PIRATES OR ENTREPRENEURS? REFLECTIONS ON THE BUSINESS AND ETHICAL HISTORY OF THE LAFFITE BROTHERS AND OTHER PARTICIPANTS IN THE INFORMAL ECONOMY

At the beginning of the 19th century, Pierre and Jean Laffite moved back and forth across fluid lines of law. Within the context of their times, pirate or outlaw behaviours might also be socially constructive entrepreneurship. Their story provides lessons for modern entrepreneurs and business ethicists working on economic frontiers.

Introduction

For twenty years at the beginning of the 19th century, Pierre and Jean Laffite played numerous economic roles. From honest traders on the frontiers, to slave traders, to pirates and fences, the Laffite brothers moved often back and forth across the fluid lines of the law. They operated in a time of uncertainty, of rapidly shifting political and military alliances, and often in space where the rule of law was uncertain.

Their legends have been greatly manipulated, in part due to substantial uncertainty about such basic facts as their parentage, births, family lives, and deaths. That they played roles that others considered larger than normal life was evident, yet the mysteries of their lives led to much fiction masquerading as history.

Recent work has clarified much of their histories, yet has avoided most questions about their economic roles, and any judgement about the ethical lessons to be learned from it. Within the social context of their times, behaviours that might be currently assessed as outlaw could be considered socially constructive entrepreneurship. Other activities were contrary to at least some interpretations of the law at the time – yet were popularly supported by enough people to prevent successful interdiction or prosecution. The ambiguity of moral and business judgements at the time provides lessons for modern entrepreneurs and business ethicists working in frontier economic spaces.

Legendary Pirates: Jean and Pierre Laffite

Jean Laffite is a legendary pirate. Many stories, many books have been written about his exploits. Yet, much of that work is fiction, embellished history – in a way that Laffite himself might have enjoyed.

In fact, the legendary Jean Laffite is at least two people. Jean was the younger brother of Pierre, and it is Pierre who seems now to have been the dominant leader, at least on land. As William C. Davis has pointed out in his intensively researched recent history, many steps of the brothers’ history are impossible to reconstruct with certainty (Davis, 2005). Davis has also argued that much of the brothers’ legend became a conflation of their two histories within a generation of their deaths. Since each lived a somewhat larger than life existence in reality, it should not be surprising that the combination of the two has created a legend that is much larger than life.
Further, various authors have also claimed the existence of a third Laffite brother. Davis, in the most authoritative account yet, discounts those claims. Most appear to him to be mistaken relationships between the brothers Laffite, and others using similar spellings, but not from the same family. Some suggested brothers were only close associates, or even employees, but not blood relatives. Davis was able to discover no evidence to support the presence of any other members of the brothers’ family in the New World. Still, the fact that so many oral and written stories have made that extension only serves to further add to the Laffite legend. What has been a popular package of stories about Jean Lafitte the pirate seems now to include not only fictional embellishments, but also incorrect addition of the activities of several other people. No wonder Jean Laffite appears larger than life – his story is!

In addition, both brothers loved a good story, and were known to close associates for their ability to exaggerate. As Davis has described their activities as multiple agents for the superpowers of the time, it is apparent that they were wont to embellish their own roles and powers, and to create whole characters and relationships. That their acquaintances and descendants should also enjoy the same creative attitude is one of the ironies of history – and one that has made historians’ tasks extraordinarily difficult. As a result, authors from Saxon (Saxon, 1930) to Davis have begun their reports with large caveats.

**Pierre Laffite: Maker of Grey Markets**

Saxon begins his story, written in 1930, with the following words:

“New Orleans, a century ago, produced many fantastic characters, but Jean Lafitte – the pirate who became a famous patriot, then turned back to piracy again – is one of the most extraordinary of them all.” (Saxon, 1930), p. vii.

Saxon goes on to call him “a gang-leader or a racketeer; his racket was smuggling, then privateering … and eventually piracy.” (Saxon, 1930), pp. vii-viii.

Yet in most of Davis’ book, we get a picture of traders, working around the edges of social norms, laws, accepted customs. The older brother, Pierre, is described as a merchant, perhaps not a very successful one, yet able to move in the better circles of society, to provide for his family, etc. Still, Davis paints a portrait of a merchant who is unable to establish a regular business, to maintain a store, for any prolonged period. Pierre is certainly an entrepreneur, but not a particularly successful one. Before Jean’s arrival on the Gulf Coast, Pierre made a living, but never seemed to accumulate wealth. He was in and out of debt, back and forth across the law, and migrating between the territories of various powers – French, Spanish, and American – without seeming to be able to stay long enough to put down significant roots.

An alternative interpretation of that migration pattern, giving more weight to the occasional lawsuit, might be than Pierre was unable to conduct his affairs well enough to stay inside accepted custom. One might be tempted to conclude that he was having difficulty understanding the legal and accepted boundaries, due to his migrations. That alternative, however, seems contradicted by the fact that

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1 This paper follows Davis’ work closely, as it appears to be the most authoritative account Davis, W. C. 2005. *The Pirates Laffite: The Treacherous World of the Corsairs of the Gulf* Orlando, FL: Harcourt, Inc. Davis argues strongly that the correct spelling of the brothers’ surname is “Laffite,” since that follows their own signatures, and helps to distinguish them from other individuals with homonymic spellings. This paper will follow Davis in this regard, except where referring to other authors, like Saxon, who used a different variant.
he never seems to be prosecuted successfully. The second explanation looks stronger – that he did indeed understand when he had crossed a legal line, and made sure he left a few days before the law could coalesce against him.

The majority of his transactions appear to have been legal. His trading in slaves, for example, seems to have met the requirements of both the laws and his clients, with one notable exception (when he sold a slave he didn’t own, then left the jurisdiction for several years). While some of his trading commodities might have been pooh-poohed by some parts of society, they seem generally to have been supported by many customers, and most of the legal practices.

That conclusion leads to a supposition that Pierre tended to gravitate into that entrepreneurial space in the market where economic needs were going unmet by conventional traders. Over time, we can see his migration into privateering and smuggling as extensions of that move into the grey market.

By the time of the War of 1812-14, the brothers Laffite, according to Davis and other historians, were running a flourishing smuggling operation from the bayous of the Barataria Bay south of New Orleans. Their ships, and those of their associates, operated under sometimes dubious letters of marque from the various powers operating in the Caribbean. The group seemed especially fond of the revolutionary governments that were trying to throw off the yoke of Spanish colonialism – Mexico, Cartagena, Bolivar, Buenos Aires, etc. In his analyses, Davis shows that some of these commissions were almost completely bogus, purporting to be issued by juntas that had disintegrated a year or more before. Others were issued as blank forms, and filled in by the captains and their agents as they saw fit. Companies operating under such authority may have had a shred of legitimacy, but they were essentially pirates. Davis notes that he could find no record of the Laffites ever having paid the commission or tax on their takings, for example. Instead, they directed their cargoes into their pre-war lair at Grand Isle, or their post-war enclave at Galveston Bay in the Spanish territory of Texas.

They appear to have participated vigorously in the sham of the times – that they were legitimately commissioned privateers, serving the interests of a legitimate government, as they preyed upon the shipping and commerce of Spain (and sometimes of other countries they thought would be unable or unwilling to retaliate). And yet, given the type of commissions they used, legitimacy was almost nonexistent. Just that shred of difference, however, was important to them, and to courts in the USA and some other countries. Spain, however, considered them all pirates, and hung every one it captured.

Pierre, however, learned that customers in New Orleans and other Mississippi valley markets were hungry for the sorts of goods carried by those Spanish ships, and similarly eager to avoid the customs duties which the American government tried at times to impose. If brother Jean and his fellow captains could find valuable merchandise on those ships, then Pierre could find a way to sell it. Other people might call him a “fence,” or a middleman, or a merchant in grey market goods.

We might also call him an innovative sales-oriented entrepreneur. He built organizations to move products from their source to markets, and he did it very successfully, under a variety of conditions, for nearly 20 years. He operated in moral and legal ambiguity, as well as tactical uncertainty.

We may, or may not, agree with his choice of products, with his methods of operation. The record shows that he worked in controversial markets, even in his times. Yet he managed a market that some historians have suggested supported more than 1,000 employees and other participants. Despite the moral and legal ambiguity, that is a substantial entrepreneurial achievement.
Jean Laffite: The Naval Arm

Over time, the legends of the Laffite brothers have often conflated into Jean’s legend. Some people have called him the greatest pirate ever – a very strong label, given the extraordinary competition for it over the millennia! Yet, the dominant character in Davis’ version of the brothers’ history is Pierre’s. Jean is most often portrayed as the military-naval half of the partnership. Davis, and others, admit that we know nothing authoritative about Jean’s early history, although it appears he left France at a different time than his brother, after passing through the same educational system. Davis noted the considerable similarities of their handwriting script, and the shared spelling of their surname, concluding that each was taught to write by the same person or school. Given the difference in ages, they may have left France and home several years apart. While Pierre emerges as a trader of sorts along the southern gulf shore, in French Louisiana and the Florida parishes of Spain’s territory, Jean appears to have emerged further East and south, in the maritime industries of Haiti, Cuba, and Santo Domingue. While Pierre may have migrated to North America from Santo Domingue in the early 1800s, as slave revolts threatened to protected French and Spanish interests, Jean appears to have stayed longer, and been less frequently there. Perhaps that is the difference between the land-based trader (Pierre) and the naval migrant (Jean).

Although it appears possible there may have been some overlap between the brothers in Santo Domingue, Davis sees no evidence of any association. There is no correspondence, no shared property, no archival record, that suggests they were in business together – or even aware of each other’s whereabouts until sometime after the Santo Domingue revolt of 1809.

The first signs of an emerging fraternal partnership seem to emerge several years after Pierre was already in Louisiana. Jean appears as an officer, perhaps already a captain, of one or more ships bringing cargo to New Orleans.

If the brothers were separated for several years, as Davis suggested, their partnership emerged quickly once they rediscovered each other. Pierre, the land-based trader with customers and distribution systems, seems to have been able to find markets for prize goods captured by his brother on the Spanish Main. Beginning with a few smuggled packages, their venture quickly grew to encompass whole ships and their cargoes, and eventually to flourishing smuggling centres at Barataria and Galveston.

Davis spent a lot of effort to identify the commissions and letters of marque under which the Laffite ships and their allies operated, yet he never drew the conclusion that those authorities were so bogus that the Laffites were pirates. Legend, on the other hand, has had no such compunction, easily assuming Jean was a pirate, perhaps one of the greatest ever. Davis did show that some of the more atrocious behaviors often associated with Jean were matters of mistaken identity, being more properly attributed to Vincent Gambi (Yvan Roux), or some other captain. There are even records of captains with similar names operating in the general area, at approximately the same; Davis suggested strongly that his research showed they were not related to the Laffites.

And Yet – a Close Partnership

And yet, despite the apparent division of labour along skill and geographic lines, it appears the brothers operated as a very close partnership. It appears they were often interchangeable, that they were able to work closely together, even when separated in time and space. That very closeness may be one of

2 The one exception is Jean’s final voyage, where Davis suggested that there may have been some doubt about the encounter that led to Jean’s death at sea.
the causes of the identity conflation. For example, Pierre did the original lobbying in Baltimore and Washington DC, yet Jean attended the second round. The brothers seem to have worked together to develop the Barataria base, and often overlapped there, yet Jean was seen in New Orleans almost as often as Pierre. Jean appears to have established the Galveston operation, but it seems to have been Pierre who rebuilt it. Each brother seems to have been able to command each base, despite different roles and physical abilities.

Each appears to have been taller than average for men at the time, handsome in similar ways, and equally well mannered and literate. That said, there were clearly differences in personal style, preferred business activities, and other characteristics.

**Rigorous Analysis Leads to a New Interpretation**

In the context of their times, were the Laffites entrepreneurs, outlaws, or something else? If they were pirates, in most sense of the term, they would be outlaws. From Spain’s point of view, Jean was, and probably Pierre as well, although that is less clear – yet agents of Spain worked with the brothers and supported several of their endeavours, albeit in a covert way. In the most egregious sense, therefore, even the state most penalized by their predations did not find their activities so heinous as to cut them off from official contact. Let us use that, then, to conclude that they were not complete outlaws.

If they were entrepreneurs, would they have been accorded honour and respect? Would they have been honoured by their country? Apart from the problematic matter of which country the Laffites served, many entrepreneurs are not honoured, at least not early in their careers. Their innovations involve partial rejection of established norms. To bring “new and improved” services to market, they have to destroy those that are well established. Yet social rewards are reserved for those who create that which is well-established.

Some entrepreneurs are honoured during their lifetimes – but often once the entrepreneurial phase has ended.

**Definitions of Marginal Socio-Business Behaviours**

**Pirate**

Piracy is normally defined as “robbery on the high seas, especially stealing of a ship’s cargo.” (MS Word dictionary). Webster’s Dictionary uses the phrase: “robbery or illegal violence at sea.” (p. 1475). It also defines a pirate as (3): “any plunderer, predator, etc.”

These definitions cover a wide range of offenses. Some elements are more critical to our discussion than others. Did the Laffites operate illegally? As we have seen, and as Davis went to great lengths to document, they appear to have operated always under the commission of some authority, even though that authority was sometimes of highly questionable validity. In that sense, the legality of their operations is in doubt – neither certain, nor denied.

Did they commit violence? Again, Davis made clear that the brothers went to great lengths to treat people with respect and fairness, and rarely (if ever) resorted to real violence – although they defended themselves, and certainly threatened violence at times. Other authors, albeit of lesser historical validity, have made the Laffites out to be much more violent that has Davis. There is, therefore, doubt about the use of violence.
Did they steal ships’ cargoes? Within some contexts, the answer to robbery is unqualified – they did transfer ownership of many cargoes without compensation acceptable to the original owners. The fact that many of the cargoes were human, i.e., slaves, may seem even more heinous to us, but it was as acceptable as the theft of wine, paper, or cloth, at that time.

Were they predators, plunderers? Again the answer seems an unqualified yes. And yet, they refused to attack ships of several nations, concentrating almost exclusively on those of Spain. At the time, several nations, including great powers and Latin juntas, were commissioning privateers to do exactly that. Such activities were state- endorsed methods of harassing enemies. It appears that all states engaged in this practice. Was the practice therefore criminal – if commissioned by all states?

The only incident Davis documented when the clear terms of piracy, i.e., plundering without government commission, may have been Jean’s last voyage. And that attempt was unsuccessful. Were either of them therefore EVER pirates? Davis’ version of history leaves us wondering, leaves us in doubt. The answer depends on perspective, and on moral judgements that were not uniform at the time. Strong cases could be made in either direction; the judgment is ambiguous.

**Privateer**

Webster’s defines privateer as “an armed ship that is privately owned and manned, and commissioned by a government to fight or harass enemy ships” (p. 1540). This definition appears to fit the Laffite operations in the Gulf very closely. Companies and countries on the business end of these activities no doubt considered them more than annoying, but they were commissioned and officially sanctioned by sovereign governments.

**Corsair**

Webster’s defines corsair as “a fast ship used for piracy,” or “a pirate, esp. formerly of the Barbary Coast” (p. 456). The Barbary Coast refers to the northwest coast of Africa, including parts of present-day Morocco, Algeria, Tunisia, and Libya. Over the course of three centuries (1520-1830), these areas served as refuges for corsairs. In 1801-1815, wars were fought over their harassment of American shipping, ironically at the same time the Laffites and many others were doing the same thing to the Spanish fleets in the Gulf of Mexico from American and other bases.

**Entrepreneur**

MS Word defines entrepreneur simply, with only one notation: “somebody who sets up and finances new commercial enterprises to make a profit.” Several aspects of that definition are, however, not widely accepted among either entrepreneurs or entrepreneurship scholars.

An alternative, now more broadly accepted is that entrepreneurs are the recyclers of the economy – they are the economic actors who identify higher value uses for resources, and undertake the ventures that make those uses. Dees, in his widely cited working paper on the origins and definitions of social entrepreneurship, attributes that approach to the French Physiocrat, Jean Baptiste Say (Dees, 1998). See also Blawatt’s textbook (Blawatt, 1998). Most Entrepreneurship texts now tend to confirm this definition, even if the attribution varies.

That approach has spread back into economics: “Entrepreneurship is the process of discovering new ways of combining resources. When the market value generated by this new combination of
resources is greater than the market value these resources can generate elsewhere individually or in some other combination, the entrepreneur makes a profit.”

Social Behaviour in Frontier Conditions

The frontier is different than the established parts of a society. By definition, the frontier is an area in which people are meeting situations not previously experienced, new opportunities, novel circumstances. In some frontiers, there are no established norms, no rule of law. Individuals operating in a frontier environment may bring with them norms from more established areas – but the applicability of those norms to the new environment of the frontier is dubious. The frontier is NOT the same as the societies of origin, so some of the old rules will not apply. But, the key question is, which ones will apply – and which ones will not, or will be transformed in important ways?

Some frontier communities are created by individuals escaping the rules of the established areas. When the people we now know as the Cajuns (USA) or Acadians (Canada) left France in the 17th century, they abandoned their homeland to avoid the petty, but fierce, politics of pre-Revolutionary France. They wanted to be left alone, to raise their families, practice their religion, and live as they saw fit. Hartz and his co-researchers described a classic process by which founders of new societies bring with them a selection of values from their original communities, and selectively replace other values, leading to a new normative configuration (Hartz, 1964).

Other frontiersmen seek a more flexible society, with greater room for personal advancement (Waldinger, Aldrich, & Ward, 1990).

Still others move to the frontier to avoid the consequences of transgressions, of crimes against the established rules. When the seventh generation of the Frost family of Thibodaux, Louisiana, decided to trace back their founder’s roots into the small Pennsylvania town from which he arrived in the early 1840s, they were astonished to discover that no such person had existed. His story of origin was a myth, carefully crafted to cover up … what? Whatever he was escaping never caught up to him and he was able to establish a new life in the Deep South.

Still others migrate en masse, as the Mormons did in the 19th century, to establish new communities that reflect their ideals. See also discussions of the establishment of the Koreshan Unity sect in the Estero region by Dr. Cyrus R. Teed, who held that the world was actually concave, with the stars, sun and moon on the inside. Douglas also noted that similar communal property co-ops were established in many parts of the USA: Shaker communities; the Oneida community; Bethel; Brook Farm; and Robert Owen's venture at New Harmony. (Douglas, 1988).

Re-Assessment of the Laffites’ Behaviours

It is possible to see the Laffites’ behaviours from several different perspectives. Davis has gone to considerable lengths to suggest they were never really pirates in the sense that would be widely recognized in international law. Yet, privateers, even operating under valid commissions, are certainly pirates from the perspective of the countries upon whose shipping they prey.

Within the context of their times, the Laffites were certainly independent businessmen. By itself, they would not meet the entire definition we currently use entrepreneurship, but it covers much of the territory. They went further, however. They established two major markets, first at Barataria, then at Galveston. Those markets were innovations that brought buyers into contact with buying opportunities they sought. Still further, they created, primarily through Jean’s privateering, and through their extensive network of associates, significant supply lines for many commodities. It is hard to see how these activities, taken together, could fail the organizational and market definitions of entrepreneurship.

We are left with a series of questions about the extent to which compliance with the legal and moral norms of their communities is an essential part of their entrepreneurial legacy. To the extent that smuggling was contrary to American law, once the Louisiana Territory became part of the USA, they acted illegally. Indeed, Customs Inspectors sought to stop their trade, and succeeded at times in have Pierre arrested. While he was never convicted, several of the Laffite associates were. Raids by agents of the US government caused Laffite groups to abandon valuable goods on several occasions, an economic loss to them and an admission of activity that could not be supported within the law. Still, they had ready customers for hundreds of thousands of dollars of contraband, and many willing allies. They were often able to walk the streets of New Orleans in safety due to public support of their endeavours, even as officialdom pursued indictments. In that sense, their smuggling activity, while illegal, was nonetheless popular.

Prosecutors noted that, while they had laws against some of the things Jean and Pierre were doing, they were unable to enforce those laws. Charges were routinely rejected; Laffite associates were regularly acquitted.

**Conclusions and New Questions**

For a political economist the distribution of impacts might also be interesting. Do pirates rob from the rich and give to the poor – either their fellow pirates, or the customers for the pirated goods? Are they Robin Hoods? Who gains and who loses in piratical transactions? As Telfer has noted in the cases of Canada’s Nova Scotia pirates, privateers were often funded by the wealthy in their home societies, even by wealthy entrepreneurs, who expected above-average returns on their investments— even with occasional losses (Telfer, 2007). The Prestons have shown similar patterns of investment support, in an earlier age, even as privateers served military and imperialistic objectives (Preston & Preston, 2004). The degree to which governments become involved, or simply ignore extra-legal economic activities can become important. In the extreme, we have come to see rogue states (i.e., states sponsoring international criminal behaviour— like privateers!), failed states, and ones with substantial corruption (Nye, 1967).

We have no record of Joseph Schumpeter’s opinion, but one has to wonder how he might view the balance of wealth creation and destruction caused by piracy (Schumpeter, 1950). In a modern study of the role of entrepreneurs in a market initially controlled by a state-licensed monopoly, then deregulated, Spilling and Rosenberg have shown that entrepreneurs play critical roles in challenging weaknesses in monopolized markets (Spilling & Rosenberg, 2008). One of the impacts of new entrants into long-institutionalized markets is disruptive behaviour that does cause loss of wealth by the existing monopoly owners. Another effect, however, is that the participants respond by finding new economic patterns, generally more efficient.

Bryant and Bryant noted that social values can change so drastically that criminal behaviour in one generation becomes heroic in another—and vice versa (Bryant & Bryant, 1998). Might pirates be harbingers of new economic and social orders? Might the entrenched values of a current legal-political system reflect the old order, standing in the way of progress toward the new one? Might then pirates and
other extra-legal actors be constructive agents of change, temporarily classified as criminal due to their opposition to the status quo?

Smith, in her introduction to the eclectic collection of papers produced for the 1986 meetings of the Society for Economic Anthropology, notes that the underground economy siphons portions of the formal economy (Smith, 1990). To the degree that the informal economy takes over a substantial portion of the total economy, its presence reflects a loss of taxation power to the governments involved, as well as an erosion of their morality and regulatory authority. Greenfield framed American behaviour of this sort as, at least in part, a tax revolt against the authority of the state (Greenfield, 1993), and Pozo and her co-authors took a similar tack (Pozo, 1996). Earlier, Hart documented broad activities of this sort in Ghana (Hart, 1973); a decade later, Trager described similar patterns in Nigeria (Trager, 1985). In Smith, et al.’s volume, however, Smart raises a different perspective (Smart, 1990). She suggests that the tendency of recent arrivals from the mainland to enter the Hong Kong economy as street hawkers is a demonstration of resistance to proletarianism. In this sense, informal actors may be exhibiting a classically liberal approach to self-determination and self-reliance. Their spirit of enterprise is the fire that stokes innovation and progressive change.

Portes raised important questions about the role of informal actors in different stages of economic development:

"While there is reasonable consensus of what constitutes the underground economy in the industrialized economies, the consensus is less broad for those who study developing economies. This may be because of the more diverse form taken by the underground economy in less-developed countries, and perhaps because there is a less clear distinction between what we term formal and informal production in these economies. The linkages between the underground and aboveground economies are stronger in developing economies, making for more difficult delineation of the two categories of production." (Portes, 1996) pp. 3-4

In his path-breaking studies of the “informal” economy of Peru, de Soto has shown that state-supported formal economic actors (legitimate) that fail to serve the needs of their markets lead to informal players operating outside the state-legitimated system (de Soto, 1989, 2000). In the sense that the informal actors are non-legal innovators, they may be considered a variant of pirate, at least by the establishment players from whom they carve out sales. Yet, de Soto makes a strong argument that summative morality lies on the side of the informal entrepreneurs. Williams has supported that assertion, arguing that the entrepreneur’s choice of formal (legitimate) of informal (extra-legal) is often based on a rich set of motives (Williams, 2007).

In Canada, Peter Newman has called the nation-building entrepreneurs “buccaneers” in cahoots with the politicians:

The buccaneering that characterizes developing economies found its most virulent expression in Canadian railway promotion. By 1915, when major construction ran out of steam, Canada had 40,000 miles of rails, built with government cash, subventions or bond guarantees worth more than $1.3 billion -- plus the giveaway of 65,000 square miles including some of the finest wheat-growing land on earth. Yet despite these extravagant provisions, every mile of every track was privately owned. Financing a new railway usually meant its promoters would set up secretly controlled construction companies, then negotiate inflated contracts with themselves, collecting hefty profits at both ends of the deal. At the same time, they would award themselves bloated debenture offerings in return for artificial corporate services, reducing their balance sheets to rivers of red ink.
They would then turn to Ottawa and demand subsidies to cover fiscal overruns, either bribing ministers to ensure bailouts or threatening to embarrass the government by halting construction -- or both.

And yet the railways did get built, and they provided the essential infrastructure for the transcontinental economy, yanking an embryonic Dominion into the new century. The railways' promoters and operators became folk heroes, Canada's version of the great American robber barons -- reviled and envied, riding about in their ornate private cars, gesturing fat cigars, collecting old masters and young mistresses. Apart from the obvious chicanery in the link between politicians in power and these railway manipulators, the industry corrupted the electoral process itself. Railways and politics in nineteenth century Canada became interchangeable black arts, only marginally more ethical than piracy on the high seas." (Newman, 1991) (p. 100)

As these nuances of economic innovation and extra-legality confront the established authority of sometimes dubious states, we are left with a spectrum of questions.

We are left with uncomfortable questions. Are pirates really entrepreneurs, serving the progressive purposes of free markets? Is their disdain for the institutions of the status quo anarchic, criminal – or revolutionary? Is their activity a cruel form of greed, of self-aggrandizement, contrary to the mores of civilized society – or a populist movement to provide goods and services to enterprising customers denied those resources by a reactionary regime? Do pirates create more wealth than they destroy? To the extent that pirates are entrepreneurs, are they good entrepreneurs, or bad? To the extent that their behaviours aren’t genuinely entrepreneurial, what are they?

References


