

John Dryden's *Absalom and Achitophel* and the Problem of Contract: The Stopping of the Exchequer and the Memory of Non-Credible Commitment

Douglas North and Barry Weingast, in their assessments of the Stuart dynasty's performance, elide a detailed discussion of the immediate causes of the post-1688 institutional transformations that they say led to greater "credible commitment" by the government: the sovereign default of Charles II. Though they do mention the "stop of the exchequer" in 1672 briefly and discuss the rechartering of local governments as evidence of arbitrary power, they do not address how this sovereign default revived a century-long discourse on the social contract between the state and its subjects that the Stuarts' poor performances had generated.¹ This discourse, reaching its peak during the Exclusion Crisis of 1679-1681, concerned whether the King's failure to repay his creditors – mostly London goldsmith-bankers and their depositors – constituted an encroachment on private property rights.

This paper argues that John Dryden's poem *Absalom and Achitophel* (1681-1682), an allegory of the Exclusion Crisis that publicized the King's victory over his opposition, encapsulates the entirety of this discourse in the process of making the case that there are no private property rights without the sovereignty of the public. It does so by focusing on coin imagery in the poem, contending that legal tender is a public space and that Dryden was suggesting that the clipping of coin by the goldsmiths was a sovereignty violation that undermined the social contract from the private end. In these circumstances, the King could not guarantee, through a sound currency, the transparency of exchanges within the kingdom in general, let alone to the goldsmiths themselves. *Absalom and Achitophel*, in this view, accepted the dynasty's critics' argument that the social contract that the sovereign guarantees is a fictive construct between men, not a divine right, but asserts that legitimate sovereignty is necessary to maintain that contract as expressed in the tokens of exchange so valued by the private sector. This paper contends that the poem's reflection on whether the King's illegitimate Protestant son James Duke of Monmouth could succeed to the throne and exclude Charles's Catholic brother James Duke of York from succession – the overt topic of the Exclusion Crisis – concerns this relationship between political legitimacy and sound currency.

If Steven Pincus is correct in arguing that the innovations of the post-1688 Financial Revolution were Whig initiatives that had been in the pipeline since the Exclusion Crisis, but were blocked by the Tory reaction of the 1680s, then this poem stands at a critical moment in the negotiation of Britain's political and economic future.²

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¹ Douglas North and Barry Weingast, "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England." *The Journal of Economic History* 49.4 (Dec. 1989), 820, 814-815.

² Steven Pincus, *1688: the First Modern Revolution* (New Haven: Yale UP, 2009), 368-369.