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Peter T. Leeson: The Invisible Hook

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Charybdis herself must have spat them into the sea. They committed “a Crime so odious and horrid in all its Circumstances, that those who have treated on that Subject have been at a loss for Words and Terms to stamp a sufficient Ignominy upon it.” Their contemporaries called them “*Sea-monsters*,” “Hell-Hounds,” and “Robbers, Opposers and Violators of all Laws, Humane and Divine.” Some believed they were “*Devils incarnate*.” Others suspected they were “*Children of the Wicked One*” himself. “Danger lurked in their very Smiles.”

For decades they terrorized the briny deep, inspiring fear in the world’s most powerful governments. The law branded them *hostes humani generis*—“a sort of People who may be truly called Enemies to Mankind”—and accused them of aiming to “Subvert and Extinguish the Natural and Civil Rights” of humanity. They “declared War against all the World” and waged it in earnest. Motley, murderous, and seemingly maniacal, their mystique is matched only by our fascination with their fantastic way of life. “These Men, whom we term, and not without Reason, the Scandal of human Nature, who were abandoned to all Vice, and lived by Rapine” left a mark on the world that remains nearly three centuries after they left it. They are the pirates, history’s most notorious criminals, and this is the story of the hidden force that propelled them—the invisible hook.

Adam Smith, Meet “Captain Hook”

In 1776 Scottish moral philosopher Adam Smith published a landmark treatise that launched the study of modern economics. Smith titled his book, *An Inquiry into the Nature and Causes of the Wealth of Nations*. In it, he described the most central idea to economics, which he called the “invisible hand.” The invisible hand is the hidden force that guides economic cooperation. According to Smith, people are self-interested; they’re interested in doing what’s best for them. However, often times, to do what’s best for them, people must also do what’s best for others. The reason for this is straightforward. Most of us can only serve our self-interests by cooperating with others. We can achieve very few of our self-interested goals, from securing our next meal to acquiring our next pair of shoes, in isolation. Just think about how many skills you’d need to master and how much time you’d require if you had to produce your own milk or fashion your own coat, let alone manufacture your own car.

Because of this, Smith observed, in seeking to satisfy our own interests, we’re led, “as if by an invisible hand,” to serve others’ interests too. Serving others’ interests gets them to cooperate with us, serving our own. The milk producer, for example, must offer the best milk at the lowest price possible to serve his self-interest, which is making money. Indirectly he serves his customers’ self-interest, which is acquiring cheap, high-quality milk. And on the other side of this, the milk producers’ customers, in their capacity as producers of whatever they sell, must offer the lowest price and highest quality to their customers, and so on. The result is a group of self-interest seekers, each narrowly focused on themselves but also unwittingly focused on assisting others.

Smith’s invisible hand is as true for criminals as it is for anyone else. Although criminals direct their cooperation at someone

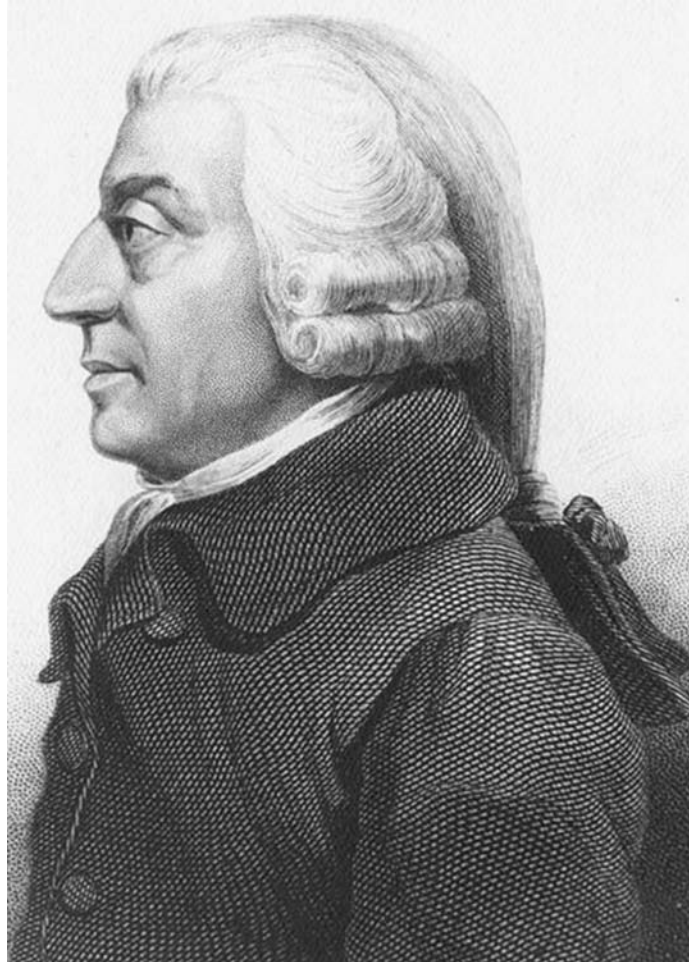


FIGURE 1.1. Adam Smith: Father of modern economics and the “invisible hand.” From Charles Coquelin, *Dictionnaire de l'économie politique*, 1854.

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else's loss, if they desire to move beyond one-man mug jobs, they must also cooperate with others to satisfy their self-interests. A one-man pirate "crew," for example, wouldn't have gotten far. To take the massive hauls they aimed at, pirates had to cooperate with many other sea dogs. The mystery is how such a shifty "parcel of rogues" managed to pull this off. And the key to unlocking this mystery is the *invisible hook*—the piratical analog to Smith's invisible hand that describes how pirate self-interest seeking led to cooperation among sea bandits, which this book explores.

The invisible hook differs from the invisible hand in several respects. First, the invisible hook considers criminal self-interest's effect on cooperation in pirate society. It's concerned with how criminal social groups work. The invisible hand, in contrast, considers traditional consumer and producer self-interests' effects on cooperation in the marketplace. It's concerned with how legitimate markets work. If the invisible hand examines the hidden order behind the metaphorical "anarchy of the market," the invisible hook examines the hidden order behind the literal anarchy of pirates.

Second, unlike traditional economic actors guided by the invisible hand, pirates weren't primarily in the business of selling anything. They therefore didn't have customers they needed to satisfy. Further, piratical self-interest seeking didn't benefit wider society, as traditional economic actors' self-interest seeking does. In their pursuit of profits, businessmen, for example, improve our standards of living—they make products that make our lives better. Pirates, in contrast, thrived parasitically off others' production. Thus pirates didn't benefit society by creating wealth; they harmed society by siphoning existing wealth off for themselves.

Despite these differences, pirates, like everyone else, had to cooperate to make their ventures successful. And it was self-

interest seeking that led them to do so. This critical feature, common to pirates and the members of “legitimate” society, is what fastens the invisible hook to the invisible hand.

The Invisible Hook applies the “economic way of thinking” to pirates. This way of thinking is grounded in a few straightforward assumptions. First, individuals are self-interested. This doesn’t mean they never care about anyone other than themselves. It just means most of us, most of the time, are more interested in benefiting ourselves and those closest to us than we’re interested in benefiting others. Second, individuals are rational. This doesn’t mean they’re robots or infallible. It just means individuals try to achieve their self-interested goals in the best ways they know how. Third, individuals respond to incentives. When the cost of an activity rises, individuals do less of it. When the cost of an activity falls, they do more of it. The reverse is true for the benefit of an activity. When the benefit of an activity rises, we do more of it. When the benefit falls, we do less of it. In short, people try to avoid costs and capture benefits.

Economists call this model of individual decision making “rational choice.” The rational choice framework not only applies to “normal” individuals engaged in “regular” behavior. It also applies to abnormal individuals engaged in unusual behavior. In particular, it applies to pirates. Pirates satisfied each of the assumptions of the economic way of thinking described above. Pirates, for instance, were self-interested. Material concerns gave birth to pirates and profit strongly motivated them. Contrary to pop-culture depictions, pirates were also highly rational. As we’ll examine later in this book, pirates devised ingenious practices—some they’re infamous for—to circumvent costs that threatened to eat into their profits and increase the revenue of their plundering expeditions. Pirates also responded to incentives. When the law made it riskier (and thus costlier) to be a pirate, pirates devised clever ways to offset this risk.

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When pirates offered crew members rewards for superlative pirating, crew members worked harder to keep a lookout for the next big prize, and so on.

It's not just that economics *can* be applied to pirates. Rational choice is the *only* way to truly understand flamboyant, bizarre, and downright shocking pirate practices. Why, for example, did pirates fly flags with skulls and crossbones? Why did they brutally torture some captives? How were pirates successful? And why did they create "pirate codes"? The answers to these questions lie in the hidden economics of pirates, which only the rational choice framework can reveal. History supplies the "raw material" that poses these questions. Economics supplies the analytical "lens" for finding the answers.

When we view pirates through this lens, their seemingly unusual behavior becomes quite usual. Strange pirate behavior resulted from pirates rationally responding to the unusual economic context they operated in—which generated unusual costs and benefits—not from some inherent strangeness of pirates themselves. As remaining chapters of this book illustrate, a pirate ship more closely resembled a Fortune 500 company than the society of savage schoolchildren depicted in William Golding's *Lord of the Flies*. Peglegs and parrots aside, in the end, piracy was a business. It was a criminal business, but a business nonetheless, and deserves to be examined in this light.

Avast, Ye Scurvy Dogs

Many discussions of pirates use the terms *pirates*, *buccaneers*, *privateers*, and *corsairs* interchangeably. There's a reason for this; all were kinds of sea bandits. But each variety of sea bandit was different. Pure pirates were total outlaws. They attacked merchant ships indiscriminately for their own gain. Richard Allein,

attorney general of South Carolina, described them this way: “Pirates prey upon all Mankind, and their own Species and Fellow-Creatures, without Distinction of Nations or Religions.” Eighteenth-century sea bandits were predominantly this ilk.

Privateers, in contrast, were state-sanctioned sea robbers. Governments commissioned them to attack and seize enemy nations’ merchant ships during war. Privateers, then, weren’t pirates at all; they had government backing. Similarly, governments sanctioned corsairs’ plunder. The difference is corsairs targeted shipping on the basis of religion. The Barbary corsairs of the North African coast, for instance, attacked ships from Christendom. However, there were Christian corsairs as well, such as the Knights of Malta. This book’s discussion primarily excludes privateers and corsairs since they typically weren’t outlaws.

Buccaneers, in contrast, typically were. The original buccaneers were French hunters living on Hispaniola, modern-day Haiti, in the early seventeenth century. Although they mostly hunted wild game, they weren’t opposed to the occasional act of piracy either. In 1630 the buccaneers migrated to Tortuga, a tiny, turtle-shaped island off Hispaniola, which soon attracted English and Dutch rabble as well. Spain officially possessed Hispaniola and Tortuga and wasn’t fond of the outlaw settlers. In an effort to drive them away, the Spanish government wiped out the wild animals the hunters thrived on. Instead of leaving, however, the buccaneers began hunting a different sort of game: Spanish shipping.

In 1655 England wrested Jamaica from the Spaniards and encouraged the buccaneers to settle there as a defense against the island’s recapture. Buccaneers spent much of their time preying on Spanish ships laden with gold and other cargo sailing between the mother country and Spain’s possessions in the Americas. Many of these attacks were outright piracy. But many

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others were not. Eager to break Spain's monopoly on the New World under the Treaty of Tordesillas (1494), England and France commissioned these sea rovers as privateers to harass Spain. "Buccaneering," then, "was a peculiar blend of piracy and privateering in which the two elements were often indistinguishable." However, since "the aims and means of [buccaneering] operations were clearly piratical," it's standard to treat the buccaneers as pirates, or at least protopirates, which I do in this book.

Although buccaneers weren't pure pirates, they anticipated and influenced pure pirates' organization in the early eighteenth century. Because of this, it's important to draw on them at various points, as I do, throughout my discussion. The same is true of the Indian Ocean pirates operating from about 1690 to 1700. These sea rovers represent a bridge between the more privateerlike buccaneers and the total-outlaw pirates active from 1716 to 1726. In the late seventeenth century, the Indian Ocean pirates, or "Red Sea Men" as their contemporaries sometimes called them, settled on Madagascar and its surrounding islands where they were well situated to prey on Moorish treasure fleets. For the most part, Indian Ocean pirates were pirates plain and simple. But some of them sailed under a veneer of legitimacy, which their successors abandoned completely. While this book covers pirates from about 1670 to 1730, it focuses on the final stage of the great age of piracy (1716–26) when men like Blackbeard, Bartholomew Roberts, and "Calico" Jack Rackam prowled the sea.

Jamaican governor Sir Nicholas Lawes described these sea scoundrels as "banditti of all nations." A sample of seven hundred pirates active in the Caribbean between 1715 and 1725, for example, reveals that 35 percent were English, 25 percent were American, 20 percent were West Indian, 10 percent were Scottish, 8 percent were Welsh, and 2 percent were Swedish,

Dutch, French, and Spanish. Others came from Portugal, Scandinavia, Greece, and East India.

The pirate population is hard to precisely measure but by all accounts was considerable. In 1717 the governor of Bermuda estimated “by a modest computation” that 1,000 pirates plied the seas. In 1718 a different official estimated the pirate population to be 2,000. In 1720 Jeremiah Dummer reported 3,000 active pirates to the Council of Trade and Plantations. And in 1721 Captain Charles Johnson suggested that 1,500 pirates haunted the Indian Ocean alone. Based on these reports and pirate historians’ estimates, in any one year between 1716 and 1722 roughly 1,000 to 2,000 sea bandits prowled the pirate-infested waters of the Caribbean, Atlantic Ocean, and Indian Ocean. This may not seem especially impressive. But when you put the pirate population in historical perspective it is. The Royal Navy, for example, employed an average of only 13,000 men in any one year between 1716 and 1726. In a good year, then, the pirate population was more than 15 percent of the navy’s. In 1680 the entire population of the North American colonies was less than 152,000. In fact, as late as 1790, when the first national census was taken, only twenty-four places in the United States had populations larger than 2,500.

Many pirates lived together on land bases, such as the one Woodes Rogers went to squelch at New Providence in the Bahamas in 1718. However, the most important unit of pirate society, and the strongest sense in which this society existed, was the polity aboard the pirate ship. Contrary to most people’s images of pirate crews, this polity was large. Based on figures from thirty-seven pirate ships between 1716 and 1726, the average crew had about 80 members. Several pirate crews were closer to 120, and crews of 150 to 200 weren’t uncommon. Captain Samuel Bellamy’s pirate crew, for example, consisted of “200 brisk Men of several Nations.” Other crews were even bigger than

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this. Blackbeard's crew aboard *Queen Anne's Revenge* was 300-men strong. In contrast, the average two-hundred-ton merchant ship in the early eighteenth century carried only 13 to 17 men.

Furthermore, some pirate crews were too large to fit in one ship. In this case they formed pirate squadrons. Captain Bartholomew Roberts, for example, commanded a squadron of four ships that carried 508 men. In addition, pirate crews sometimes joined for concerted plundering expeditions. The most impressive fleets of sea bandits belong to the buccaneers. Buccaneer Alexander Exquemelin, for example, records that Captain Morgan commanded a fleet of thirty-seven ships and 2,000 men, enough to attack communities on the Spanish Main. Elsewhere he refers to a group of buccaneers who "had a force of at least twenty vessels in quest of plunder." Similarly, William Dampier records a pirating expedition that boasted ten ships and 960 men. Though their fleets weren't as massive, eighteenth-century pirates also "cheerfully joined their Brethren in Iniquity" to engage in multicrew pirating expeditions.

Nearly all pirates had maritime backgrounds. Most had sailed on merchant ships, many were former privateers, and some had previously served—though not always willingly—in His or Her Majesty's employ as navy seamen. Based on a sample of 169 early-eighteenth-century pirates Marcus Rediker compiled, the average pirate was 28.2 years old. The youngest pirate in this sample was only 14 and the oldest 50—ancient by eighteenth-century seafaring standards. Most pirates, however, were in their mid-twenties; 57 percent of those in Rediker's sample were between 20 and 30. These data suggest a youthful pirate society with a few older, hopefully wiser, members and a few barely more than children. In addition to being very young, pirate society was also very male. We know of only four women active among eighteenth-century pirates. Pirate society was therefore energetic and testosterone filled, probably similar to a college

fraternity only with peglegs, fewer teeth, and pistol dueling instead of wrestling to resolve disputes.

Yo Ho, Yo Ho, a Lucrative Life for Me

Pirate fiction portrays seamen as choosing piracy out of romantic, if misled, ideals about freedom, equality, and fraternity. While greater liberty, power sharing, and unity did prevail aboard pirate ships, as this book describes, these were piratical *means*, used to secure cooperation within pirates' criminal organization, rather than piratical *ends*, as they're often depicted.

This isn't to say idyllic notions never motivated pirates. In his book, *Between the Devil and the Deep Blue Sea*, historian Marcus Rediker considers pirates in the larger context of eighteenth-century life at sea. Rediker persuasively argues that, in part, pirates acted as social revolutionaries in rebellion against the authoritative, exploitative, and rigidly hierarchical organization of pre-Industrial Revolution "state capitalism." Others have suggested pirates may have acted partially out of concerns for greater racial and sexual equality.

Despite this, most sailors who became pirates did so for a more familiar reason: money. In this sense, though its popular treatment is riddled with myths, the traditional emphasis on "pirate treasure" is appropriate. Sea marauding could be a lucrative business. When, during war, would-be pirates could work as legalized sea bandits on privateers, they often did. During the War of the Spanish Succession (1701–14), for instance, English sailors happily cruised on private men-of-war. Shipowners and government took a cut of privateers' booty; but a successful voyage could still earn sailors a substantial sum. Britain's Prize Act of 1708 sweetened the pot for these sailors by granting them and their shipowners the full value of their captures, government

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generously foregoing its share. Privateering was thus a desirable option when war was raging. But when it wasn't, privateering commissions dried up. What was a sea dog to do?

One possibility was to seek employment in the Royal Navy. But at conflicts' end the Royal Navy let sailors go. It wasn't interested in hiring them. The year before the War of the Spanish Succession concluded, for instance, the British Navy employed nearly 50,000 sailors. Just two years later it employed fewer than 13,500 men. Most sailors' only other legitimate maritime option was the merchant marine. This was fine for those who no longer had a taste for sea banditry and didn't mind taking a pay cut. But it posed a problem for those who did. Between 1689 and 1740 the average able seaman's monthly wage varied from 25 to 55 shillings; that's £15 to £33 a year, or about \$4,000 to \$8,800 in current U.S. dollars. The high end of this range was during war years when privateers and the navy bid sailor wages up. The low end was during peace years when hordes of ex-privateer and navy seamen flooded the labor market searching for jobs. A privateer, or even a merchant seaman, who had become accustomed to higher wages during war couldn't have been pleased about his pay falling by half when war ended.

Then there was piracy. Piracy had several advantages over working on a merchant ship. For one, it allowed ex-privateers to continue in the trade they knew best—sea banditry. Several pirate contemporaries understood this draw and feared an explosion of piracy following peace precisely because privateers provided a sort of pirate training ground during war. As Captain Johnson put it, "Privateers in Time of War are a Nursery for Pyrates against a Peace." Another man close to pirates, the venerable Reverend Cotton Mather, noted this as well. As Mather put it, "The Privateering Stroke, so easily degenerates into the Piratical." Other pirate contemporaries identified the increase in sailor unemployment after government recalled privateers when

war ended as the root problem. Jamaican governor Sir Nicholas Lawes pointed to this trouble when the short-lived War of the Quadruple Alliance finished in 1720. “Since the calling in of our privateers,” Lawes complained, “I find already a considerable number of seafaring men . . . that can’t find employment, who I am very apprehensive, for want of occupation in their way, may in a short time desert us and turn pyrates.” Lawes was right. Many ex-privateers did, “for want of encouragement” in their former trade, decide to “go a roveing about.”

The downside of piratical employment was that, unlike privateer work, piracy was illegal. But the prospect of sufficient gain could compensate for this inconvenience. And piracy could pay extremely well—even better than privateering. Unlike privateers, pirates didn’t have pesky shipowners who took a cut of their hard-earned loot. A pirate crew enjoyed every penny of its ship’s ill-gotten booty. Although there aren’t data to compute the average pirate’s wage, the available evidence suggests that, at the very least, piracy offered sailors the opportunity to become incredibly wealthy. “At a time when Anglo-American seamen on a trading voyage to Madagascar were collecting less than twelve pounds sterling a year . . . the deep-water pirates could realize a hundred or even a thousand times more.” In 1695, for example, Henry Every’s pirate fleet captured a prize carrying more than £600,000 in precious metals and jewels. The resulting share out earned each crew member £1,000, the equivalent of nearly forty years’ income for a contemporary able merchant seaman. In the early eighteenth century, Captain John Bowen’s pirate crew plundered a prize “which yielded them 500 l. [i.e., pounds] per Man.” Several years later, Captain Thomas White’s crew retired to Madagascar after a marauding expedition, each pirate £1,200 richer from the cruise. In 1720 Captain Christopher Condent’s crew seized a prize that earned each pirate £3,000. Similarly, in 1721, Captain John Taylor’s

and Oliver La Bouche's pirate consort earned an astonishing £4,000 for each crew member from a single attack. Even the small pirate crew captained by John Evans in 1722 took enough booty to split "nine thousand Pounds among thirty Persons"—or £300 a pirate—in a matter of months "on the account." Not bad considering the alternative, which was toiling on a merchantman for £25 a year.

This evidence must be interpreted with caution, of course. More modest prizes were certainly more common. And many pirates nearly starved searching for the score that would make them rich. Still, unlike employment as a merchant sailor, which guaranteed a low, if regular, income, a single successful pirating expedition could make a sailor wealthy enough to retire. And at least a few pirates did just that. Richard Moore, for example, who a crew of pirates captured and brought to their destination at Réunion, overheard some of Condent's men say "they had got Riches enough (by pirating) to maintain them handsomely as long as they lived & that therefore . . . they had left off pirating." Bartholomew Roberts suggested that sailors who chose legitimate employment over piracy were schlubs. "*In an honest Service, says he, there is thin Commons, low Wages, and hard Labour; in this, Plenty and Satiety, Pleasure and Ease, Liberty and Power; and who would not ballance Creditor on this Side, when all the Hazard that is run for it, at worst, is only a sower Look or two at choacking. No, a merry Life and a short one, shall be my Motto.*"

The prospect for substantial booty wasn't the only material concern driving some sailors' choice for piracy over the merchant marine. Ships' working environments played an important role in this decision too. Merchant ships engaged in long-distance trade spent months at sea. An important part of the overall "compensation package" to consider when making employment decisions was therefore what life was like aboard these vessels. Unfortunately for sailors whose timidity or scruples

prevented them from entering piracy, sometimes unpleasant, even miserable, working conditions attended merchant ships' relatively low monetary pay.

Merchant ships were organized hierarchically. On top was the captain, below him were his officers, and far below these were ordinary seamen. This hierarchy empowered captains with autocratic authority over their crews. Captains' authority extended to all aspects of life aboard their ships, including labor assignment, victual provision, wage payment, and of course, crew member discipline. The law permitted captains to dock sailors' wages for damaging freight, insolence, or shirking in their duties. It also supported the captain's right to administer "reasonable" corporal punishment to "correct" his sailors. Chapter 2 discusses the reasons for this autocratic organization. Here, I want only to point to its consequence, which was to create significant potential for captain abuse. As British marine commander William Betagh characterized the problem, "unlimited power, bad views, ill nature and ill principles all concurring" "in a ship's commander," "he is past all restraint." The trouble was that merchant captains were tempted to turn their authority against their seamen, preying on them for personal benefit.

Predatory captains cut sailors' victual rations to keep costs down or to leave more for them and their fellow officers to consume. As one sailor testified, for example, although the members of his crew "were att short allowance and wanted bread," the officers "were allowed . . . their full allowance of provisions and liquors as if there had been no want of scarcity of any thing on board." They fraudulently docked sailors' wages or paid in debased colonial currency, and voyaged to locations where their crews hadn't contracted to sail.

To keep their hungry and uncomfortable men in check, abusive captains used all manner of objects aboard their ships as weapons to punish insolent crew members. They hit sailors

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in the head with tackle or other hard objects, crushing their faces. In some cases captain abuse was so severe it killed sailors. In 1724 one merchant ship captain dealt two of his sailors “above a hundred Blows with a Cane upon & about their Heads, Necks & Shoulders with great force and violence in a very cruel and barbarous manner.” A few days later the sailors died. Another abusive captain, “without any provocation, came . . . and knock’d” one of his men “down and then stamped upon him twice with all the violence he could.” Apparently it was violence enough. Shortly thereafter the sailor expired. Cruelty like this makes Captain Nathaniel Uring’s treatment of a “seditious Fellow” on his ship seem downright charitable: “I gave him two or three such Strokes with a Stick I had prepared for that purpose . . . the Blood running about his Ears, he pray’d for God’s sake that I not kill him.”

Some captains used their authority to settle personal scores with crew members. Since Admiralty law considered interfering with punishment mutinous, captains defined when discipline was legitimate. They could therefore abuse targeted seamen at will. Other predatory captains abused their authority in more heinous ways. Captain Samuel Norman ordered one of his ship’s boys “to fetch a Pail of Water . . . to wash his Leggs, Thighs, & privy Parts.” The boy resisted, but Norman compelled him “& whilst he was washing the same, he the said Samuel let down the [boy’s] Trousers . . . & had the carnal use of him.” This wasn’t an isolated incident. Captain Norman used the boy “in the same manner” later. Outrageous treatment like this led some sailors to conclude “they had better be dead than live in Misery” under a predatory merchant ship captain.

While the historical record contains plenty of charges of captain predation, it’s important to avoid overstating this abuse. Although merchant officers had ample latitude to prey on their crews, this wasn’t without limit. Economic and legal factors

constrained captain predation to some extent. But none was able to prevent it entirely. English law, for example, created several legal protections designed to insulate sailors from captain predation. To a certain extent these protections were successful. Merchant seamen could and did take predatory captains to court for their actions, many times successfully.

However, as is often the case with the law, many other times it failed. Part of the difficulty stemmed from the uncertainties of the sea. Once afloat in the briny deep, there were rarely impartial spectators to verify a sailor's word against a captain's. Did a captain dock a sailor's pay because the sailor damaged freight, as he was entitled to under the law? Or was the captain simply self-dealing? Had a captain exceeded the powers of corporal punishment afforded him under the law? Or was his discipline justified? In many cases it was difficult to say. Further, the law itself regarding these matters could be unclear. Some sailors successfully sued their captains for merely pinching provisions. In other cases the law supported far more abusive captain conduct. In one case a captain beat his sailor with a one-and-half inch rope for cursing. The court found he "had Lawful provocation to Correct the Complainant and had not Exceeded the bounds of Humanity" and dismissed the sailor's claim.

Reputation also constrained some captain predation. Although the sailor population in the mid-eighteenth century approached eighty thousand, there were far fewer captains. The relatively small population of captains facilitated information sharing about captain behavior. Since merchant ships had to voluntarily attract sailors, this dampened some captains' predatory inclinations. Nevertheless, some captain-sailor relations were anonymous and nonrepeated. For instance, when in 1722 merchant ship captains Isham Randolph, Constantine Cane, and William Halladay petitioned the colonial governor of Virginia for greater authority to discipline their sailors (who they

complained were insolent for want of “fear of correction”), they wrote: “It is frequently the misfortune of Masters of Ships at their fitting out in England, to be obliged to ship men for foreign Voyages of whose disposition and character they have no knowledge.” Their letter suggests that in some cases the market for merchant sailors was anonymous. Captains sometimes didn’t know the sailors they employed, which implies sailors sometimes didn’t know the captains who employed them. A number of sailors were the “fair weather” sort, drifting between employment at land and at sea, as job and pay prospects permitted. Others went to sea between regular work and only had sporadic interaction with a few members of the maritime community. These features of the merchant sailor labor market made information sharing more difficult and rendered reputation a less-effective constraint on captain abuse.

In light of cases of captain predation like those discussed above, it’s not surprising that “the too great severity their Commanders have used both as to their back and bellies” was near the top of pirates’ list of reasons for entering their illicit trade. Pirate captain John Phillips, for example, called one merchant ship officer he captured “a Supercargo Son of a B—h, that he starved the Men, and that it was such Dogs as he that put Men a Pyrating.” Pirate John Archer’s last words before being put to death echo Phillips’s remarks. As he lamented, “I could wish that Masters of Vessels would not use their Men with so much Severity, as many of them do, which exposes us to great Temptations.” In 1726 the pirate William Fly pleaded similarly while awaiting his execution. “*Our Captain and his Mate used us Barbarously. We poor Men can’t have Justice done us. There is nothing said to our Commanders, let them never so much abuse us, and use us like Dogs.*” The noose around his neck, Fly offered a final warning to the mob gathered to see him hanged: “*He would advise the Masters of*

Vessels to carry it well to their Men, lest they should be put upon doing as he had done.”

The potential for captain abuse on pirate ships is the subject of the next two chapters, so I won't spoil that discussion here. Suffice it to say, pirates organized their ships so they largely overcame this threat. In doing so, pirates created an improved work atmosphere on their vessels. Combined with the potential for substantially higher monetary rewards, for many sailors this created a more attractive total “compensation package” compared to what they could expect on merchant ships. Of course, unlike in merchant shipping, in piracy you could have a leg blown off by a canon ball or meet an untimely state-sanctioned death. But the lure of more money and better treatment was hard to resist. Indeed, it attracted some four thousand sailors to piracy between 1716 and 1726. These seamen entered their trade out of material concerns and, as I describe in later chapters, adopted their trademark practices to maximize the material rewards of life under the black flag.

A Compass for Navigating This Book

This book has six main chapters and a conclusion. Chapter 2 explores pirate democracy. In contrast to the organization of seventeenth- and eighteenth-century merchant ships and governments, pirates democratically elected their “leaders” and voted on all other important matters that affected their society's members. Pirates didn't adopt this democratic form of political organization by accident. It grew directly out of sailors' experiences on merchant ships where captains had autocratic authority that some abused with impunity. Merchant vessels' ownership structure drove this autocratic organization. However, pirates,

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who were criminals, and thus stole their ships, had a very different ownership structure for their vessels. This important difference—driven by pirates’ criminality—allowed pirates to create a system of democratic checks and balances that held captains accountable and reduced captains’ control over important aspects of life on pirate ships. By constraining captains’ ability to benefit themselves at crew members’ expense, democratic checks and balances facilitated piratical cooperation, and with it, pirates’ criminal enterprise.

Chapter 3 delves deeper into the order and organization aboard pirate ships by examining the constitutions pirates used to govern their floating societies. For the better and more peaceful preservation of their criminal organization, pirates created “articles of agreement,” or “pirate codes,” which acted as constitutions aboard their ships. The rules and regulations these constitutions embodied prevented “negative externalities” that could abound on pirate vessels from undermining crew members’ ability to cooperate for coordinated plunder. Pirate constitutions also created a “rule of law” that placed pirate officers on equal “legal” footing with other crew members. Pirates’ system of constitutional democracy predated constitutional democracy in France, Spain, the United States, and arguably even England.

Chapter 4 applies the economic way of thinking to the pirates’ infamous flag, the “Jolly Roger.” It introduces an idea economists call “signaling” and illustrates how pirates capitalized on this mechanism to improve their bottom line. The skull-and-crossbones motif was more than a symbol of pirates’ way of life. It was a rationally devised mechanism for encouraging targets to surrender without a fight. The Jolly Roger’s success not only enhanced pirates’ profit; it also “benefited” their victims by preventing unnecessary bloodshed and the loss of innocent life.

Chapter 5 applies the economics of reputation building to pirates' famous fondness for torture. Pirate victims were understandably reluctant to reveal booty to their attackers. Some victims even hid or destroyed their valuables. Such behavior threatened to reduce pirates' revenue. To prevent this, pirates invested in reputations of barbarity and insanity, creating a fearsome "brand name." Brutally torturing resistors was one important way they did this. But pirates used torture for other reasons too. One was to deter authorities from harassing them. The other was to bring justice to predatory merchant ship captains when government couldn't or wouldn't do so. In this last capacity, pirate torture may have contributed to the provision of an important public benefit for merchant sailors—the punishment of dishonest merchant captains, which stood to reduce merchant captain abuse.

Chapter 6 considers the economics of pirate conscription. According to popular depiction, pirates swelled their ranks by drafting innocent and unwilling sailors from the vessels they overtook. This chapter shows that in many cases the supposed "pirate press" was nothing more than a clever pirate ruse. In response to eighteenth-century legal changes that made pirating riskier, pirates pretended to conscript sailors to exploit a loophole in antipiracy law. Like all good businessmen, pirates developed solutions, such as this one, to advance their interests when rising costs threatened to cut against them.

Chapter 7 explores the economics of pirate tolerance. At a time when British merchant ships treated black slaves as, well, slaves, some pirate ships integrated black bondsmen into their crews as full-fledged, free members. Pirates' treatment of black sailors was far from consistent. Some pirates participated in the slave trade. Others granted equal rights to blacks and whites aboard their ships. Still others did both at the same time. Even so, pirates more consistently applied the ideas embodied in the

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preamble of the Declaration of Independence before this document was so much as written than Americans did nearly a century after their country was founded. Enlightened notions about equality or the universal rights of man didn't produce pirate tolerance, however. Instead, simple cost-benefit considerations driven by the compensation structure of pirates' criminal employment were responsible for this tolerance.

Chapter 8 concludes by discussing the secrets of pirate management and in particular the contemporary managerial lessons the economics of seventeenth- and eighteenth-century pirates provides.

Enough details; it's time to go a-pirating.