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978-1-107-58561-4 - Trade and Peace with Old Spain: 1667- 1750: A Study of the
Influence of Commerce on Anglo-Spanish Diplomacy in the First Half of the
Eighteenth Century

Jean o. McLachlan

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TRADE AND PEACE WITH OLD SPAIN

1667–1750

*A study of the influence of
commerce on Anglo-Spanish Diplomacy
in the first half of the
eighteenth century*

BY

JEAN O. McLACHLAN, M.A., Ph.D.

Formerly Research Fellow of Girton College

WITH A FOREWORD BY THE LATE
PROFESSOR HAROLD TEMPERLEY

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To

M. M.

J. D. M. M. G. J.

H. W. V. T.

for without any one of them this book
could never have been written

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* British trade to Old Spain

* The foreign trade of Old Spain in the late eighteenth century

* Available for download from www.cambridge.org/9781107585614

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FOREWORD

This work of Miss McLachlan illustrates, even more dramatically than usual, the truth that both diplomacy and politics rest on a solid commercial foundation. In the eighteenth century, indeed, commerce really was the steel framework of the political machine. The work is also valuable in that it compares, in each case from the archives, the Spanish with the British version of events. This double check on inaccuracy at once yields results. The old ideas about the New World and Spanish American trade with this country, are shown to be as erroneous as were the old ideas as to the relation between Britain and her North American colonies.

In the *Expansion of England* Seeley showed himself the prince among generalisers. Like Balboa he gazed at Spanish America from a high mountain, but did not make a scientific survey of it. He took a broad sweep of history and applied simple generalisations to complex facts. His influence and his maxims convinced us for a generation, until a new age learned that these generalisations were not supported by the facts of research. Modern historians find that most of the old generalisations have the brilliance, but also the fragility, of bubbles.

The newer school produces less startling but surer generalisations. For instance, it is instructive to learn that Spaniards knew that the British trade was draining their bullion supplies. But they approved of its doing so, for they knew that trade was a necessity, and trade with England happened to be the least of several evils. All nations were ready to drain Spain of bullion, but England took more of her commodities than anyone else could do. Spanish trade in fact ranked fourth with England, inferior only to the British imperial, the German and the Dutch trades. Here we touch the most important of Miss McLachlan's conclusions, namely that the trade of Old Spain and the Mediterranean was, at the dawn of the eighteenth century, always more important to England than the trade of New Spain and of the West Indies. Hence we must revise our ideas of the reason why British merchants supported William III and Anne in the War of the Spanish Succession. It

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FOREWORD

was not, as Seeley says, because France was shutting us out of New Spain and the Caribbean, but because France was shutting us out of Old Spain and the Mediterranean. In that inland sea merchants were to find more real and precious products than in the fabled riches of the Golden Spanish Main.

The treaty of Utrecht did not reveal Bolingbroke as an economist and, while gaining possessions and influence in different parts of the earth, England did not regain her old Spanish trade in the Mediterranean. It was not till the workaday Bubb superseded the brilliant Bolingbroke in the business of commercial negotiation that things began to improve. Bubb's commercial treaty of 1715 was at first more important politically and in theory than economically and in practice, but as political relations improved most of the old Mediterranean trade of England with Spain was revived. Thus Bubb succeeded where Bolingbroke failed.

The year 1739, which witnessed Walpole wringing his hands over the outbreak of the Spanish war, is now seen in a new light from Spanish records. We find that Walpole himself suggested the offer of a lump sum of payment to Spain, and that the Convention of the Pardo, a masterpiece of wise and conciliatory statesmanship, was wrecked by the unholy alliance between the ambitious South Sea Company and the factious opposition, which Armstrong called the "Public house Protestants". The interested and jealous South Sea Company is revealed as interfering in every kind of politics, British or Spanish. It frightens Newcastle, it pays the Spanish king's bills and even his ambassadors' salaries. It fails to make a profit out of the Asiento, or to avert the war, or even to recover its £68,000 from the King of Spain. All the old legends suffer, even that of the great annual ship, which was refilled in the dark. It was not a great source of profit even when refilled. There was indeed plenty of smuggling apart from the annual ship altogether, but this abundance benefited individuals and not the Company. The latter really made its money out of negroes, and by getting negro sloops past the British and Spanish authorities. No one is now likely to think that the South Sea Company had clean hands or a clear conscience or an efficient management. On the other hand we must remember, as Miss McLachlan tells us in an Appendix rich with detail, that Patiño was the ablest and most successful of

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Spanish national administrators, that his regime had only just ended, and that its effects still irritated and excited British traders.

The last conclusion, which may be called a generalisation, is that the year 1750, and the new commercial treaty which it witnessed, formed an epoch in Anglo-Spanish relations. The result was due in the main to Carvajal, whose “great and noble ideas”, so different from the exclusive nationalism of Patiño, aimed at a working partnership of trade and policy between the two nations. Under these circumstances the new treaty gave back to England the status of 1667 and restored to her all the trade with Old Spain which she had lost in the War of the Spanish Succession. Had statesmanship on both sides continued as wisely as it had here begun, the results on world policy would have been very different.

I might perhaps here give a hint of the fascinating details culled from Spanish archives, which may not be used again in this generation, or may actually have perished altogether. It is most interesting to know that the crews of the Spanish annual fleets, whether quick or slow, fed on English dried fish throughout their weary voyages. They called it *Bacalao*, or “poor (very poor) John”. The soap, known as that of Castile, soon came mainly from France. Sack, or Sherris sack from Xeres, was superseded in quality by wine of Cadiz. At the latter place were *metidores*—an organised corps of bullion smugglers—who obliged “the merchants of all nations” with impartial injustice. Last of all, British merchants used His Majesty’s packet boats to carry their silver, and prevented the Spaniards from exercising their right of search by pleading diplomatic privilege! These concrete facts, drawn from the archives of the countries, give us more of the flavour of the eighteenth century and its commerce than a hundred protocols or documents. A score of other such picturesque details may be found in these pages. They support the maxim that a correct relation, observed between concrete detail and generalisation, is the right and indeed the only method of illustrating, and laying bare, the spirit of an age.

HAROLD TEMPERLEY

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NOTE

It had been Professor Temperley's intention that this volume should be the first of a series of studies in political and diplomatic history; but the planning of such a series has now been indefinitely postponed.

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The origin of this study was Professor Temperley's article in the *Transactions of the Royal Historical Society* on "The causes of the War of Jenkins' Ear". It solved one particular problem brilliantly but there remained several other points which were not quite clear, and the attempt to clarify these ultimately led to an investigation of Anglo-Spanish relations during half a century.

Sir John Seeley's idea that the wars of the Spanish Succession and of Jenkins' Ear were part of a series in which British statesmen fought France and Spain to obtain territory in the New World provoked investigation. It was found to be completely unfounded in the case of the war of 1701-13. Instead of fighting to secure a footing in America, Englishmen were reluctantly forced into war to maintain their trade in the Mediterranean.

Another interesting problem was the significance of the crisis of 1737-9 in Anglo-Spanish relations. Was this a "colonial" war? Was the chief interest at stake the right to freedom of navigation in American waters, and were British statesmen keenly alert to protect British West Indian trade? Much has been written on the influence of colonial trade on policy; in this study an attempt has been made to assess the importance of colonial trading interests when compared with those of other merchants. In 1738-9 the British merchants trading to Old Spain wanted peace, and the responsible ministers in both countries tried desperately to avoid war. Their efforts were defeated by the political tactics of the English opposition, and the selfish policy of the Directors of the South Sea Company.

The interests of the British merchants trading to Cadiz are also studied in relation to those of the South Sea Company and the West Indian illicit traders, who tried to secure a share in the bullion of the New World by direct trade contacts instead of being content to share in it at second hand by supplying goods for the annual Spanish fleets trading to the New World from Old Spain. If this study has any value, it is because it presents a new explanation of

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Anglo-Spanish diplomatic disputes, the interests of British traders to Old Spain.

Several other problems of less importance but great interest were presented by a closer study of the depredations crisis of 1737–9. Were the depredations which began it as serious a menace to British colonial trade as was maintained at the time? What was their significance in relation to earlier and later Anglo-Spanish relations in the West Indies? It seems that for a time there had been a lull in these incidents, why did they begin again towards the end of 1737? Was this the result of deliberate Spanish policy? What was the Spanish view of them, particularly among the colonial officials in the Indies?

The position of the South Sea Company also provoked investigation. What were the reasons for the surprising obstinacy of the directors which in 1738–9 ruined the efforts of the statesmen to preserve peace? How did the Company come to owe His Catholic Majesty the conveniently large sum of £68,000? Was the Company's illicit trade responsible for the depredations that began the crisis, as Parliament thought at the time?

The position of the Spanish court also deserved some consideration. Was the crisis part of an aggressive Bourbon policy against England, or was it due to an unfortunate accident which the Spanish ministers did their best to remedy?

The investigation of these problems involved a study of British trade with Old Spain from the commercial treaty of 1667 throughout the first half of the eighteenth century to show its character, history, and the interaction between it and the political relations of the two countries. This study has been based on the commercial pamphlets of the period, together with the consular papers in the Public Record Office.

The problem of West Indian depredations deserves a book to itself, and here only the events of 1737, the policy of the Spanish court and colonial governors have been treated in detail. For this, reference has been made to the contemporary political pamphlets, the diplomatic correspondence of the British and Spanish ambassadors now in the Public Record Office and the Archivo General de Simancas, and the Spanish colonial papers now in the Archivo General de Indias in Seville.

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A most illuminating study on the depredations in the earlier part of the century, based on the British colonial records, is in an unpublished thesis by F. L. Horsfall, M.A., in the Institute of Historical Research in London University. A preliminary study of the later aspects of the problem from material in the Spanish diplomatic and colonial archives has already appeared in the *English Historical Review*.

On certain aspects of the history of the South Sea Company, some most interesting monographs have been written by Miss V. L. Brown. The following study is based on further material from the same Spanish archives in Simancas, Madrid and Seville, where are the correspondence and private papers of the Spanish representative on the Company's board of directors. In addition use has been made of the Company's official minute books in the British Museum, and of the private correspondence of one of the sub-governors, photostat copies of which were deposited in the British Museum by the courtesy of Mr Adams of the W. L. Clements Library at Ann Arbor.

An investigation into the importance of the Spanish court involved, in this case, a study of the personalities, careers and policies of two ministers, Señor de la Quadra and Don Jose de Carvajal y Lancaster. For the one the reports of the British ambassador, Benjamin Keene, were consulted in the Public Record Office, for the other Señor Ferrendis's most illuminating monograph proved invaluable. No study of early eighteenth-century Spanish commercial relations could omit some reference to the reforming genius of Don Josef Patiño, and as some interesting, but not strictly relevant, material was found in a late eighteenth-century Spanish biography, an Appendix has been devoted to this most able minister.

It may seem as if some apology were necessary for the presentation of yet another lengthy study of a crisis which has been treated by Professor Temperley, Professor Michael and Professor Vaucher, to say nothing of the *Cambridge History of the British Empire*, Armstrong, Baudrillart, Lecky and a recent book of Mr R. Pares. The justification is firstly that this is an attempt to interpret the history of Anglo-Spanish relations in the first half of the eighteenth century from the point of view of the British merchants trading to Old Spain, and secondly that this work is based on hitherto unused Spanish

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materials, diplomatic, commercial and colonial, in Simancas, Madrid and Seville.*

That this book has ever appeared is due to the kindness and encouragement of other people rather than to the industry or skill of the author. Miss Jones originally suggested that such work should be undertaken, the Mistress and Council of Girton College generously granted a Cairnes Studentship from 1932–5, various officials in archives and libraries in England and Spain found documents and offered advice, Mr H. R. Mallett gave the Index a professional appearance, Cambridge University honoured the work by awarding it the Seeley Medal and half the Prince Consort Prize in 1938, and the Cambridge University Press made the path of publication very easy. What Professor Temperley contributed in suggestions, criticisms, encouragement, time and sympathy it is quite impossible to convey. It is only possible to record my very lively and sincere gratitude.

These eighteenth-century commercial and diplomatic problems have proved fascinating to investigate, and to try to elucidate. It is hoped that all the interest has not dried up with the ink.

* Unfortunately, owing to the political situation in Spain, it has been impossible to check some of the extracts already taken from Spanish documents. In some cases only a paraphrase or précis was made of the document, and, although in every case the greatest care was taken to maintain the sense of the original, it is not possible to guarantee the verbal accuracy of every quotation, since a final revision could not be made from the archives themselves.