

'Towards the Payment of the Debts of the Commonwealth': Transparency, Accountability, and 'Publike Faith' under the Long Parliament.'

One of the chief conclusions that North & Weingast's drew from their narrative of the development of 'credible commitment' was their insistence that 'these institutional innovations did not arise naturally. Rather they were forced, often violently, upon the Crown' (p. 828). Their account ignores the institutional practices (and the ideological justifications for them) that governed the course of public borrowing under the Long Parliament and Commonwealth. The hallmarks of 'credible commitment' – respect for private property rights, transparency and accountability in public finance, monitoring by creditors (in part through a burgeoning print culture) – were all characteristic of primary and secondary markets for excise-backed paper in the 1640s. Yet when faced with a 'debt crisis' in 1647/48, the Commonwealth regime was unable to re-structure the public debt, and, instead, was forced to dispose of capital assets when real interest rates on government paper climbed to nearly twenty-four percent. This paper argues that it was rather public perception's of the permanence and stability of the Williamite regime, unwillingness on the part of the subjects to revisit civil strife, and, perhaps most importantly, broad acceptance of the fiscal innovations (especially excise taxation), which collateralised the state's financial obligations, that made the development of robust public capital markets possible.

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