

GIRTON COLLEGE STUDIES

EDITED BY LILIAN KNOWLES, LITT.D., READER IN ECONOMIC HISTORY IN THE UNIVERSITY OF LONDON

No. 1

COMMERCIAL RELATIONS

OF

ENGLAND AND SCOTLAND 1603—1707





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ENGLAND AND SCOTLAND 1603-1707

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Cambridge: at the University Press



CAMBRIDGEUNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom

Published in the United States of America by Cambridge University Press, New York

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning and research at the highest international levels of excellence.

www.cambridge.org Information on this title: www.cambridge.org/9781107626621

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First published 1910 First paperback edition 2014

A catalogue record for this publication is available from the British Library

ISBN 978-1-107-62662-1 Paperback

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PREFATORY NOTE

WISH gratefully to acknowledge my indebtedness to Girton College for the award of the Cairnes Scholarship which enabled me to write this thesis, and also for the grant for its publication; to the London School of Economics for the opportunities for research work provided by it; to Archdeacon Cunningham for very kindly reading and criticising the manuscript; to Mr Hubert Hall, of the Public Record Office, and to the Rev. John Anderson, of the General Register House, for kind help; and especially to Dr Lilian Knowles, Reader in Economic History in the University of London, for constant help and encouragement.

THEODORA KEITH.

8 July 1910.





PREFACE

FNGLAND and Scotland are very different from one another, both religiously and politically, and we are apt to form an impression that the development of each nation was separate and distinct, while occasional incidents brought them into conflict. On closer consideration, however, this view of the relations of England and Scotland appears inadequate; they are indissolubly linked together as parts of the same island; there are similar elements in the population of each, and they have been affected by the same influences from time to time. They have had so much in common throughout their history that any movement, which took place in one, has reacted, in some fashion, upon parties and affairs in the The influence of the more advanced upon other realm. the smaller country has been patent all along, for conscious efforts have been made, again and again, to organise the Scottish kingdom on an English model. On the other hand, the effect of the political affinities of Scotland on the schemes of English monarchs can never be left out of sight; and the influence of popular movements in Scotland,



viii PREFACE

on the affairs of Church and State in England, becomes obvious in the Elizabethan and Stuart periods. By keeping this constant and intimate interconnection in mind we may sometimes get a clue to guide us through a maze of incidents that seem to be capricious and unintelligible.

From this point of view the commercial relationships, which Miss Keith has described so clearly and so fully, are particularly instructive. The study of the material interests of large sections of the population in both countries, brings into light motives which we may easily overlook unless attention is specially called to them. The bearing of merchants' grievances on questions of constitutional privilege was indirect and remote, and such topics rarely formed the theme of pulpit eloquence; but for all that, they were of extraordinary importance. The consideration of them helps us to understand why two countries, which were so closely associated and had so much in common, were kept apart; as well as to see the nature of the difficulties which had to be faced, when they were brought under one Crown. So far as religious and political affairs were concerned, close affinities existed between parties in Scotland and parties in England, and they were drawn into correspondence and sympathy; in the seventeenth century there was good reason, from time to time, for hoping that similar institutions, civil and ecclesiastical, might be established in each country. almost seems as if the conduct and prospects of trade furnished the main reasons why Englishmen and Scots rallied into separate and hostile camps. Commercial interests united the people of each country in a common



PREFACE ix

antagonism to their neighbour, and commercial jealousies kept these neighbours apart.

It is almost inevitable that two adjacent countries, with similar products and similar opportunities for industry, should be rivals in trade; but the commercial jealousy between England and Scotland became much more pronounced when they were brought into closer connection with each other by the Union of the Crowns. Trade relationships in these days were closely dependent When the two countries were on political affinities. ruled over by one monarch, the relations of friendship and hostility with foreign powers came to be the same for both; the Scots ceased to have opportunities for trade in places from which Englishmen were practically excluded, and the Scots merchants were forced to try and compete in markets where English traders had established their footing. There had been an ancient amity between France and Scotland; and Scots merchants had had privileges in French ports, such as Englishmen did not enjoy. The religious and political revolution in Scotland in the time of Queen Mary need not in itself have caused a rupture in this long established mercantile intercourse; but when Scotland was practically forced to follow the line of English policy, in regard to relationships with foreign powers, it was impossible for her to maintain her separate commercial privileges; Scots and English merchants were brought into direct competition with one another in the same markets.

There is nothing, with the exception of a foreign invasion, which brings home to the ordinary citizen the

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x PREFACE

results of government action so effectively as an interruption or decline in commerce. Miss Keith has shewn in detail how deep was the influence of the disabilities under which Scots trade laboured even in the reigns of James I and Charles I, and still more under the diverse policies of Cromwell and Charles II. The merchants in the towns, and their dependents would be the first sufferers, but industry would be affected as well; and in the case of Scotland, which exported wool and raw products, the effect would be felt far and wide. A sense of grievance against England must have penetrated very deeply; neither the policy of the first Stuart kings, nor the free trade conditions of the Inter-regnum conciliated the Scots, while the legislation of the Restoration Parliament was hostile to their interests. This aspect of the case has been too much left out of sight, and Miss Keith has rendered a real service by bringing it into prominence. Much stress has been laid on the influence of religious conviction—the opposition to Laud and the sufferings of the Covenanters-in contributing to the failure of the Dual Monarchy; but account should also be taken of the fact that the conditions it brought about in Scotland were unfavourable to business.

While this study of the commercial relations of England and Scotland throws such interesting side lights on political history, it is also of special interest with regard to the economic life of both countries. Since the time of Edward I the industrial and commercial progress of the two nations had proceeded on distinct lines; when the two were brought into contact, we can see more



PREFACE

χi

clearly how far the institutions of the two peoples differed, and learn to contrast the working and policy of each with greater precision. Scotland was on the whole a more backward country, and was certainly much less flourishing than England; but so far as her commercial institutions were concerned, it may be said that Scotland was in some ways the more advanced of the two. The Elizabethan and Stuart period in England is marked by the superseding of municipal exclusiveness, and the introduction of a system of national economy. In Scotland municipal supervision of the products of industry continued to be practised till the nineteenth century; but so far as commerce is concerned, Scotland had long enjoyed the means of regulating it on national lines, in the Convention of the Royal Burghs. The combined trading in regulated companies, which was such a characteristic feature of English commerce, had never become an established Scots practice; Scotland moved from medieval to modern trade organisation without passing through this transitional form. The exclusive status of the merchant was not carefully maintained, so far as Scots merchants, in foreign parts, were concerned: common sailors and others were accustomed to do a little trading on their own account at the ports they visited; and Scots pedlars found openings in the internal trade of foreign countries. From the point of view of the English Merchant Companies, the Scots were a nation of interlopers; and it seems probable that they played a considerable part in connection with the successive attacks which went on throughout the seventeenth

b 2



xii PREFACE

century, both at home and abroad, on the exclusive privileges of the Regulated Companies. Scots commerce, like Scots banking in the eighteenth century, offered to self-reliant young men, opportunities which were not so generally available for those born south of the Tweed.

Miss Keith has been fortunate in choosing a subject which is of so much interest both in regard to political and to economic history; and she is to be congratulated on her success in dealing with a mass of material in such a fashion as to bring out the far-reaching importance of the details to which she has given so much care and thought.

W. CUNNINGHAM.

July 1910.



CONTENTS

CHAP. INTRODUCTION	PAGE XVII
I. Union of 1603.	
a. Condition of Trade at the Time of the Union Commodities imported and exported, 1-2. Organi- sation of trade, 2-4. Trade with France, 4-5; Low Countries, 5-6; Baltic, 6; Spain, 7; England, 8.	
b. NEGOTIATIONS FOR COMMERCIAL UNION	9
 II. 1603-1650. a. INDUSTRY IN SCOTLAND	20
b. Trade with England	32



xiv	CONTENTS	
CHAP.		PAGE
	Colonisation and Trade in America	42
	Plantation of Nova Scotia, 42-3. Conflict with French, 44. Burnett's licence to trade with Virginia, 45.	
	Colonisation in Ireland	46
	Plantation of Ulster, 46. Trade with settlers, 47.	
	c. Trade with France, Holland, etc	47
	Trade with France, 47-9. Effect of English war with Spain on Scottish trade with the Low Countries and Spain, 50. Trade with Portugal, 50. Baltic trade, 51. Scots settlers and soldiers in Germany, 51-4.	
III.	1650–1660	55
	Union of England and Scotland under Commonwealth, 55-6. Condition of country, 56-7. Imposition of taxation, 58. Revenue and expenses of Scotland, 59. New customs tariff, 60. Prohibitions of export, 61-2. Scottish import of salt into England, 62-4. Tax on coal, 64-5. Trade with England, 65. Effect of the Union on foreign trade, 65-6. Losses of ships during civil war, 66-8. Hindrance to trade through Dutch and Spanish wars, 69-70. Results of Union, 70.	
IV.	1660–1707.	
	SCOTTISH ECONOMIC DEVELOPMENT	71
	a. Industry	72
	State of country at Restoration, 72–3. Encouragement of industry by protection, 73–4. Council of Trade established, 74. Companies established to promote industry, 74–5. Privileges of companies, 75. Protection against English competition, 75–6. Poverty of country, 76. Progress in Glasgow, 76–7. Fishing Company established, 77. Contemporary account of Scotland, 78. Principal exports, 78. Export of linen to England, 78. Act of 1681 for encouraging industry, 79–80. New companies founded and capital obtained, 80. Legislation regarding export and import of wool and cloth, 80–2. Cloth manufacture, 82–4. Linen manufacture, 84–5. Sugar manufacture, 85. Fishing, 85–6. Bank of Scotland, 86. Condition of country at beginning of eighteenth century, 86–7.	
	b. Trade with England	87
	End of commercial Union, 87-9. English restrictions on Scottish trade, 89. Scottish retaliation, 90-1. Nego-	



	CONTENTS	ХV
СНАР.	tiations for freedom of trade, 1667, 91-3. Negotiations for complete Union, 1669, 93-4. Failure of both, 94. Scottish exports to England: cattle, 95-7; linen, 97-8; salt, 98-101. English exports to Scotland, 101. Smuggling trade in wool, 102. Scottish export of English wool to Continent, 103-9.	PAGE
c	TRADE WITH IRELAND	109
d	. Trade with the Plantations	111
	Navigation Acts, 111-5. Reasons for excluding Scots from Plantation trade, 113-4. Endeavours to except the Scots from restrictions of the Acts, 116. Negotiations for commercial Union, 116. Licences for Scottish trade, 116-7. Illicit trade between Scotland and the Plantations, 118-9. Methods of smugglers, 120-1. Attempts at prevention, 121-2. Amount of trade, 123-5. Complaints of Scottish trade, 125-6. More stringent enforcement of Acts after 1695, 126-7. Continuance of trade, 127-8.	
e.		128
	Transportation of prisoners under Commonwealth, 128-9. Value of Scots settlers, 129. Transportation of vagabonds, etc., 130-1. Scottish settlement in New Jersey, 131-4. Trouble with New York, 135. Differences between Scottish and English settlers, 135-7. Scottish settlement in Carolina, 137. Its failure, 138. Question of naturalisation of Scots in Plantations, 138-140.	
f.	TRADE WITH FRANCE	140
	Character of Scottish trade, 1660-1707, 140-1. Disadvantages of English connection, 141-3. Adoption of more independent policy, 143. Increase of Scots shipping, 144-5. Relations of England, Scotland and France, 145. French impositions on Scottish trade, 146-8. Scottish retaliation, 149-50. Result of prohibition of import of wine, 150. Prohibition removed, 150-1. Amount of trade between Scotland and France, 151-3. English attempts to prevent the trade, 153-4. Sufferings of Scottish merchants through French wars, 155-6.	
g	. TRADE WITH HOLLAND, ETC	156
	Effect of Dutch wars on Scottish trade, 156-7. Staple port removed to Dort, 1667, 157-8. Return to Campvere, 158. Commodities exported to Holland, 158-9. Trade with Baltic ports, 160. Scots and English merchants at Hamburg, 161. Scots in the Mediterranean, 161. Dangers to shipping, 161-2.	



xvi	CONTENTS	
снар. V.	THE COMPANY OF SCOTLAND TRADING TO AFRICA AND	PAGE
٧.	THE INDIES	163
	Scottish need for markets, 163-4. "Act for Encouraging of Forraigne Trade," 164. English East India trade, 164-6. Paterson's schemes, 166-7. "Act for a company tradeing to Affrica and the Indies," 167-8. Influence of English merchants in company, 168-9. Meetings in London, 169-70. Attention of English Parliament directed to company, 170-2. Agitation against it, by English East India Company and Plantation officials, 172-5. Effect of English opposition in Scotland, 175. Subscription of capital, 175. Attempts to raise capital in Amsterdam and Hamburg, 176. Opposition of English Resident in Hamburg, 176. Scheme for settlement on Isthmus of Panama, 177-8. First expedition, 178. Its ill-success, 178-9. Proclamations in English colonies against settlers, 178-9. Second and third expeditions, 179. Capitulation of settlers to Spaniards, 179. Further alarm in English Parliament, 180. Scottish indignation at ruin of company, 181. Results of its failure, 182.	
VI.	The Union	183
	Necessity for Union, 183-4. Pamphlets on subject, 184-6. Negotiations of 1702-3, 186-7. Demands of Scottish Commissioners, 187. Results, 187. Scottish Parliament of 1704, 187. Question of Succession, 187-8. Acts allowing import of French wines and export of wool, 189. Act of Peace and War, 190. English alarm at Scottish Acts, 190. Act of Security, 190. Meeting of English Parliament, October, 1704, and debate on Scottish affairs, 191. "Act forsecuring the Kingdom of England," 191-2. Seizure of the Worcester, 192-3. Meeting of Scottish Parliament, 1705, 194. "Act for a treaty with England," 194. Proposals of Commissioners, 195. Conditions of treaty, 195. Land-tax, Customs and Excise, 195-6. The Equivalent, 196. Discussion on salt-tax, 196. Position of African Company, 197. Scottish shipping, 197-8. Scottish opposition to treaty, 198. Concessions made, 199-200. Passing of Act by Scottish and English Parliaments, 200. Results of Union, 201. Import of French wines into England from Scotland, 201-3. New fiscal regulations, 203-4. Effects of Union on industry, 205.	
	BIBLIOGRAPHY	207



INTRODUCTION

THE peace and prosperity of the Scotland of the early middle ages were rudely broken in upon by the War of Independence, at the beginning of the fourteenth century. Not only were trade and industry interrupted and the most fertile parts of the country laid waste, but the readjustment of Scotland's international relations, resulting from the war, prevented her recovery, and checked her development. For more than two centuries she remained at enmity with England, while her alliance was sought and gained by England's other opponent, France. change in her circumstances had a disastrous effect upon Scottish economic development. Her southern district was in constant danger from English raids or Scottish reprisals, and this, owing to the care of the great monastic establishments, had been one of the most prosperous parts of the kingdom. Her trade with England was interrupted, and her population had to keep themselves in readiness for military service. The frequent minorities of her kings, and the feuds of the nobles with each other and with their sovereign also combined to hinder Scottish economic progress in the fourteenth and fifteenth centuries. Friendship with France did, however, bring some commercial advantages, for the Scots merchants obtained considerable



xviii

INTRODUCTION

trading privileges there, especially in the province of Normandy, which they chiefly frequented.

Not until the middle of the sixteenth century did any substantial change occur in these relationships. In 1560 the Scottish Estates met in Convention adopted Protestantism as the national religion. Of this momentous decision Professor Hume Brown says: "Had Scotland remained a Roman Catholic country, the Union of the Crowns could hardly in the nature of the case have taken effect, and the Union of the Parliaments would have been excluded alike by the laws of God and man." This adoption by Scotland of the Reformed Religion was the first step towards a breach with France. A further step in the same direction was the Union of the crowns of England and Scotland in 1603, in the person of James VI. Scotland was now bound to England by the ties of common sovereignty and a common religion, while her ancient friendship and her commercial interests still attached her to France. Her principal trade also was with the Dutch, England's great commercial rivals of the seventeenth century.

It was not however in this direction only that the economic interests of the two countries did not harmonize. Scotland's economic development was far more backward than that of England. She was, says Professor Hume Brown, backward in "breaking away from the traditions of mediaevalism'." "In Scotland the hard and fast regulations which had bound the mediaeval merchant were as rigidly enforced as ever, whereas in England the door was virtually thrown open to all and sundry who might desire to put their capital to profitable uses?." Industry in Scot-

¹ Scotland in the time of Queen Mary, P. Hume Brown, p. 194.

² Ibid., p. 195.



INTRODUCTION

xix

land was still controlled by the Craft Gilds, and organisation and method were alike mediaeval. Manufactures were little developed, and the chief exports were raw materials. The countries, therefore, required different commercial regulations. This was one reason why the Union of 1603 could not be complete; it was neither parliamentary nor commercial, the crowns alone were united. reason for the backwardness of development in Scotland was the lack of capital. Her soil was poor; also her situation, remote from the ordinary course of European trade, was a drawback to her. During the latter part of the seventeenth century a change came about. The Scots found themselves favourably placed for the new trade with the West. Companies were founded to promote industry, partly with the help of English capital. Scotland's economic history in the seventeenth century is that of her development into a modern state, which, though she could not be a successful rival to England, could and did force her greater neighbour to grant to her commercial equality.

During the seventeenth century the relationship established in 1603 became more and more unsatisfactory, and this was greatly due to the conflicting economic interests of the two countries. The English suffered from the Union in four particular directions. These were, firstly, the French trade; where the English merchants were jealous of the Scottish privileges in France during the first years of the century, while during the latter part they objected to the Scots maintaining their trade connection with a country with whom England was at enmity. Secondly, the Dutch trade was a source of grievance, for the English always feared that the Dutch merchants through their connection with Scotland, might obtain



INTRODUCTION

ХX

some share in English carrying trade, particularly in that to the Plantations. For, thirdly, after the Restoration the Scots gradually established an illegal trade with America, which was an offence against the English commercial system as embodied in the Navigation Acts. Fourthly, difficulties arose because of the different regulations as to import and export, which made the smuggling of certain commodities across the Borders a profitable occupation.

Scotland also suffered from the Union, especially in her foreign trade. Partly because of her connection with England she gradually lost her privileges in France. Her trade to France, and also to Holland, was interrupted and sometimes stopped by English wars with these countries, from which the Scots derived no benefit. She felt these checks to her trade especially towards the end of the century, when her industries developed, and when, as a crowning grievance, she was allowed no legal share in the English Plantation trade.

The century between the Unions of 1603 and 1707, treated chronologically, falls into three periods. James was anxious for an incorporating union, but neither nation was as yet ready to make the necessary concessions. During the first period, therefore, the reign of James I and part of that of Charles I, trade between the two countries was not free. James's subjects in England, Scotland, and Ireland, were, however, allowed to trade as natives, not as aliens, with any of the three countries. On the whole, however, there was little increase of intercourse between the countries. The most important feature of the period was that, although Scotland did succeed in retaining her privileges in France, the connection between these two countries gradually became less close.



INTRODUCTION

xxi

Scotland suffered very much during the Civil Wars, and consequently the establishment of a complete Union under the Commonwealth in 1654 found her in an exhausted and poverty stricken state. Owing to this fact and also to the short duration of the Union it is difficult to estimate its possible results, had conditions been different. As matters stood the Union in this second period was unsatisfactory to both parties. England found the maintenance of an army, garrisons, and the civil government in Scotland a very heavy drain on her resources, while Scottish trade was hampered by the enforcement of English regulations as to import and export and navigation, and also by the wars of the Commonwealth with Holland.

As a result neither nation after the Restoration wished to continue this close relationship, and accordingly England and Scotland again became, but for their common king, separate countries. This third period is by far the most interesting. In it the English commercial system was further developed, and more strictly enforced, and France also developed a strong protective system. Scotland, by the action of the English Parliament, and by the loss of her privileges in France, was shut out from the advantages of both. At the same time the Scots became more anxious to develop industry and trade. They found themselves, however, greatly hampered by want of markets. Heavy duties hindered their trade with England, and by successive Navigation Acts they were excluded from any lawful share in the Plantation trade. They were partly shut out from the French trade by Colbert's protective measures, and their old privileges there were lost. this they blamed their connection with England.



xxii

INTRODUCTION

But on the other hand they still had some French trade, and they continued this connection during William's wars with France, in spite of the indignation and remonstrances of the English government and merchants. English manufacturers joined in the complaints because the Scots supplied France and other continental countries with English wool. The export of wool from England was prohibited, but the Scots carried it over the border, and, the export of wool from Scotland being generally allowed, they took it abroad to be used in the cloth manufactories of England's commercial rivals. In spite of the Navigation Acts the Scots built up a considerable trade with the Plantations. To this the English most strongly objected, not only because Scotland supplied herself, and might in time supply other countries, with Plantation products, instead of getting them from England, but also because they feared that Dutch ships might trade with the Plantations under cover of the Scots connection.

Towards the end of the century it became more and more obvious to the thinking men of both countries that the relationship in its present state could not continue, and the episode of the Scots East India Company served to intensify this feeling. The Scots were determined to secure for themselves some market. The extensive privileges obtained by a Scots company from the Scots Parliament alarmed alike those interested in the East India and in the Plantation trades, while the results of the Darien expedition threatened to involve England in political difficulties with Spain. In both countries popular feeling ran very high, and it was now felt on all sides that some change must be made. Owing to the development of Scottish industry it was no longer



INTRODUCTION

xxiii

necessary that the commercial regulations for the two countries should differ. In fact, Scotland had also built up a protective system very much on the lines of those of England and France, and partly in retaliation for her treatment by those countries. At this time the question. became complicated by political considerations—England had settled the succession on the Hanover line, and feared that the Scots might refuse to co-operate with them and might recall the Stewarts, and that thus French influence would again become predominant in Scotland. In order, therefore, to consolidate and secure her commercial system, and to ensure the succession of the same sovereign in both kingdoms, England was willing to admit Scotland to commercial equality, while Scotland, anxious to secure markets for her manufactures, consented to merge her Parliament with that of England. Thus over a century of misunderstanding and dispute was brought to an end, and, very largely for commercial reasons on both sides, that Union was accomplished which has done so much to promote the prosperity and success of both kingdoms.



LIST OF ABBREVIATIONS

Royal Burghs = Records of the Convention of the Royal Burghs of Scotland.

- S. P. Domestic=State Papers Domestic.
- S. P. Col. = State Papers Colonial.
- S. P. C. R.=Register of the Scottish Privy Council.

Acts, Scotland=Acts of the Parliament of Scotland.

H. M. C. R. = Historical Manuscripts Commission Report.