; in all other things to go on in the general way as before. And so assigned to every family a parcel of land, according to the proportion of their number, for that end, only for present use (but made no division for inheritance) and ranged all boys and youth under some family.*

*This had very good success, for it made all hands very industrious, so as much more corn was planted than otherwise might have been by any means the Governor or any other could use, and saved him a great deal of trouble, and gave far better content. The women now went willingly into the field, and took their little ones with them to set corn; which before would allege weakness and inability; whom to have compelled would have been thought great tyranny and oppression.*

*The experience that was had in this common course and condition, tried sundry years and that amongst godly and sober men, may well evince the vanity of that conceit of Plato’s and other ancients applauded by some of later times; that the taking away of property and bringing in community into a commonwealth would make them happy and flourishing; as if they were wiser than God. For this community (so far as it was) was found to breed much confusion and discontent and retard much employment that would have been to their benefit and comfort. For the young men, that were most able and fit for labor and service, did repine that they should spend their time and strength to work for other men’s wives and children without any recompense. The strong, or man of parts, had no more in division of victuals and clothes than he that was weak and not able to do a quarter the other could; this was thought injustice. The aged and graver men to be ranked and equalized in labors and victuals, clothes, etc., with the meaner and younger sort, thought it some indignity and disrespect unto them. And for men’s wives to be command to do service for other men, as dressing their meat, washing their clothes, etc., they deemed it a kind of slavery, neither could many husbands well brook it.”*

*Upon the point all being to have alike, and all to do alike, they thought themselves in the like condition, and one as good as another; and so, if it did not cut off those relations that God hath set amongst men, yet it did at least much diminish and take off the mutual respects that should be preserved amongst them. And would have been worse if they had been men of another condition. Let none object this is men’s corruption, and nothing to the course itself. I answer, seeing all men have this corruption in them, God in His wisdom saw another course fitter for them.”<sup>10</sup>*

### **Bradford’s “ingredients” for a Free Economy**

Bradford identifies several reasons why socialism (common ownership of labor) and elementary communism (common ownership of land) did not work, even among the most godly people. We can deduce at least the following from his discourse describing their 1623 decision.

1. In a common ownership of labor and land, people tend to become lazy, not wanting to work, thus *private property* must undergird a free and productive economy.

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<sup>10</sup> *Ibid.*, pages 120-121.

2. Under socialism, people tend to make up excuses why they can't work, thus *private profit* is a key ingredient in a free economy as well.
3. Communal living breeds discontent, for all tend to want what other's have, but refuse to work for it, thus *welfare must be voluntary (private charity) rather than forced (government charity)*.
4. Socialism is built on pride and a presumed external equality in an open or ignorant refusal of God's plan in the Bible so that differences between the young, adult or aged are not respected. *A free economy is built, in contrast, on the respect and dignity of individual differences.*
5. Though some look at the profit motive as corrupt, it is imperative to see that it is man's nature that is corrupt, including those who hold office in government. *The free market, in contrast, is built on personal incentive and self-interest in order to overcome one's naturally corrupt nature..*
6. Ultimately, God's design for the economy rests on *voluntary choice*, which is far more productive than government force and the re-distribution of wealth.

**Prayer:**  
***Key to the Success of a Free Economy***

Bradford adds a seventh characteristic necessary for the success of a free economy. In fact, Bradford implies it is the most essential. He states the Pilgrims had to "*rest on God's providence... (the) need to pray that God would give them their daily bread...*"<sup>11</sup> In other words, even though they had a better economic system, without prayer it would ultimately fail. This, in essence, was an application of Pilgrim theology at work curbing the natural and corrupt pride of man. Why did he make prayer a key ingredient?

Immediately after they re-apportioned the land and labor according to private family units, a drought ensued, threatening the very crop they now planted under a free and voluntary system! "*I may not omit how, notwithstanding all their great pains and industry, and the great hopes of a large crop, the Lord seemed to blast, and take away the same, and to threaten further and more sore famine unto them. By a great draught which continued from the third week in May, till about the middle of July, without any rain and with great heat for the most part, insomuch as the corn began to wither away though it was set with fish.... Upon which they set apart a solemn day of humiliation, to seek the Lord by humble and fervent prayer, in this great distress.*"<sup>12</sup>

This day of prayer was conducted on a Wednesday. Bradford relates "...*he was pleased to give them a gracious and speedy answer, both to their own and the Indians' admiration that lived amongst them. For all the morning, and greatest part of the day, it was clear weather and very hot, and not a cloud or any sign of rain to be seen; yet toward evening it began to overcast, and shortly after to rain with such sweet and gentle shower as gave them cause of rejoicing and blessing God. It came without either wind or thunder or any violence, and by degrees in that abundance as that the earth was thoroughly wet and soaked and therewith. Which did so apparently revive and quicken the decayed corn and other fruits, as was wonderful to see, and made the Indians astonished to behold. And afterwards the Lord sent them such seasonable showers, with interchange of fair warm weather as, through His blessing, caused a*

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<sup>11</sup> *Ibid.*, pages 121-122.

<sup>12</sup> *Ibid.*, page 131.

*fruitful and liberal harvest, to their no small comfort and rejoicing. For which mercy, in time convenient, they also set apart a day of thanksgiving.*"<sup>13</sup>

Amazingly, the conversion of Hobbomock, the Native who would become the Pilgrim interpreter after the death of Squanto in 1622, occurred after this day of prayer.<sup>14</sup> Both Pilgrims and Puritans, by 1694, had traditional Spring days of humiliation, fasting and prayer, followed by days of thanksgiving for answered prayer in the fall. The topics of these annual proclamations included a humble petition to God for economic prosperity of private businesses and as a consequence, the community as a whole. This annual practice did not stop until 1894.

The history of the Pilgrims and Puritans is one that puts trust in God as an essential ingredient to the success of a free economy. The Pilgrims viewed God as sovereign, and thus even with the right system of economics, individual and corporate sin can cause Him to remove the conditions necessary for productivity. Repentance and prayer are thus key components to a sound economy.



As Dr. Wolfe so ably points out, however, the evidence of this economic decision, including prayer, is in its fruit. *"Each family was free at last to own its own land, and keep its own production. The result, a tripling of the best previous output! Look at how much they planted year by year: in 1621, 26 acres; in 1622, 60 acres; in 1623, 184 acres!"*<sup>15</sup> The Pilgrims tripled their production the first year under a private system of economics! This exponential production continued and they were virtually without want, becoming a community that lent to others in need rather than one being in need of borrowing new supplies on a regular basis, just as God promises in Holy Scripture.<sup>16</sup>

### **A Trading Post and Grist Mill as Examples of Economic Liberty**

By 1627, when the original contract under which the Pilgrims operated was re-negotiated, the Pilgrims had opened up trade with the Natives and Dutch at Aptuxet. Bradford states *"that they might better take all convenient opportunity to follow their trade, both to maintain themselves and to disengage them of those great sums which they stood charged with and bond for, they resolved to build a small pinnacle at Manomet, a place 20 miles from the Plantation, standing on the sea to the southward of them.... all which took good effect and turned to their profit."*<sup>17</sup> This trading post has now been recreated, and serves as a demonstration of the free enterprise economy which used wampum (from the coahog shell) as a medium of exchange (money).<sup>18</sup>



<sup>13</sup> *Ibid.*, pages 131-132.

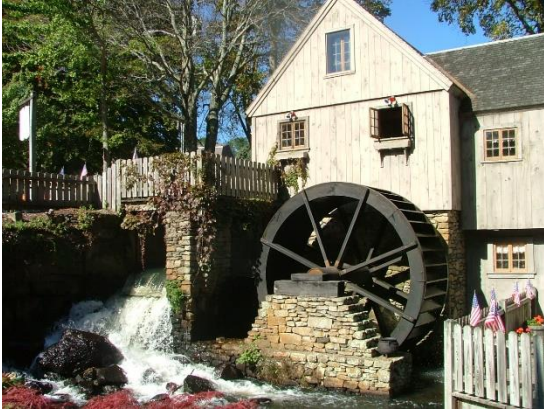
<sup>14</sup> Morton, Nathaniel, *New England Memorial*, Congregational Board of Publication, 1855, pages 64-65.

<sup>15</sup> Wolfe, *Paradigm*, page 4.

<sup>16</sup> See Deuteronomy 28:12.

<sup>17</sup> Bradford, page 193.

<sup>18</sup> See Lombard, Percival Hall, *The Aptuxet Trading Post*, Bourne Historical Society, 1968. See also [www.bournehistoricalsociety.org/aptuxettradingpost.html](http://www.bournehistoricalsociety.org/aptuxettradingpost.html) where the recreated Post can be visited.



Then, in 1636, John Jenney of Plimoth Plantation, built a Grist Mill outside the Pallisade walls of the town, where he could enjoy the fruit of his labors. Bradford relates this fact in his work *“how they did pound their corn in mortars; as these people were forced to do many years before they could get a mill.”*<sup>19</sup> Not only did John Jenney construct a mill to grind corn and receive payment for his work, but he had a virtual natural monopoly on the production of corn. He became a wealthy businessman, operating a brewery as well as a bank, demonstrating once again the fruit of a free market.<sup>20</sup>

### **Puritan Experiments with the “Just Price” and “Wage Ceiling”**

In order to appreciate the bold decision by the Governor and his Council within the Plymouth Pilgrim Colony to allow each family to produce “for itself”, as well as the fruit that followed in trade with the Dutch and Natives in addition to making individuals like John Jenney wealthy, we must examine how unique this was in the context of the economics in England at the time. The Puritans brought similar concepts of economics from England, for they were initially not “separatists.” As Gary North observes *“the question of what constituted a truly godly economic system did not immediately disturb them... what little economics their leaders brought with them was basically the economics of the medieval schoolman... Thus, it is not surprising that the first two generations of leaders in New England should have fallen back upon ‘tried and true’ medieval economic concepts.”*<sup>21</sup>

Two such concepts brought by the Puritans to New England and subsequently implemented by the Colonial government was the *just price* and *wage ceiling*. In such an economic system, personal profit is viewed as sinful, and thus to curb the corrupt sinful nature of man, the government, a presumed objective institution, was to set both the “just price” as well as the “wage ceiling” for various vocations. In essence, the wages of various vocations (through licensing and inspections), along with the proper price of a commodity (profits could not exceed 33%), were set by, as well as regulated (with punishments) by the Colonial government.<sup>22</sup>

### **The Failed Example of the Saugus Iron Works**

What was the result of this truly socialistic system, inherited from medieval times? The best example of what occurred is an analysis of the Saugus Iron Works, begun in 1644 south of Boston. It was government inspired, and incentives were supplied by the government for private investors to make it work. But a government inspired, government controlled supply and demand economy will put even the best businesses into extinction. The conclusion as to why the Saugus Iron Works were finally abandoned after nearly four decades of trying to make it work, were chronicled by historian E. N. Hartley in his landmark book *Ironworks on the Saugus*.

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<sup>19</sup> Bradford, page 145.

<sup>20</sup> The recreated Grist Mill, along with the John Jenney House in Plymouth can be visited, see [www.jenneygristmill.org](http://www.jenneygristmill.org).

<sup>21</sup> North, Gary, *Puritan Economic Experiments*, page 23.

<sup>22</sup> *Ibid.*, pages 24-40.





*“In the total mass of data on the ironworks, it is a shortage of operating capital that stands out above all else. The Undertakers, and those who followed them, all decided in time that they would not or could not continue to advance money or supplies. This is but another way of saying that the ironworks could not even keep going out of profits. For this, two key factors seem to have been responsible. One was the high cost of production. Costs were high, and apparently through the whole period, for supplies, for transportation, and above all, as one would expect, labor. In a normal situation high costs could have been absorbed*

*in higher prices for the goods which were sold. This, however, was ruled out by the ceiling price imposed by the General Court. The second factor was the important of iron from England. Between the one and the other the proprietors were literally squeezed.”<sup>23</sup>*

Suffice it to say, that the “experiment” of the Puritans with socialism, only enhanced the experience of the Pilgrims decades before. The Puritan “failure” of economic socialism, however, was on a much larger scale. The only reason the Pilgrim colony implemented such radical measures as a free economy earlier was because they followed their “separatist” tradition, “reforming without tarrying for any” – or in other words, not waiting for England to initiate the change. By the 18<sup>th</sup> century, the practice of socialism was all but abandoned due to its dismal failure, even though tried amongst the shining “city set on a hill” of godly Puritans.

### **In Conclusion...**

In modern terminology, within the first century of our nation’s existence, the Pilgrims, followed by the Puritans, experimented with the forced common ownership of property, price controls and minimum wage laws. The result was a documented, dismal failure of such practices. First the Pilgrims, and then their larger Puritan neighbors, discovered by experience what they found could have been avoided had they been free or wise enough to implement the simple economic laws of the Bible. The colonists of the early and mid-18<sup>th</sup> century found more satisfaction in a free market, only to have it threatened by the mercantile trade laws of George III beginning in 1760 – the result of which was our War for Independence.

It is time we reflect upon our history, and learn the lessons from it. Though always small, and often only a footnote to the history of America, our Pilgrim forefathers had the wisdom as well as the fortitude and courage to boldly go where no one was going either in England or in the wilderness. As a result, they opened up trade with each other and the Natives which made all more wealthy. The increase of capital (wealth) was of greater importance than immediate profit (riches). This resulted in a legacy and inheritance that eventually led full independence and freedom, secured under the law of the Constitution of the United States.

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<sup>23</sup> Hartley, E. N., *Ironworks on the Saugus*, University of Oklahoma Press, 1957, page 270.