Introduction

The connections between slavery, Atlantic trade and the British economy between 1660 and 1800 are an appropriate subject for a book in this series, for Britain in the period under consideration witnessed the ‘Americanisation’ of overseas trade, the last years of a pre-industrial economy and the birth of the first industrial nation. British merchants, planters and politicians became more interested and involved in the growth of empire and transoceanic trade in the long eighteenth century. Gregory King’s estimates of social structure showed that in 1688 England had a well-developed commercial sector consisting of merchants, tradesmen, shopkeepers, artisans and handicraftsmen – a more differentiated and extensive middling sector than in any other western European country (Mathias, 1983: 27). The existence of a strong commercial sector in the English economy by 1700 provided a strong platform for the impetus towards commerce with and settlement in far-flung territories. Overseas expansion was accompanied by the emergence and growth of plantation slave labour in North America and the Caribbean. As the British economy developed in the Hanoverian period, greater manufacturing and agricultural output was accompanied by a demographic upswing after c. 1740, technological improvements in coal and textiles and a burgeoning network of inland and overseas trade. It is therefore logical to enquire into connections between the growth of an Atlantic empire and the development of the mother country’s economy in the period from the restoration of the Stuart monarchy to the era of the French revolutionary wars.

Fortunately, there is a considerable scholarly literature that includes vigorous discussion on the significance of slavery and
oceanic trade in British economic development. The debates have been sporadic but intense, frequently unresolved but important enough to leave a strong resonance in the historiography of the subject. These discussions have multiplied over the past twenty years or so. The fact that many contributions to the topic are scattered in articles and chapters of books affords the opportunity for a synthesis such as the present effort, which aims to keep students and teachers abreast of the leading debates and which, I hope, has something of its own to say. This, then, is a contribution to an ongoing discourse about the economic benefits of imperial trade and slavery. It seeks to provide answers to three broad questions: what were the financial rewards from slavery and Atlantic trade in the British Empire in the period from the mid-seventeenth century to the turn of the nineteenth century? To what extent did those gains help to stimulate Britain’s early industrialisation? And how far did the Atlantic trading complex provide an impetus for economic change in Britain? These seemingly straightforward questions, it will be shown, are not susceptible of easy answers.

The opening chapter provides a context for tackling these questions by outlining the extent of British transatlantic trade and settlement. It emphasises the economic importance of colonies, the deployment of slave labour and the growth of a rapidly increasing Atlantic trading world during an era that witnessed frequent interruptions to shipping lanes through international wars. The protectionist framework of trade is discussed, with particular reference to the Navigation Acts. The role played by Hanoverian governments in collecting monies to pursue aggressive military and trading policies is also highlighted. The chapter shows that Atlantic trade grew more complex, specialised and interdependent between 1660 and 1800, with close connections forged between merchants and correspondents in far-flung ports. An important role for invisibles in trade occurred, as well as a more obvious rise in the volume and value of imports and exports associated with transatlantic commerce.

Chapter 2 introduces the main debates that have arisen from looking at the economic connections between the New World and Britain in the period when the formal links were at their height. Various debates by economic historians over the respective roles of home and foreign demand at the onset of British industrialisation
provide a broad parameter for discussion. These raise problems about the timing and extent of the influence of the growing domestic market and the burgeoning aggregate demand from abroad in stimulating British economic development in the final thirty years of the eighteenth century. The chapter also focuses on the issues stirred up by Eric Williams’s *Capitalism and Slavery*, much derided in some quarters but still a seminal influence on the shaping of the problems to be resolved. Williams was the first modern historian to analyse the potential connections between the Caribbean slave–sugar nexus and metropolitan economic development, and the interesting hypotheses he raised still resonate in historical discourse.

Chapter 3 considers evidence on the scale of profits in the African slave trade and whether they were large enough to make a significant impact on national income and industrial investment in Britain. Evidence is produced to show that calculating the profits of transatlantic slaving is a complex issue, subject to varied results, but that the consensus among historians is that such profits were not, in terms of their annual rate of return, the bonanza that was once asserted but, on the contrary, were more modest in scope, though sufficiently good to reflect the opportunity costs offered by the trade. Different handling of data on the ratio of slave trade profits to national income is presented, with disputes among economic historians over the significance of these findings. The chapter concludes with a critique of the methodology of the ‘small ratios’ approach to economic development – that is, analysing the share of national income provided by a sector or subsector of the economy – by emphasising the limited conclusions such an approach can provide on the dynamic performance of oceanic trade.

This line of analysis is continued in chapter 4, which examines the wealth generated by slavery, the plantation colonies and the wider Atlantic trading complex in relation to Britain’s capital accumulation. The sheer wealth of the British Caribbean on the eve of the American Revolution is demonstrated, and consideration given to the debates over the economic well-being of the British West Indian islands in the later eighteenth century. The difficulty of estimating the costs and benefits of empire in relation to the British Caribbean are emphasised and the seemingly limited role of West Indian fortunes in British industrial investment is highlighted. Though capital amassed from the colonies filtered into the industrial
sectors of British ports, it has proven difficult to establish that it was
decisive for domestic industrial growth. Nor did foreign capital
generally play a significant role in early British industrialisation; in
fact, Britain had significant foreign debts just before the American
Revolution.

Chapter 5 analyses the relationship of exports to transatlantic
areas to British economic development, and emphasises the difficul-
ties in gauging whether exports were a spark for growth. The
escalating rise of British manufactured exports was very much
grounded towards American markets over the course of the eighteenth
century as demographic growth, increased incomes of white people
and consumer demand helped to broaden and increase the volume
and value of wares dispatched across the Atlantic. Caribbean-based
demand, in particular, helped to boost British exports significantly
in the mid-eighteenth century. Though some historians question the
importance of exports in stimulating British economic development,
a case is presented here for the significant contribution of exports to
the national economy – especially those sent across the Atlantic – in
terms of the rising share of industrial goods sent abroad, the impact
of exports on manufacturing and the significance of exports for
industrial employment and the diffusion of new technology in
textiles.

Chapter 6 discusses the way in which business and financial
institutions were stimulated by slavery and transoceanic trade and
the benefits that accrued to Britain as a result. Improvements to the
finance of commerce are outlined, including the extensive use of
credit via bills of exchange, the growth of banking in British ports
after 1750 and the emergence of marine and fire insurance. The
changing business strategies pursued in large-scale, complex
branches of Atlantic trade and the growth of concentration ratios
among merchant firms are discussed to show how business expertise
was consolidated and market power extended. The growth in the
circulation of business news is outlined to indicate the way in which
more accurate judgements about the price and quality of goods and
the timing of shipping movements progressed during the eighteenth
century. Chapter 7 focuses on the links between Atlantic commer-
cial activity and the growth of British ports, with particular reference
to London and the main west coast outports. Data are presented to
show the significance of Atlantic trading activity for London, Liver-
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pool, Bristol and Glasgow, and explanations offered as to why they benefited particularly from the growth of transatlantic commerce rather than other British ports.

The book aims to cover a wide remit, pulling together disparate evidence and debates. It attempts to marry quantitative and qualitative material; it discusses relevant aspects of economic theory pertaining to the topics examined; it highlights some of the problems of source material for historians working in this field; and it tries to convey the vigour and interest of the ongoing debates on some important exogenous influences on Britain’s early industrialisation. Limitations on space and the need to range broadly over the economic affairs of several continents necessitates a succinct exposition of themes. None the less, I have tried to incorporate the most important views from a wide range of historical palettes. Where matters are still unresolved by the state of current research, I have said so; but possibly this book will point towards areas where fruitful new research could be undertaken.
1

The context

The starting point for examining connections between slavery, Atlantic trade and the British economy in the period 1660–1800 lies in the broad reasons for colonial settlement by the English in the seventeenth century and the emergence of slavery as the principal form of large-scale labour organisation in the Atlantic colonies. English curiosity about the New World stimulated voyages of exploration in the sixteenth century. Defeat of the Spanish Armada in 1588 paved the way for English colonisation of the Americas by destroying Spanish naval dominance. English merchants benefiting from the price rises of the sixteenth century formed joint-stock trading companies in the hope of tapping wealth from overseas, notably from the Atlantic world. A greater degree of social and geographical mobility in England, lack of good economic opportunities at home, the lure of new territories as a magnet and serious religious divisions, mainly within Protestantism, provided motives for English people to migrate to colonies in the Stuart era. Settlers from the mother country went to North America and the Caribbean in their thousands as colonisation underwent decades of experimentation. By the end of the seventeenth century around 350,000 English people had crossed the Atlantic.

Before the English Civil War, the main English colonial settlements were in Barbados, the Leeward Islands of Antigua, Nevis and St Christopher, Virginia, Maryland and Massachusetts Bay. In 1655 Cromwell’s expeditionary force captured Jamaica from Spain. After the restoration of the Stuart monarchy, new proprietary colonies were established in Carolina, East and West Jersey and Pennsylvania. Colonies also thrived in New England (Rhode Island, New Hampshire, Connecticut, Maine) and Newfoundland. A smattering of
territories were permanently added to Britain’s Atlantic empire in the eighteenth century. On the North American mainland Georgia was chartered in 1732 under trustees who wished to establish a haven for debtors from British prisons and for Protestant refugees from continental Europe. In the Caribbean four islands – Grenada, Dominica, St Lucia and Tobago – were ceded by the British at the peace treaty that concluded the Seven Years War. By 1776 Britain’s Atlantic empire comprised thirteen colonies in North America, the Canadian maritime provinces of Newfoundland, Quebec, Labrador and Nova Scotia, the Hudson’s Bay territory and a cluster of Caribbean islands (see maps 1 and 2). There was, of course, also substantial English trade with Asia via the East India Company followed by territorial expansion in India, mainly in Bengal, and English voyages to the Pacific, leading to the white settlement of Australia in 1788; but these are not the focus of the present study.

Already by the mid-seventeenth century the colonies were regarded as markets for manufactured goods and sources of raw materials for the mother country; they absorbed labour and capital and were a source of profits for Britain. By exploiting available land to produce staple commodities, investors in the colonies sought to make good returns. To do so, they needed to organise agricultural plantations to maximise output: this was the most efficient way of achieving gains from abundant land in the Americas. But a large labour force was needed to work on plantations. Attempting to get Native Americans to carry out the work largely failed: the Indians proved poor workers and either resisted such regimes or died out before 1650 through contact with diseases imported from across the ocean. White workers, mainly in the form of indentured servants, could also form the labour force for plantations. However, they became independent at the end of their usual term of service (typically four, five or seven years); they had legal rights that enabled them to negotiate their contractual position in local courts; and their supply dwindled in the late seventeenth century, when the English population underwent a static period and economic conditions improved at home. The next alternative labour supply proved the solution to planters’ needs. English merchants followed the Spanish, Portuguese, Dutch and French in shipping large numbers of enslaved Africans across the Atlantic, and put them to work as a captive labour force on plantations. Though it was not essential to
have slaves to cultivate staple crops, African captives working on plantations constituted the workforce that sustained colonial trade with large parts of Europe in the early modern period. Indeed, it could be argued that enduring and firm trade links between Europe and the Americas were not forged until slavery was introduced in the New World.
The Royal African Company, based in London, was the first large-scale English organisation in the slave trade. A successor to the Company of Royal Adventurers, it flourished from 1672 until 1698, when its monopoly charter was rescinded and the slave trade was thrown open to private merchants (Davies, 1957). Thereafter the traffic was dominated by the ports of London, Bristol and, especially, Liverpool. Most slaves were delivered to British colonies in the Americas, but at the Treaty of Utrecht that concluded the War of the Spanish Succession Britain gained the right under the Asiento to supply slaves and send an annual merchant ship to Spanish America. This contract continued from 1713 until Walpole’s government went to war with Spain in 1739 (Palmer, 1981). The traffic in slaves operated as the famous ‘triangular trade’. Textiles, beads, firearms and metalware were shipped to west Africa and bartered or sold for Africans drawn from various tribes in the interior; the slaves were packed tight into the holds of ships for the Atlantic crossing (‘the middle passage’) and sold in the Americas; and then staple commodities were laden aboard ship for the voyage home and the prospects of sale in the ships’ port of origin. The trade and shipping routes followed on each leg of the trade were complex, but the triangular model has proved helpful as a shorthand way of representing the commerce on diagrams and maps (Higman, 1999: 188–92). The slave trade was a grim, exploitative traffic in human beings in which exposure to disease and the possibility of mortality were ever present. Each stage of the voyage involved intricate patterns of supply and demand, which shifted over time. Local and Atlantic-wide factors affected price changes for slaves and determined the number of captives supplied in west Africa and the type and prices of goods sent to procure them. In general, African conditions rather than American demand influenced the ethnicity, age and sex of blacks in the Atlantic slave trade. Once sold in the Americas, most slaves were delivered to plantations to undertake agricultural work based on either the gang or the task system (Anstey, 1975a; Rawley, 1981; Klein, 1990, 1999; Eltis, 2000).

Slave plantations began to flourish in the British Empire in the mid-seventeenth century. During the ensuing century they grew considerably in size, number and significance. By 1750 the black population of the British Empire totalled around 555,000, with
some 295,000 living in the Caribbean and 247,000 in North America (P. D. Morgan, 1998: 468). In mainland North America, slaves worked principally on tobacco plantations in Virginia and Maryland (the Chesapeake region) and on rice and indigo plantations in South Carolina and Georgia (the Lower South). They were also found in smaller numbers, not always on plantations, in North Carolina, East Florida, the Mississippi Valley, the middle colonies of Pennsylvania, New Jersey and New York, and New England (notably in Rhode Island). Slaves dominated the labour force of sugar, coffee and cocoa plantations throughout the West Indies, both in the largest British island, Jamaica, and in a series of British possessions in the Windward and Leeward Islands of the eastern Caribbean.

Slave estates needed plenty of land and capital for planting staple crops, and for various buildings, including cooling and drying houses, water mills, distilleries, refineries and slave quarters. Plantations could contain between 50 and 350 slaves, with sugar estates requiring a larger labour force than those catering for other staple crops. The system of chattel slavery, based on racial discrimination and severe legal codes, meant that the offspring of slaves were themselves born into slavery (Curtin, 1990; Walvin, 1993). Because of a high death rate on many plantations, through a combination of hard work, disease and poor diet, the supply of slaves, especially to the West Indies, needed regular replenishment. The eighteenth century was the period when British slave trading was at its peak; some 3 million slaves were carried in British vessels to the Americas during that century, more than by any other European power (D. Richardson, 1989b: 157–8). This formed part of the largest intercontinental forced migration of people in the early modern world, leaving in its wake profound social and cultural changes in the lives of black people. The British did not abolish their slave trade until 1807 and emancipated slaves in their empire (including a relatively small number outside the Caribbean, in Mauritius and the Cape Colony) only in 1834. After a short period of apprenticeship, blacks became fully free in British territories from 1 August 1838.