Speculative activity during the South Sea Bubble.

CHAPTER 2

CONSOLIDATING THE KINGDOM AND THE EMPIRE, 1707–1763

In the late summer and early fall of 1720, the English stock market crashed in the course of what has come to be called the South Sea Bubble. Thousands of people lost fortunes in the precipitous decline in the price of the stock issued by the South Sea Company, a collapse that spilled over, in the short run, to the general economy. Orders for luxury items like carriages, jewelry, and fine clothing were canceled as investors realized the extent of their losses; houses were left half-built as those who commissioned them ran out of funds; shipbuilders ceased operations on hastily canceled orders. Workers in these industries lost their jobs. Land values, driven up by investors who had bought estates with the spectacular profits they had earned in the months before the bubble burst, dropped dramatically. Advertisements for the sale of furniture and furnishings filled the columns of newspapers as investors tried to recoup their losses.

In the churches and chapels, clergymen blamed the greed and avarice demonstrated by investors for the appearance of plague, which threatened to make its way into Britain from France. "We have abused our plenty by riot and luxury," declared the Church of England, "our liberty by licentiousness, our ease and safety by strive [sic] and envyings." One chaplain pointed out that "the Plague never proceeds from first natural cause, but is sent immediately from God, and that as a punishment of a people for their sins." The Privy Council proclaimed a day of fasting to try to stave off the plague, urging Britons to pray for mercy from "those judgements [sic] which our manifold sins have deserved."[1]

Angry investors rushed the houses of Parliament, determined to punish the parties responsible for their lost fortunes. Authorities responded by reading the Riot Act, legislation enacted in 1715 that punished the refusal of an order to disperse with death. Crowds of people took to the streets in rage, demanding redress and, failing that, accountability from the South Sea Company directors who had duped them, as they saw it. In the coffee houses on Exchange Alley, where stock market transactions took place, disgruntled customers and what we would call stockbrokers talked of replacing King George I (1660–1727), the governor-general of the company, with his son, the Prince of Wales (1683–1760). Members of Parliament from both the Tory and the Whig factions insisted that an inquiry into the calamity be held, a demand the king's ministers could not deflect. Directors of the company and government and court officials found themselves under a microscope as the inquiry proceeded; the cashier of the South Sea Company fled abroad with the records of the company and lists of MPs, ministers, and courtiers who had been bribed to ensure that the share prices of the company continued to rise. Following the parliamentary inquiry, government officials lost their positions and directors of the company forfeited their riches. The man who would become the next prime minister, Robert Walpole (1676–1745), shielded the monarch and most of the government ministers involved in the debacle and then uncovered and foiled another Jacobite plot to return the Stuart king to the throne of Great Britain, thus assuring himself a long tenure in office.

Although seemingly an isolated incident involving the still-evolving financial instruments of the early modern British state, the South Sea Bubble in fact stands at the center of virtually all the crucial developments of the period. As we shall see in this chapter, war, peace, commerce, empire, slave-trading, party politics, Jacobite risings, and governance all intersected at the focal point of the bubble.

THE WAR OF THE SPANISH SUCCESSION AND THE ADVENT OF THE HANOVERIAN KINGS

Queen Anne ascended the throne of Great Britain on William III's death in 1702. She inherited from him a conflict begun the year before, called the War of the Spanish Succession, in which England determined not to let France decide who would sit on the Spanish throne when the king died without an heir. William feared for Dutch independence in the face of a potential domination of the continent by France. English notables worried that a more powerful France would try to replace James II on the English throne, a concern validated and enhanced when Louis XIV recognized James's son as James III when his father died in 1701. Together with the Netherlands, the German state of Hanover, and Austria, which put forward its own claimant to the Spanish monarchy, England formed a Grand Alliance to fight the French and the Spanish, both on the continent and in the colonies of the New World. Despite some significant victories won by John Churchill, the Duke of Marlborough (1650–1722), the war proved more costly than many were willing to tolerate. In 1710, the Whig ministry in power lost out to a Tory government committed to peace. The government immediately sent out

feelers to gauge the willingness of the French to discuss a settlement, but it would be years before a formal agreement was reached.

The War of the Spanish Succession had followed the Nine Years' War fought by William against France from 1688 to 1697. The need to fund these seemingly endless conflicts consolidated the theoretical powers won by Parliament in the revolutionary settlement with William and Mary, because without Parliament's agreement to provide resources, the armed forces could not be sustained, let alone fight. Constant warfare required Parliament to meet every year to approve the budgetary requests of the Treasury, a situation MPs took advantage of to further their jurisdiction over other areas of government as well. Thus the power of Parliament increased in the years after 1689, giving greater opportunities for patronage to the political faction in power. Putting an army of 90,000 into the field on the continent and maintaining a naval force of 40,000 at sea cost the government £5.5 million each year, monies that had to be generated either through taxation or through borrowing. The elites who dominated Parliament had seen taxes on their land increase markedly and were loath to accept further obligations; increasing customs duties on goods coming in from outside Britain and excise taxes on domestic products such as alcohol or salt to a level necessary to pay for war would stir popular unrest. That left borrowing.

We saw in the previous chapter that the government, through the Bank of England, borrowed money from the public through the sale of annuities: in return for an initial loan of cash, the Exchequer, backed by Parliament, promised to pay the lender a fixed amount of interest on the loan over a long period of time, thus providing the lender with a regular income. The interest rates on this debt—called irredeemable debt, because the government could not pay off these loans early if it had the money to do so—could be high, as much as 8 percent in 1711, and could not be refinanced at a lower rate when interest rates fell, as they did when the War of the Spanish Succession ended. In the long term, the government could not afford to keep up these payments, so it looked to reorganize its debt obligations through a scheme in which it contracted with the great commercial and joint stock companies—the Bank of England and the East India Company (EIC)—to exchange government debt for equity shares in the companies. The bank and the EIC received commercial and trading privileges—monopolies—in return for loans they made to the government. Interest on those loans was less than that on the annuities the government owed, thus lowering its costs of borrowing. Holders of government debt could trade their debt for shares in the commercial company, exchanging the guaranteed annuity payment from the government for ownership of shares in the company. Such a swap might appeal to government debt holders for a number of reasons. First, no one could be certain that a Jacobite challenge to the monarchy might not be successful, in which case a new regime might default on the former's obligations. Second, equity shares in the bank or in commercial companies could be expected to increase in value as profits grew—earning what we call capital gains. Moreover, shareowners could, if they wished, sell their company shares on what was becoming a stock market for equities, thus ensuring the liquidity of their assets. Holders of government debt could attempt to sell their annuities, to be sure, but the process took time and was often cumbersome.

Both the Bank of England and the EIC, as well as most of the other financial interests located in the city of London, Britain's financial center, were dominated by Whigs, a situation the Tory government under Anne found difficult to negotiate. The costs of war continued to mount, driving up the public debt for which the government had no funds to pay the £9 million it owed by February of 1711. In May, in a bid to circumvent the Whig-controlled companies in its search for another debt for equity swap, the Tory government chartered an entirely new company, the South Sea Company, to be run by Tory ministers and their friends. In return for taking on the whole of the £9 million debt (interest on which the government would pay almost £6 million annually), the company received a trading monopoly that encompassed "the kingdoms, lands etc of America, on the east side from the river Aranoca, to the most southern part of the Terra del Fuego, on the west side therof, from the said most southern part through the South Seas to the most northern part of America, and into unto and from all countries in the same limits reputed to belong to the Crown of Spain, or which shall hereafter be discovered."[2] Britons had long sought to gain entry into the trade of the "South Seas," as they called the Caribbean at the time, but Spain, with which Britain was currently at war, had prohibited them from trading with its colonies. That situation was unlikely to change while war between the two countries still raged. Almost immediately, secret peace talks with Paris took on far greater seriousness, and it was understood from the beginning that any settlement with France would have to include privileges for British trade with South America and the Spanish Caribbean. From the start, however, the commercial side of the South Sea Company seemed unlikely to flourish because not a single director of the company had any experience whatsoever with Caribbean trade.

The Treaty of Utrecht brought the War of the Spanish Succession to a close in 1713. In addition to ceding to Britain the territories of Nova Scotia, Newfoundland, St. Kitts, Gibraltar, and Minorca and compelling the French court to expel the Stuart pretender and his followers, it conferred on Queen Anne the *asiento*, the contract that gave Britain the monopoly to sell slaves to Spanish America. Anne turned over the contract to the South Sea Company, significantly boosting its commercial prospects. In collaboration with the Royal African Company and with the protection of the Royal Navy, the South Sea Company entered the slave trade.

Whigs opposed the Treaty of Utrecht, thinking that it failed to give Britain what the country had earned on the battlefield at such a high cost. The heir to the throne, George, the prince-elector of Hanover, saw the treaty as a betrayal of his interests and regarded the Tories who negotiated it with hostility. George had been named heir presumptive to Anne in 1701, after her last surviving son, the eleven-year-old Duke of Gloucester, died. Tories regarded George as a foreigner who had no rights to the crown; they only reluctantly gave their approval to the notion that Parliament, as representatives of "the people," enjoyed the right to name a legitimate king. The Act of Settlement of 1701 bypassed James II and his son, the potential James III, whose Catholicism not even Tories could abide, and tapped instead the closest Protestant members of the Stuart line, Sophia, granddaughter of James I, and her son George, elector of Hanover. Sophia's death early in 1714 left George the sole successor to the throne on Anne's death later that year. In their passion for a legitimate succession, combined with their fears that the Church of England had become subordinated to the state, Tories began to flirt with the idea of returning the pretender, James III, to the throne. Tory leaders such as the Earl of Oxford (1661–1724) and Viscount Bolingbroke (1678–1751) went so far as to suggest that James convert to Anglicanism, an event that would have made restoring him much more palatable to many Britons, but James refused. And without the support of the army, of which he could not be sure, Bolingbroke dared go no further. The installation of the new Hanoverian line would go forward without resistance.

Or so it seemed. Anne died on August 1, 1714. Her Tory government declared the elector King George I, oblivious to the fact that he regarded her ministers as Jacobites. Before the month was out, he embarked on a purge of the entire administration, sacking Tories at every level of government in England, Scotland, Wales, and Ireland and replacing them with Whigs. He also forced Tories out of the army. These actions provoked intense partisan feelings, which spilled over into the streets. On the day of George's coronation in October, anti-Whig riots broke out in some twenty towns in the southern and western portions of England. Although not explicitly Jacobite in nature, these protests often included seditious chants against the Hanoverian king.

The intensity of feeling displayed by Tories and Whigs and their allies in the streets can only partly be attributed to political differences; by far the greatest passions stirred up in 1714 and 1715 derived from the religious divisions, hatreds, and fears inherited from the seventeenth century. Protestant dissenters had been granted toleration in 1689, but in England this seems to have rendered them even more separate from the Anglican majority, who regarded dissenters as heirs to the puritans who had killed their monarch in 1649 and established a military dictatorship under Oliver Cromwell. Dissenters were thought to possess disproportionate power and wealth derived not from land but from commerce and financial manipulation; moreover, their agenda, many Anglicans believed, included the destruction of the Church of England. The Whig faction, Tories maintained, served as the political mouthpiece of dissent, intent on returning Britain to the days of republican tyranny. For their part, Whigs suspected Tories of planning to return the country to a Catholic monarchy, thus undoing the Glorious Revolution entirely. The fact that Tory ministers under Anne had been conspiring with the pretender during the last years of her reign only confirmed the Whigs in their beliefs.

The accession of a new monarch required that parliamentary elections be held, campaigns for which fueled party animosity to even greater heights. With the support and financial backing of the king, the Whigs won the day in a landslide and, immediately on taking their seats in Parliament, proceeded to impeach Anne's Tory ministers. Oxford and Bolingbroke found themselves indicted along with a number of other Tory ministers, including the Duke of Ormonde (1665–1745), who had served as commander in chief of the army. Bolingbroke escaped to France and became chief advisor to James III. These actions led a great many Tories who would ordinarily have had no truck with Jacobitism to join with their colleagues who did seek actively to return the Stuarts to the throne. The actions also led to the outbreak of anti-Hanoverian riots in parts of England in the spring and summer of 1715 so severe as to suggest that civil war might well return to the land. The government responded harshly, sending the army to put down the protesters and passing the Riot Act, which carried the death penalty for anyone who refused a magistrate's order to disband. To those on the outside looking in, Britain appeared ripe for a successful Jacobite rising.

From France, the pretender James interpreted the riots as clear evidence that he would find tremendous popular support were he to invade. Thus encouraged, he plotted with Bolingbroke and others to make his return to the British throne a reality. He hoped to engage the French in his efforts, but France had been seriously weakened by the War of the Spanish Succession and could not muster the resources to support the pretender. More important, the regent for France's new king, a mere boy, opposed any intervention in British politics because he hoped to gain the support of Britain for his regency. There was in France, however, a significant force of Irish soldiers, men who had escaped the oppression of Protestant rule in Ireland and found employment in the French army. Aware that further wars and thus continued employment following the treaty of Utrecht would not be forthcoming, these soldiers, along with civilian members of the Irish diaspora, thrilled at the prospects of a Jacobite rising.

At home, Irish Catholics, who were the most likely supporters of an invasion by Stuart forces, could do little to aid the cause. Catholics could not own firearms under the penal laws of the country; and although huge numbers of them might be keen to see an end to Protestant rule, they lacked the leadership to mobilize their forces. Irish Tories supported the Hanoverian line unconditionally because not to do so threatened the Anglo-Irish Ascendancy. The English and Welsh Tories who counted themselves Jacobites comprised a minority of the party. Scottish Tories almost to a person, by contrast, held strong Jacobite views, and they were far more motivated than their fellow Britons to take action. The Act of Union of 1707 had invigorated the Jacobite cause in Scotland, where probably more than half the population opposed it and looked to reestablish Scottish independence; the financial burden placed on Scots as a result of the War of the Spanish Succession further infuriated them. Moreover, Scottish lords, unlike English or Welsh landowners, could actually call out their tenants to fight on the side of the Stuart king, if it came to that.

THE RISING OF 1715

In early September, the Earl of Mar (1675–1732), who had lost his office the previous year in the purge of Tory ministers, declared from Highland Scotland for James. He had amassed a force of 10,000 infantry and cavalry and proclaimed the end of "the miserie and slaverie of our countrie . . . being under a foreigne yoak."[3] Jacobites in the west of England were arrested at the end of September, making it impossible for them to join the rising, but their fellow conspirators in the north of the country, largely Catholic landowners with a few English Protestants and some

Highland Scots sprinkled in, raised a small army in support of James and in early October proceeded toward Newcastle, on the northeast coast, where they hoped to meet up with French troops accompanying James. James did not show, Newcastle closed its gates to the Jacobite army, and the rebels turned west toward Manchester, where they believed they would find support for their cause. Instead, they encountered a government force at Preston, to whom they surrendered in mid-November after a ferocious battle, much to the disgust of the Highlanders among them, who had determined to fight to the death for their nationalist cause.

That very day, November 14, Mar's forces met a far smaller government army of 3,700 men, led by the loyal Hanoverian the Duke of Argyll (1680–1743), at Sheriffmuir, just north of Stirling. Given his numerical superiority, Mar should have routed the Hanoverian troops. An indecisive general at best, he could not gain the upper hand and the exhausting but inconclusive battle demoralized the Jacobite troops. Refusing Mar's orders to advance, they withdrew north to Perth, allowing Argyll's forces to keep Edinburgh for King George. In late December, James arrived from France, but without the French army he had promised. He met up with Mar and his depleted troops at Perth in January 1716. Argyll, his own forces strengthened by the addition of German and Dutch soldiers, marched toward Perth, forcing the Jacobites to retreat to Dundee on February 1. Three days later, James fled back to France. The rising of '15 had ended ignominiously.

The consequences of the rising varied dramatically for Scotland and England. In England, where rebel activity had been relatively light, the government imposed harsh punishment on those who had taken part. Overall, forty rebels were executed for their treason against George I; thirty-three of them hailed from England. The government transported hundreds of Jacobites to the colonies, all of them from England. Nineteen Scottish peers, to be sure, lost their titles and estates, but the rest of the Scottish aristocracy, related to some degree to the rebels, rallied around them to soften the blow. The common people of Scotland, by contrast, suffered badly from the fighting, in which both government and rebel troops ravaged towns and villages and wrecked local economies. Economically, Scotland would not recover from the '15 for another thirty or more years.

Politically, the failure of the Jacobite rebellion solidified the Whigs in power for the next forty-five years. The Tories had revealed their true colors, as far as George I was concerned; after the rising, he could have no doubts as to whom he could trust at the head of his government. The Whigs further cemented their supremacy with the Septennial Act of 1716, which kept Parliament in session for seven years instead of three, vastly reducing the opportunity for any kind of turnover of MPs. Tories found themselves howling in the wilderness, lacking influence at both the local and the national level, except in Wales, where the lack of Whig landed families made it difficult to replace Tory magistrates. In compensation, George I appointed only English bishops to the Church of England in Wales, much to the dismay of Welsh clergy and intellectuals.

The threat of Jacobite rebellion persisted, however, and continued to haunt the British imagination. In June 1719, English and Scottish Jacobites conspired with

A PLACE IN TIME

Liverpool and the Jacobite Risings of 1715 and 1745

When the Scottish Earl of Mar assembled troops numbering 10,000 in 1715 to advance south into England to place the Catholic Stuart pretender, James III, on the throne, he could count on the enthusiastic support of virtually the entire county of Lancashire. Only Liverpool, dominated by Whig notables, remained loyal to the Hanoverian king, George I. As the Jacobite army made its way toward Manchester, whose inhabitants espoused pronounced pro-Jacobite sentiments, forces from Northumberland and Cumberland marched on and then took the city of Lancaster in the name of the pretender. It appeared that the Jacobite cause would prevail and that its military leadership would soon turn toward Liverpool, where the capture of an abundance of arms, ammunition, and ships would strengthen their position. Ships, in particular, would make it possible to link up with Jacobite interests in Ireland, where the Catholic population could be counted on to provide large numbers of champions of the effort to overthrow the Hanoverian regime.

In preparation for what they expected to be a long siege, the townspeople of Liverpool rallied with everything they could muster. Lacking any kind of fortification, they dug trenches on the eastern side of town and flooded the lower portion to prevent enemy troops from entering. They set up seventy artillery pieces on a piece of high ground to repel invading forces and positioned the ships in the river in such a way as to provide the best possible defense. Sailors formed up in groups while townsmen organized and drilled in anticipation of a showdown with Jacobite troops. However, the troops never arrived. Government forces met them at Preston and, after first suffering a defeat, routed the supporters of James III after fierce fighting. "Heaven had Liverpoole in its particular protection," wrote Daniel Defoe (1660–1731).[4] By early 1716 the rising was over.

Liverpool's loyalty to the Whig regime led government officials to hold the trial of the Jacobite leaders there; they believed they could count on reliable jurors to return the verdicts they sought. The good citizens did not disappoint. Hundreds of rebels were found guilty and sentenced to transportation to colonies in the New World, many of them ending up as slaves on Virginia and Caribbean plantations. (Liverpool ship owners profited nicely from the fees paid to them to carry out the sentence of transportation.) Thirty-four men from Lancashire were hanged, four of them in Liverpool itself at a place called Gallows Field. Afterward, in a gruesome spectacle designed to provide an object lesson to anyone who might entertain further thoughts of rebellion, their intestines were extracted and burned and their bodies cut into four pieces and displayed around the region.

Thirty years later, a second Jacobite rising confronted Liverpudlians. As Bonnie Prince Charlie (1720–1788), the young pretender, led his troops out of Scotland in 1745, the townspeople raised £6,000 to recruit and arm from among themselves a regiment of foot—the Liverpool Blues—to support the king's campaign against him. Seven companies of volunteers also formed to defend the town itself, should it come to that. The Blues embarked on a mission to destroy bridges to slow the rebels' advance; they met and fought successfully against a detachment of Jacobites at Warrington. The Liverpool regiment joined up with the army of the Duke of Cumberland (1721–1765) as he chased the young pretender north back to Scotland; it occupied the town of Carlisle to prevent it from falling into rebel hands. The merchants and tradesmen who made up the Blues acquitted themselves well, earning the respect of at least one officer of Cumberland's army. "No regiment in the campaign made a better appearance than the Liverpool regiment," he declared. "Their officers were a set of soldier-like gentlemen, though they had not been bred in the military way, being mostly gentlemen, tradesmen, etc., yet had a very good discipline, having thrown off their trade and merchandise for a time, and ventured their lives and fortunes and everything dear to them in defence of their king and country."[5]

Back in Liverpool, some townspeople did not behave so well. In the spring of 1746, a number of them in the grip of anti-Jacobite rage attacked and burned the single Roman Catholic chapel in the town and set fire to a house belonging to the widow of a Catholic resident. This kind of anti-Catholic feeling would appear again over the course of the eighteenth and nineteenth centuries.

Spain, then involved in hostilities against Britain, to foment another rising. The Spanish fleet that was to land in western England to signal rebellion there succumbed to stormy seas, scuttling the main thrust of the rising. A smaller fleet landed off the coast of Skye to meet up with Scottish forces, but at the battle of Glenshiel, government troops routed them, closing that particular chapter in Jacobite efforts to restore, as they saw it, their rightful king.

THE SOUTH SEA BUBBLE

It was in the context of renewed war with Spain and continuous threats to the Hanoverian line that the events leading to the South Sea Bubble took place. In November 1719, George I opened Parliament with an assessment of the country's position. Spain would soon be forced to acknowledge Britain's supremacy in Europe, he declared, although the war had entailed "extraordinary expense." Peace and Britain's prosperity would depend on careful planning; above all, the country's finances had to be put in order. "I must desire you," the king urged, "to turn your thoughts to all proper means of lessening the debts of the nation."[6] His government negotiated with the South Sea Company for another debt-for-equity swap, in which the company took over some three-fifths of the national debt, expecting to make substantial profits by converting government annuities to South Sea Company shares and selling them to investors. Parliament approved the deal in February 1720.

As was true in 1711, people who held government annuities—which provided them a guaranteed fixed income—would have to be convinced that it was worth giving up that income and take shares in the South Sea Company instead. That meant they had to be persuaded that the prices of their shares would continue to increase. A number of factors suggested that earnings would rise, although the South Sea Company had yet to show a profit in the nine years it had been in existence. First, the king himself had become the governor-general of the company, a not-so-subtle sign that the operations of the firm could be trusted. He also made a highly public gesture of investing £100,000 of his funds in the company. Other prominent personages also bought shares and, in the early days of the bubble, made a killing. Success in the market depended on the willingness of investors to continue to purchase and to send up the price of stock, which they did for months of frenzied buying. What people did not know was that the king's mistresses, and most likely the king himself, along with numerous government ministers, had been bribed with offers to purchase large numbers of shares without having to put down any of their own money for them, or at least not much of it.

At the peak of the buying splurge in June 1720, share prices had risen ten times their value in February. Everyone who could, it seemed, jumped into the market, driving up share prices of other companies and creating incentives to start up all kinds of enterprises, frivolous or not. When buying seemed to fall off in midsummer, the directors of the South Sea Company resorted to all kinds of questionable and dishonest tactics to keep share prices high. They failed, and the stock crashed in September, wreaking havoc on the fortunes of many a prominent family and bringing ruin to thousands of stockholders. Banks saw the price of their stock plummet and could not pay their dividends; businesses dependent on wealthy custom had to lay off their workers. The price of coal declined, although winter was just ahead, an indication of the level of unemployment in the cities. As one observer wrote, "I cannot see how people in London will have money to buy necessaries, what that will produce among all the handicraft people is easy to guess."[7]

At this point, Robert Walpole, who held a minor office in the government, stepped forward to propose a way to save the financial system brought down by the South Sea Company collapse and, not incidentally, the Hanoverian regime. He floated a plan (which, in the event, did not materialize) for the Bank of England and the East India Company to rescue the South Sea Company by lending it substantial amounts of money. When news of what became known as the "Bank Contract" became known, investors took heart that all was not lost, and panic selling and runs on banks came to a halt. Walpole's political stock within the Whig faction and at court rose on this gimmick, a situation he took advantage of to stabilize the position of the king and the government and, in the process, to further his own ambitions.

The South Sea Company's close ties to the state through its charter, its governor-general, its purchase of the national debt, and its bribes to ministerial and court politicians meant that the government could not escape from the scandal unleashed by the bursting of the bubble. Testimony before Parliament's Committee of Secrecy, which had been set up in January 1721 to conduct an investigation of the bubble, revealed that the company had paid out more than £1 million in bribes to members of the court and the government. (An income of £500 a year in 1720 was enormous.) The committee could not get its hands on a crucial piece of evidence, the so-called Green Book in which Robert Knight (1675–1744), the cashier of the South Sea Company, had recorded the amounts that officials of the court and of the government had received in bribes. With the government's assistance, Knight had fled to the Austrian Netherlands, from which he could not by law be extradited. Even without the Green Book, however, it was clear that corruption reached the highest levels, involving the king and his mistresses and the king's chief minister, the Earl of Sunderland (1675–1722), first lord of the Treasury.

Walpole, one of the few government ministers who had clean hands, undertook to shield the king and Sunderland from the charges of corruption being levied against them from every corner. When the Committee of Secrecy offered Robert Knight immunity from prosecution in return for his testimony, Walpole conspired with the Austrian emperor to arrange for Knight's escape from Antwerp, thus screening the king and his top minister from irreparable scandal. Walpole spoke in Parliament on behalf of Treasury Secretary Charles Stanhope (1673–1760), helping to win his acquittal, but knew he had to sacrifice the chancellor of the Exchequer, John Aislabie (1670–1742), if the government was to survive. Parliament found Aislabie guilty of corruption, expelled him from the House of Commons, and threw him in the Tower of London. When the committee turned to impeach Sunderland, a peer of the realm with the support of the Prince of Wales, Walpole had to play a careful game. He knew that the government—and perhaps the country—could not survive Sunderland's conviction, yet he wanted to ensure Sunderland's fall from power. He spoke strongly on the earl's behalf before the House of Commons, obtaining his acquittal. Mortally wounded politically, however, in April 1721, Sunderland resigned his office, ceding it to Walpole, whose actions had won him the gratitude and confidence of the king, along with the label of "Skreen-Master General." As first lord of the Treasury and chancellor of the Exchequer, Walpole gathered into his hands control over the day-to-day operations of governance. He became, in effect, the first prime minister of Great Britain.

But neither the Hanoverian line nor the Whig government had yet been secured because the disaster of the South Sea bubble had so infuriated so many parts of the nation that a Jacobite restoration seemed not only possible but also likely. One Whig MP warned that "our whole multitude will turn Jacobite in a very few months more," a sentiment shared by the speaker of the House of Commons, Arthur Onslow (1691–1768). "The rage against the Government was such for having as they thought drawn them into this ruin," he declared, "that I am almost persuaded . . . that could the Pretender have then landed at the Tower, he might have rode to St. James's with very few hands held up against him."[8] Jacobite plotters prepared for two options, one constitutional, the other insurrectionary. The personnel involved in each did not necessarily always overlap, but certainly they spoke to and planned with one another, as well as with James's officials in France.

The potential for a constitutional restoration of the pretender received real support from an unlikely quarter, that of the Earl of Sunderland, George I's chief minister. Facing impeachment, as we have seen, Sunderland turned to the Tories for help, implying to them that he might call for an early dissolution of Parliament, not set to complete its session until 1722. Further, he intimated, the elections that would have to be held would be free; that is, the government would not use its influence or resources to ensure that its candidates won. The likelihood of the return of a Tory majority in these circumstances seemed strong, which, in turn, Whigs such as Walpole believed, would "inevitably" result in the restoration of the Stuarts. When the vote for impeachment came before the House of Commons, many Tories voted against it. Saved, Sunderland backed off from his flirtation with them, a move that did not surprise the Jacobites. Then he died suddenly on April 19, completely transforming the situation and limiting the options available to those who wished to see a restoration of the Stuarts, among whom were virtually all the Tories in Parliament. Encouraged by the popular rage expressed against George and his government, they now placed their hopes in armed rebellion in a conspiracy known as the Atterbury Plot, named for Francis Atterbury (1663–1732), the bishop of Rochester and dean of Westminster, the man at the center of the planning. As the bishop wrote to James, "Sir, the time has now come when with very little assistance from your friends abroad, your way to your friends at home is become safe and easy. The present juncture is so favourable and will probably continue for many months to be so, that I cannot think it will pass over without a proper use being made of it."[9] Despite some misgivings, James authorized his supporters to act.

Jacobites, including some of the leading Tories in Parliament, raised approximately £200,000 with which to purchase arms and ships; they recruited soldiers and sailors from the army and navy, watermen along the Thames, disaffected men who had lost their savings in the collapse of the South Sea Company, and smugglers along the coast of England known as the Waltham Blacks. They planned to take London first, capturing the Tower of London, the Bank of England, and the king himself. Bonfires would alert the people of London to rise up and seize Hyde Park, St. James's Park, the Exchange, and Lincoln's Inn. Irish troops from Spain would invade and lead the rebellion across the country.

The Atterbury Plot involved careful, serious, detailed planning and the participation of a large number of Tory elites. It never materialized, however, because Walpole learned of it through spies in France and after a search through Sunderland's papers following his death that revealed the existence of a "horrid conspiracy." In the summer of 1722, he sent agents to arrest the plotters he knew of, throwing them in prison without bail or trial, violating the Habeas Corpus Act (1679), and ensuring that they could not follow through on their intentions. But Walpole had insufficient evidence to try the conspirators, especially Bishop Atterbury, whom he was particularly keen to arrest. He brought Christopher Layer (1683–1723), a lawyer involved in the meticulous planning of the rising, to trial, hoping to persuade him to turn king's evidence and give up Atterbury and other prominent Tories with a sentence of death by drawing and quartering. This method of execution called for being "hang'd by the Neck, but not till you are to be dead, but you are to be cut down alive, and your Bowels be taken out, and burnt before your face; your Head is to be sever'd from your Body, and your Body to be divided into four quarters; and that your Head and quarters be deposed of where His Majesty shall think fit."[10] In an extraordinary display of loyalty to his co-conspirators, Layer refused and went to his gruesome demise at Tyburn in May 1723 without implicating anyone the government did not already know about. Because he was a prelate, Atterbury could not be tried in a court of law, but he was brought before Parliament, where a Bill of Pains and Penalties against him was adopted on the strength of evidence that may well have been forged by Walpole. The act, passed on a party vote, exiled the bishop of Rochester from Britain in June 1723, leaving Walpole the undisputed master of the political scene. Walpole's actions, however illegal and unconstitutional, had finally secured the Hanoverian line after nine years of uncertainty and challenge, ensured George's dependence on the new prime minister for the rest of his reign, and left the Whigs in power for the next thirty-five years.

Although the bursting of the South Sea Bubble had significant short-term financial and economic effects, in the long run it proved negligible. In part, its subdued impact resulted from the willingness of the Bank of England to step in to rescue the South Sea Company by purchasing a great deal of its stock and stabilizing its price. Interestingly, despite the popular depictions of the bubble frenzy as a consequence of the emergence of women and Jewish investors in the sphere of finance, these two groups played a "nontrivial" role, as two economic historians have put it, in Britain's financial recovery. Although Walpole won the acclaim of the political class for his handling of the crisis, the reestablishment of the state's financial security in the aftermath of the bubble occurred because London's wealthy Jews, with their close ties to Amsterdam's financial circles and willingness to put their own funds into play, shored up the confidence in the bank.[11]

Moreover, despite initial slowdowns in domestic manufacturing and commerce, overseas trade remained robust and increased over the next thirty years. British exports grew dramatically, a development we will take up in the next chapter; imports, especially from the East Indies and the New World, grew less fast, to be sure, but no less steadily.

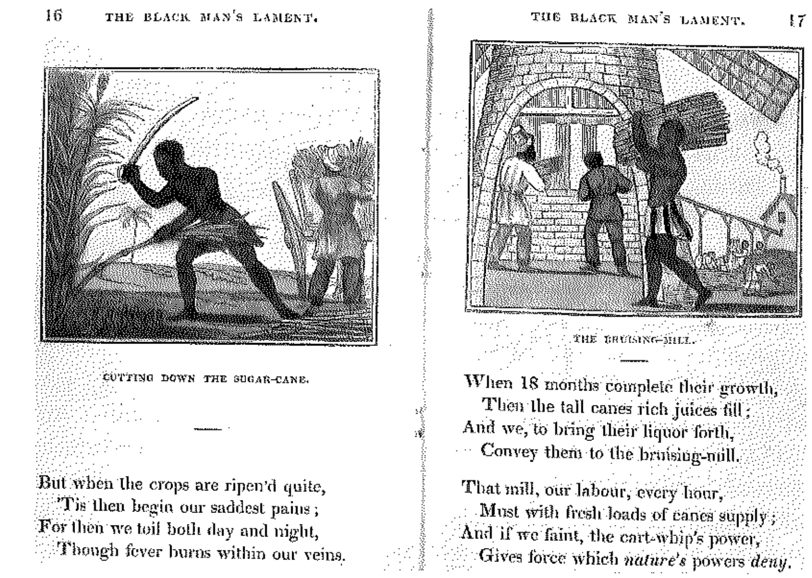
SLAVERY AND THE SLAVE TRADE

Most imperial trade was driven by domestic demand for a small number of agricultural products: coffee, tea, chocolate, sugar, and tobacco. By 1700 or so Britain had become one of the chief consumers of coffee in Europe, but unlike the French and the Dutch, the British turned by 1750 to tea. Between 1650 and 1700 tea imports to Britain from China amounted to about £182,000 annually; by 1750 the British were importing £40 million worth of tea each year, an increase of some 2,000 percent. In part, this shift from coffee to tea drinking was a consequence of the EIC's supremacy in the British market; in part it was a function of cost. Although coffee was cheaper by unit than tea, it took far less tea to produce the desired effect, making tea a more cost-effective, cheaper beverage. As one contemporary text put it, "it makes the body active and alert. It offers relief against violent headaches and vertigo. It vanishes tiredness and cleanses the vital fluids and the liver."[12]

The consumption of sugar tended to follow the patterns established by that of coffee and tea. Although sugar constituted only a small portion of Britons' food budgets, it became an important and then necessary component of people's diets. Sweet tea, substituted for beer throughout much of Britain, reduced the consumption of beer by almost one-half in the course of the eighteenth century. Added to grains that were considered inferior such as oats or rice, sugar rendered them tastier and more palatable and, as employers well knew, provided a vital source of calories to those involved in heavy labor and long working hours. Exports of sugar from the British West Indies increased from 8,000 tons in 1663 to 25,000 tons in 1700. In 1770 sugar exports amounted to 97,000 tons. In 1700, Britons were consuming some four pounds of sugar per person each year; that number had risen to eight pounds a year by 1750 and to eighteen pounds a year by the early nineteenth century.

Markets for sugar could only be supplied, West Indian planters insisted, through the increased utilization of slave labor. "It is as impossible for a Man to make Sugar without the assistance of Negroes," declared a rich West Indian planter, John Pinney, in the 1770s, "as to make Bricks without Straw."[13] The most important sugar producer in the West Indies was British-held Barbados, which exported some 15,000 tons of sugar each year. The growing economy of the West Indies necessitated a larger and larger workforce, which was supplied by the African slave trade. Between 1600 and 1650 some 10,000 enslaved Africans had arrived in the New World from Africa each year. Most of them went to Brazil and to the Spanish colonies of the American mainland. Between 1650 and 1700 that number had doubled to 20,000 captive Africans per year, more than half of whom went to the French, English, and Dutch islands of the Caribbean. In 1800 trade in enslaved Africans had grown to 60,000 per year.

Contemporaries recognized the centrality of slavery and the slave trade to their prosperity. In 1729, a merchant named Joshua Gee observed that "our Trade with *Africa* is very profitable to the Nation in general; it has this Advantage, that it carries no Money out, and not only supplies our Plantations with Servants, but brings in a great Deal of Bullion for those that are sold to the *Spanish* West-Indies. . . . The supplying our Plantations with Negroes is of that extraordinary Advantage to us, that the Planting Sugar and Tobacco, and carrying on Trade there could not be supported without [t]hem; which Plantations . . . are the great Cause of the Increase of the Riches of the Kingdom. . . . All this great Increase of our Treasure proceeds chiefly from the labour of Negroes in the *Plantations.*" A mercantilist



Enslaved Africans toiling on sugar plantations.

put it more succinctly in 1745: "If we have no *Negroes,* we can have no *Sugars, Tobaccoes, Rice, Rum,* etc. . . . consequently, the Publick *Revenue*, arising from the Importation of *Plantation-Produce,* must be annihilated: And will this not turn many hundreds of Thousands of *British Manufacturers* a Begging?" The slave trade, wrote another in 1772, constituted "the first principle and foundation of all the rest; the main spring of the machine, which sets every wheel in motion."[14]

As lucrative as this kind of trading in human beings might be, Britons did not engage in widespread slave trading until the late seventeenth century when Spain, which with Portugal controlled the slave trade, began to lose its hold on the monopoly. In the 1690s, Britons shipped nearly 100,000 enslaved Africans from West Africa to the Caribbean. In 1713, the Treaty of Utrecht, which marked the end of the War of the Spanish Succession, gave to Britain the *asiento*, the right to supply slaves to Spain's colonies in America. In the years between 1700 and 1810, some 6.5 million African men and women were sold as slaves and carried across the Atlantic Ocean in the holds of slave ships. Until about 1750, by which time the natural increase among the slaves in North America could be counted on to meet the demand for their labor, British slavers sold their human wares to colonists in North America and the West Indies. After 1750, the slave trade was largely confined to the Caribbean and to Brazil, but despite the decline of North American markets for newly transported slaves, the trade flourished. Britons managed fully a quarter of the world's slave trade up to 1791 and more than half of it between 1791 and 1806. In the 1780s, more than 880,000 slaves arrived in the Americas, half of them in English ships hailing from the port towns of Bristol, London, and Liverpool.

Life on the plantations was harsh. Slaves worked from dawn to dark, with breaks only for meals. Should they fail to meet production quotas, they were whipped. They could enjoy little in the way of family life, not only because they lacked the time and leisure but also because the level of fertility for both men and women was vitiated by malnutrition and overwork. Death rates sharply outpaced birthrates among enslaved Africans: in the eighteenth century the life expectancy of slave women reached only 25.5 years; African men could expect to live only 23 years. Certainly, living conditions contributed to the heavy mortality of plantation life, but the greatest killer proved to be disease. Dysentery and malaria carried off perhaps one-third of newly arrived slaves. In contrast to North America, natural increase could not sustain slave populations in the Caribbean islands. The great mortality rates of enslaved Africans in the West Indies ensured that the slave trade would only increase.

Enslaved Africans vastly outnumbered white Britons in the West Indies. In 1700, 114,000 blacks worked under the control of 31,000 whites; by 1750, white numbers had increased only by 10,000, whereas African numbers more than doubled to 258,000. British colonists tended not to settle permanently in the islands, unlike those on the North American mainland. They returned to Britain frequently, constituting an absentee class in the Caribbean and establishing themselves in large communities in London, Bristol, and Bath. They used the considerable profits from their sugar plantations to make themselves socially and politically conspicuous; their wealth often elicited disdain among the elites but it also funded a powerful lobby that MPs and ministers could not ignore. Lord North, prime minister from 1770 to 1783, once remarked that the West Indian planters were "the only masters he ever had."[15]

The demographic imbalance of blacks to whites in the Caribbean produced a state of constant terror among white settlers that slave uprisings could take place at any time and that they would be murdered in their beds. In response to even the smallest infraction of rules, planters and their overseers resorted to levels of violence against slaves that exceeded anything in North America. Slave revolts in the islands occurred more frequently than on the mainland, in part because plantations in places like Jamaica and Barbados were far larger than those in the Chesapeake; in part because absentee British planters in the islands left the supervision of their plantations to itinerant overseers; but also because, in contrast to their counterparts in North America, slaves in the West Indies tended to be recent arrivals from Africa. Most of the leaders of slave revolts hailed from the Gold Coast (present-day Ghana), where they had honed their military skills as members of the Asante kingdom. This was especially true in Jamaica, where a fairly large group of runaway slaves called Maroons had established themselves in the mountainous regions of the country. From their remote fortified towns they raided plantations and attacked British troops; during the 1730s their forays became more frequent and more successful, amounting to a state of war against British authorities. In desperation, a British officer suggested that "some remote corner of the Island . . . be allotted [sic] them, and a general amnesty allowed for what is past, upon their submitting to his Majesty's Mercy, acknowledging his Government, delivering up their arms, promising to live peaceably for the future & not to receive any more fugitive Slaves, but to return them to the owners on a reasonable Reward to be agreed on for that Purpose."[16] The governor of Jamaica, with the urging of Lord Newcastle, the secretary of state for the colonies, negotiated just such a treaty with the Maroons in 1739, acknowledging their autonomous communities, ceding them the territory they occupied in the mountains, and exacting from them the obligation to help British authorities capture runaway slaves and return them to their owners. In time, the Maroons came to be regarded as the "King's Negroes," serving as a police force on the island of Jamaica when called on by colonial officials.

Slavery in the colonies of the North American mainland had not yet become the established institution it would become after 1750. The number of white settlers far surpassed that of enslaved blacks, with the natural increase among whites causing a 400 percent increase between 1700 and 1750. The population of slaves certainly grew during that time as well, rising from 18,000 to 247,000, but it proved no match for the 957,000 whites inhabiting the colonies. Large-scale emigration from southern Ireland, Scotland, and Ulster contributed heavily to these figures, with the new immigrants settling disproportionately in the cities of Boston, New York, and Philadelphia. As the white population grew, pressure to be able to move on to lands to the west increased as well, creating confrontations with the native peoples who inhabited them. As we will see later in this chapter, the instability of the situation would lead to a series of wars between Britain and France as they sought to establish their supremacy on the North American continent.

THE ROBINOCRACY

The accession of the Hanoverians to the British throne proved to have significant consequences for the power of the crown. As we have seen, the revolutionary settlement following the Glorious Revolution of 1688 established a constitutional monarchy in England and Wales (and later Scotland and Ireland), checking the power of monarchs and placing significant authority in the hands of the landed elites who sat in Parliament. Monarchs still played an important role in governance. They acted as commanders in chief of the armed forces and could declare or end wars and negotiate peace treaties; they appointed the important ministers of state, governors of British colonies, and the men who sat on the high court; they could ennoble commoners and make them hereditary peers of the realm, thus creating a body of presumably friendly men who sat for life in the House of Lords; they could request that Parliament consider legislation or the appropriation of funds necessary to administer and defend Britain; and, as heads of the Anglican church, they designated the bishops and archbishops who served the Church of England and the Church of Ireland.

The first of the Hanoverian line, King George I, spoke no English, a handicap that may have contributed to the devolution of many of the monarch's powers to the prime minister and his cabinet. Certainly, George and subsequent monarchs expected to be briefed and their opinions solicited before any policies were arrived at or actions taken. And, perhaps most important, monarchs guarded their prerogative to appoint—and dismiss—the prime minister in the first place, although the strength of the majority party in Parliament, and especially in the House of Commons, often dictated the outcome, despite the monarch's wishes.

Robert Walpole's dominance in British politics—reflected in the term "Robinocracy"—rested on his ability to control virtually all of the government at every level. Along with his brother-in-law, Lord Townshend, he used the patronage of the court and of Parliament to remove rivals and Tories from office and replace them with his relatives and friends, men now dependent on him for their wealth and influence. Walpole conducted the king's business effectively, keeping George I happy, and following George's death in 1727, his successor George II as well. By keeping Britain out of war, thus lowering government expenses and taxation on the landed elites, the prime minister maintained a relative calm in the kingdom after years of upheaval.

English and Welsh affairs seemed to go smoothly under the Robinocracy, and even Ireland, under the firm control of the Protestant Ascendancy, raised few concerns. In 1724, for example, Dublin Catholics drew on the occasion of the pretender's birthday to register their support for the Stuart line, but Catholic Ireland possessed so few resources that it could hardly produce any resistance to government control. Scotland, on the other hand, posed more difficult problems of governance. In 1725, Parliament levied a new excise tax on Scotland, in apparent violation of the Act of Union of 1707. Widespread violence bordering on revolt erupted in Glasgow, Stirling, Dundee, Paisley, and a number of other cities. Troops had to be brought in to stem the disorder, which one historian has described as "a movement of national resistance" to the union.[17] Walpole turned to the Earl of Islay and his brother, the Duke of Argyll, to take over Scottish affairs, promising them a monopoly on patronage in Scotland in return for keeping the peace there. So successfully did they administer the northern land that Scotland became largely reconciled to union and was governed almost as a separate polity within the United Kingdom.

This situation changed in 1737, following the Porteous Riot the previous year in Edinburgh. Captain Porteous (c. 1695–1736) had ordered that the town guard fire on a crowd that had gathered to protest the execution of a smuggler; a number of people were killed. Found guilty and sentenced to death, Porteous received a reprieve from George II's wife, Queen Caroline (1683–1737), an action that infuriated many in Edinburgh. A mob of some 4,000 people, possibly with the assistance of Edinburgh authorities, seized Porteous from jail and hanged him. The government in Westminster reacted strongly, issuing proposals for harsh punishment. The Duke of Argyll protested vociferously against such an affront to his authority, persuading Walpole to soften the terms and be content with imposing substantial fines on the city. Not mollified, Argyll went into opposition in 1741, and the Whigs lost a parliamentary election in Scotland for only the first time in the eighteenth century. It bode ill for English/Scottish relations in the near term, as we shall see below.

Walpole paid little heed to the colonies in North America, preferring to let them attend to their own affairs. His hands-off policy led American colonists to think and act as if self-government was simply in the nature of things, an attitude that would persevere and intensify over the next number of decades. In the short run, this posed little problem for Walpole; that cannot be said for his reluctance to pursue a foreign policy against Spain that a sizable group of merchants in Britain and in the American colonies urged on him.

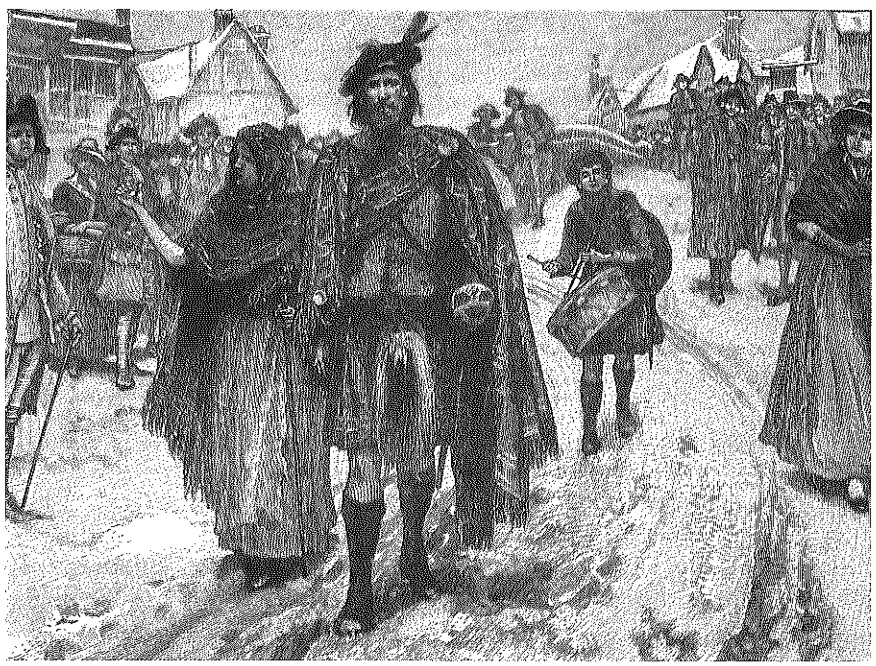
The *asiento* granted to the South Sea Company in 1713 conferred the privilege of selling slaves to Spain's South American colonies. In the immediate short run slave trading had little impact on the British economy, but over the next decades, it would became central to the development of new financial institutions, credit instruments, and stock-jobbing, contributing mightily to the commercial revolution that would make Britain's one of the most powerful economies in the world. The *asiento* also allowed the company to dispatch a ship containing 500 tons of trade goods to the Spanish Caribbean, a concession many hoped would lead to a larger opening of Spanish colonies to British trade. It did not, and British merchants turned to smuggling their goods into Spanish territories instead, invoking the wrath of Spanish authorities who authorized the seizure of British ships on the slightest pretense. The British retaliated with their own confiscations of Spanish ships and cargo, and after many years of this kind of back and forth, British merchant interests finally generated enough popular outrage against Spain to force Walpole to declare war on the country. He did so only reluctantly, fearful that it would embroil Britain in more conflict with France. But for many Britons, war for empire, as hostilities against Spain were represented, topped their political agenda.

Empire served as an important source of Britons' pride in themselves and in the principles that they claimed governed their social, economic, cultural, and political institutions. Although it was palpably not the case for all of the people whose liberty and freedom had been sacrificed to the material interests of their British rulers—native Americans, enslaved Africans, Irish Catholic peasants—supporters of empire depicted their enterprise as one in which notions of liberty and consent were central. Portrayed as commercially prosperous colonies inhabited by free white British citizens, empire was regarded as the source of trade, wealth, military power, and political virtue for the mother country. When colonies flourished, apologists of empire asserted, it was because they reflected the legitimacy and health of domestic political institutions; when they failed to live up to contemporary standards of government and economic viability, it was because Britain's political institutions were in the hands of a corrupt, weak, even effeminate ruling class.

As Walpole had feared, war against Spain turned into a war against France (called the War of the Austrian Succession, 1740–1748) that would last eight years and be prosecuted all over the world. In 1740, the Habsburg emperor, Charles VI, died, leaving his realms to his daughter, Maria Theresa. France and a rising power, Prussia, took this opportunity to try to gain territories for themselves, moves that on the one hand threatened the balance of power on the continent that Britain had fought to maintain since the time of the Glorious Revolution and, on the other, placed the German state of Hanover at risk from Prussian aggression. Ever the reluctant warrior, Walpole acted indecisively, allowing his enemies in Parliament to finally force his ouster from office in 1742. He was followed by a series of ineffective prime ministers until, in 1746, Henry Pelham (1694–1754), Walpole's chief deputy, took office.

In 1743, George II led British, Hanoverian, and Hessian troops against French forces at Dettingen, in Bavaria, handing France a resounding defeat. The French king, Louis XV, responded to the debacle by reviving the policy of supporting a Jacobite invasion of England, which he hoped would require Britain to remove its troops from Europe and perhaps even result in the overthrow of the Hanoverian king, George II. The new Stuart pretender to the British throne, James's son Charles Edward—known in Scotland as Bonnie Prince Charlie—had been recruiting troops for a rising among the Highland clans and believed that the Tory families of Wales would certainly join in the Jacobite effort. In 1744, he rode to Paris to head an invasion force of 10,000 men, who were to be transported across the Channel to the south coast of England, where they would engage George's troops. Before the fleet that was to ship them out could be organized, however, the British navy, acting on information gathered by a British spy, foiled the plot, leading the French to put off the invasion indefinitely.

Impatient and frustrated, Charles decided to act on his own, hoping that a successful invasion would require the French to come to his aid. In July 1745, he landed in western Scotland and marched inland, picking up Highlander loyalists on the way. By the time he reached Edinburgh, which opened its gates to him, he had army of about 2,500; his troops met and handily defeated a government force at Prestonpans, just east of Edinburgh. The whole of Scotland had fallen to the young pretender.



Bonnie Prince Charlie in Manchester, 1745.

Charles pressed on into England in November, marching through Carlisle and then Manchester, reaching Derby, some 130 miles from London, in December. Thoroughly alarmed by the success of Charles's invasion, George II readied himself to flee to Hanover and a financial panic rocked Exchange Alley. The French troops Charles had expected never showed, however, nor did the English and Welsh Jacobites whose support he had counted on. Faced with a refusal of his Highland generals to advance further toward London, he was compelled to order a retreat, realizing that his chances for placing his father on the thrones of England and Scotland had been lost.

An army of 10,000 men led by George's son, the Duke of Cumberland, chased Charles's troops north to Inverness, in the northwest Highlands. Hungry, tired, frozen, and lacking shoes and warm clothing, they met Cumberland's forces at Culloden in April 1746. It was a bloodbath, with the Hanoverian soldiers slaughtering about 2,000 Highlanders in the field and routing Charles's followers entirely. Charles fled the field with his surviving troops and hid out in Scotland for five months as British troops tried to run him down. They failed, and he escaped to France in September 1746.

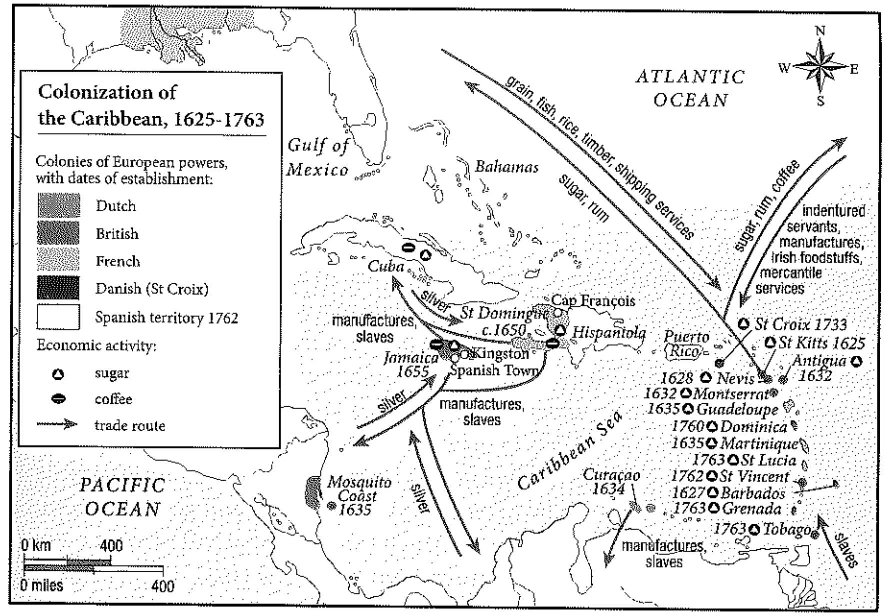
The end of the rising of 1745.

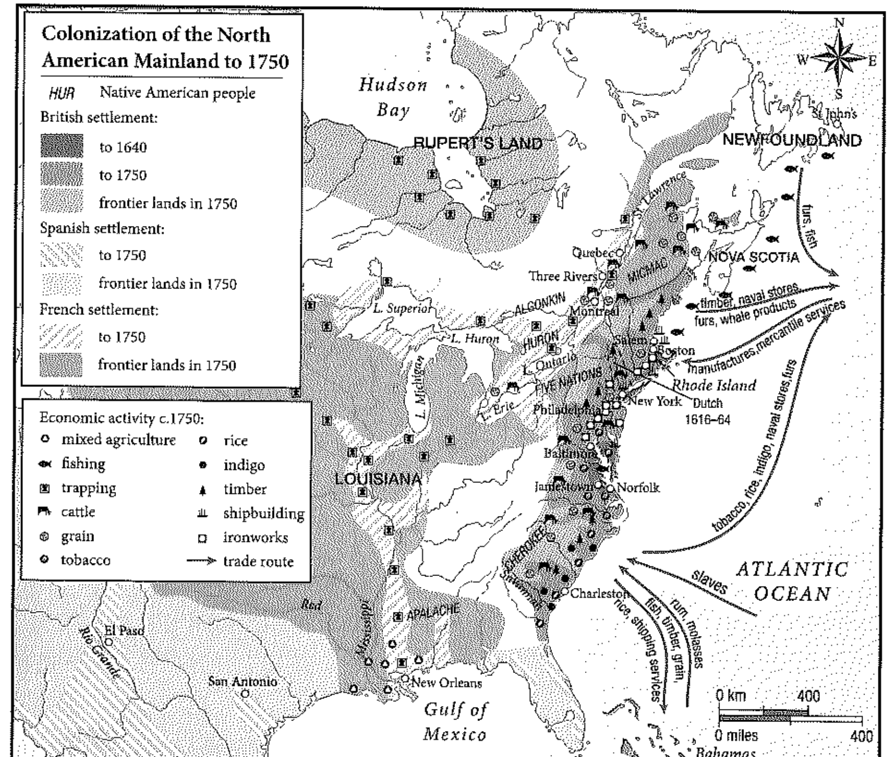
Now nicknamed "the butcher" for his merciless pursuit of the remnants of Charles's army, Cumberland followed a policy designed to ensure that never again would a Jacobite army be able to take the field. For a year following Culloden, he instituted a reign of terror in the Highlands, destroying villages, burning crops, confiscating cattle, and shooting on sight any rebel found holding a weapon. Some 120 Jacobite officers were executed; regular soldiers were transported to the colonies. In an effort to destroy the Highland culture that had produced such persistent traitors, Parliament passed a law making it illegal for any Highlander to possess arms, to wear the traditional Highland plaid and tartan, or to play the bagpipes. More substantially, the government seized the estates of many clan chiefs and ended the land tenures that had provided so many of them with soldiers. No longer did tenancy carry with it the obligation to perform military service, and changes to the legal system made it impossible for a clan chief to exercise the functions of prosecutor and judge on his estate.

These measures proved effective in vitiating a separate Highlander identity that had existed for so long and had rendered union with England a mere paper proposition. More important to the process of acculturation, however, were the practice of Highlander chiefs sending their sons to be educated in Lowland Scotland, where they imbibed Anglican ways of thinking; the adoption of Lowland- or English-style agricultural practices, which we will address in the next chapter; the employment of Highlanders by the commercial companies trading with the East Indies and the Atlantic colonies; and the recruitment of Highlanders into the British army. In this latter capacity, they turned into forceful agents of imperialism. By the 1770s, the destruction of Highland culture had progressed so far that a visitor to the area could declare that "there was perhaps never any change of national manners so quick, so great, and so general, as that which has operated in the Highlands by the last conquest and subsequent laws. . . . The clans retain little now of their original character: their ferocity of temper is softened, their military ardour is extinguished, their dignity of independence is depressed, their contempt of government subdued, and their reverence for their chiefs abated. Of what they had before the late conquest of their country there remains only their language and their poverty."[18]

For France, the Jacobite rebellion of '45 turned the tide of the War of the Austrian Succession on the continent. With the help of a large contingent of Irish Catholic troops, French forces had defeated the British in the Austrian Netherlands in May 1745, but could not dislodge them from the country. With the '45 in play, however, George had to move troops out of the country, allowing the French to occupy all of the Austrian Netherlands and part of the Dutch Republic. Well ensconced on the continent now, France remained secure, and in India, its Indian troops had defeated those sponsored by the British at Madras. The situation in North America, however, was different: British forces took Louisburg, the fort that secured the St. Lawrence River Valley, and were poised to attack all of French Canada.

This impasse led both belligerents to the peace table in 1748. The Treaty of Aix-la-Chapelle in effect returned everything to the status that had existed before hostilities broke out, at least as far as Britain and France were concerned. Prussia did gain the province of Silesia from Maria Theresa, a huge acquisition, but she held on to all her other territories, including the Austrian Netherlands. Britain returned Louisburg to France; the French gave back Madras. All in all, nothing had been achieved.





MAP 2.1

The Colonization of the Caribbean and the North American Mainland

WORLD WAR AND EMPIRE

Conflict between the British and the French, given the lucrative spoils of commerce and empire at stake, would reemerge seven years later in a war that had an extraordinary impact on Britain's future. Called the French and Indian War by Americans and the Seven Years' War by Europeans, it broke out first in North America in 1754 and then spread in 1756 to the European continent, the Mediterranean, West Africa, and India. British colonists in America had long feared the spread of French influence on the continent as they and their Indian allies ventured deeper into the interior; now, with the French building forts on the shores of the Great Lakes and along the Ohio River, concern turned into something resembling panic. In 1754, Virginia commissioned a militia troop under the direction of an inexperienced officer named George Washington (1732–1799) to march north to modern-day Pittsburgh, where the French had ensconced themselves in Fort Duquesne. Washington's little force ill-advisedly attacked the entrenched French and Indian army and got itself captured, forcing Britain's hand. It had now to step in and take over what had become a war. In 1755 the newly appointed prime minister, Lord Newcastle (1693–1768), dispatched the navy to the mouth of the St. Lawrence River to block the arrival of additional French troops and ordered General Edward Braddock (1695–1755) to Fort Duquesne to avenge the hapless Americans. Braddock's efforts proved no better than those of the colonists; he was killed in the July battle, and the blockade of the St. Lawrence largely failed, allowing French reinforcements to land in French Canada.

Shortly thereafter, the British embarked on a campaign that would result in the deportation of 7,000 French Canadians from Acadia, on the shores of the Bay of Fundy. The Acadians, who had inhabited their territory since the early 1600s, found themselves caught between a rock and a hard place when in 1713 the Treaty of Utrecht gave Nova Scotia to Britain. The British did little with the territory until 1749, when they established the town of Halifax at the end of the War of the Austrian Succession. Under the governorship of Edward Cornwallis (1713–1776), who had been part of "the butcher's" campaign to destroy Highlander society in Scotland, the British began to harass the French in the region. Now situated between the British to the east and the French to the north, the Acadians tried to negotiate a neutral path between the belligerent powers, an effort that proved doomed to fail when British troops and Massachusetts militiamen invaded the small colony in August 1755. Throughout the next three years, they carried out a policy of terror, capturing and deporting every Acadian they could find. Wrested from their land and their homes and their livelihoods, Acadians found themselves refugees in a number of locations across the French-, Spanish- and British-held world. The group most familiar to Americans landed in Spanish Louisiana, where later generations of Acadians became known as Cajuns.

The Seven Years' War raged across the world, killing soldiers, sailors, and civilians in battles ranging from North America to Europe to the Caribbean to the Philippines and South Asia. The British fared badly for the first few years, suffering defeat at the hands of the French in Quebec, Minorca, Hanover, and India, where native troops under the employ of the East India Company fell to those hired by the French. In 1760, slaves in Jamaica, made even more hungry and distressed by severe shortages of food, took advantage of wartime disruptions to the island to rise up in a series of rebellions against the British. For eighteen months, slaves under the leadership of the charismatic figure Tacky attacked white settlers, killing scores of them, destroying their property, and nearly causing the collapse of the economy of Jamaica. Finally, a combined force of regular British troops, local militia volunteers, and special soldiers of the Maroon communities brought Tacky's Revolt to an end, but not before it had produced losses in capital and property of more than £100,000. The experience frightened the white settlers of Jamaica half to death, and Tacky's Revolt would continue to plague their dreams for decades to come.

The initial disasters of the war led to the rise of William Pitt (1759–1806) to the office of secretary of state in Lord Newcastle's government. Pitt introduced a number of reforms that helped turn the tide of war; one of them entailed recruiting into the army many of the Highland clansmen who had been languishing since the battle of Culloden. Turning disaffected Scots into soldiers of empire turned out to be a brilliant stroke: these battle-hardened men and their former chiefs proved to be excellent fighters for the crown, and their loyalties to their local clans were transferred to Great Britain and the empire. Pitt's reforms helped earn victories in Quebec in 1760 and brought about the British conquest of Guadeloupe, Martinique, and Havana by 1762. The navy ousted the French from slave-trading forts along the West African coast, and a British-led force of Indian sepoys and sailors—called lascars—seized Manila in the Philippines from the Spanish. When the war ended with the Treaty of Paris in 1763, Britain had achieved at least a tentative imperial authority across a good portion of the world. The French ceded all of their holdings in North America to the British except New Orleans, which they gave to the Spanish, along with Louisiana (Louisiana at the time made up almost a third of today's continental United States, so considerable territory remained out of British hands). French colonists in Canada retained the right to their own laws in lower courts and were free to conduct their religious practices without hindrance. The British held on to the West African forts they had won, but gave Manila and Havana back to Spain and returned Guadeloupe, Martinique, and St. Lucia to France. British might had prevailed and seemed incontestable. Appearances could deceive, however, and it is important to note that imperial "control" and imperial boundaries remained unstable and fluid during this period.

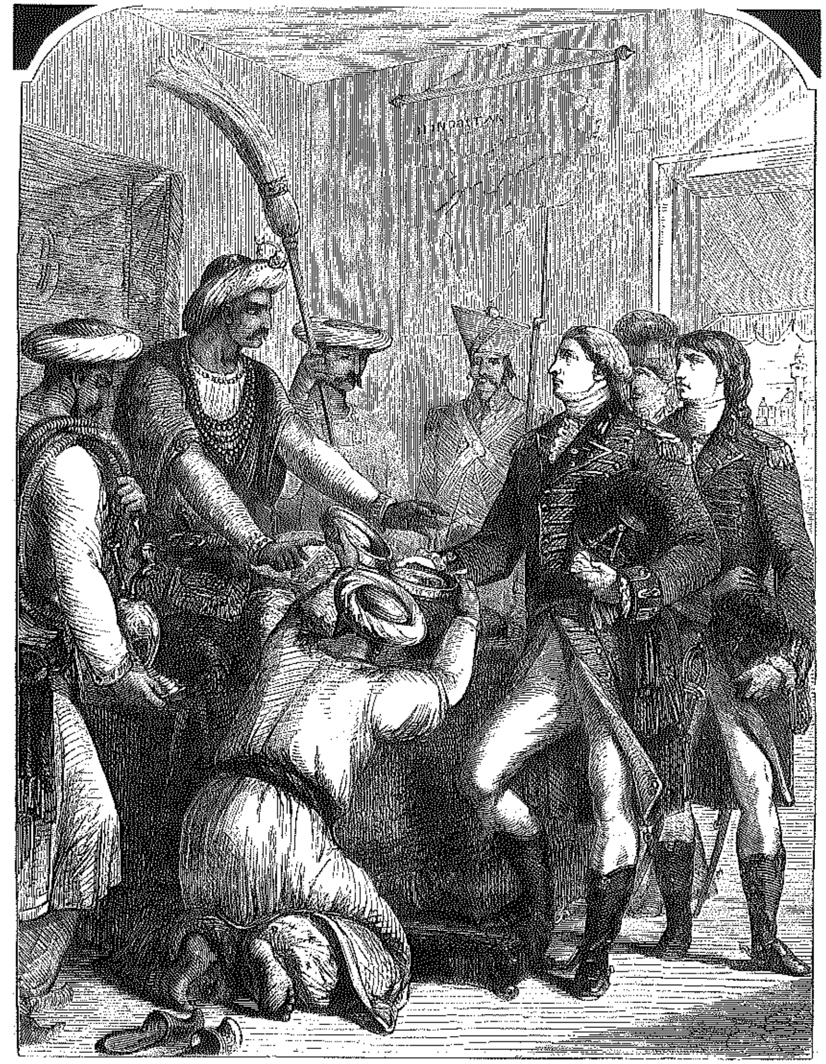
Victory over the French enabled Britons to regard their imperial ventures as beneficent, humanitarian endeavors whereby Britain, by taking on the overlordship of the tyrannous French and the cruel Spanish, generously made available to its colonial territories and the native peoples who populated them the fruits of progress, morality, freedom, liberty, and prosperity—all of them a function, pro-imperial Britons believed, of an empire based on trade rather than on conquest. In the 1760s, as we shall see in a later chapter, middling people used this kind of justification for empire in support of their claims to citizenship. At the same time, these justifications glossed over the fact that imperial prosperity rested on the forced labor of hundreds of thousands of Africans sold and born into slavery; the expropriation of land from Native Americans and Irish peasants; and the exploitation of native peoples in parts of India.

One of the battles the British fought against a French-supported army would bring them a prize of incredible significance. On the morning of June 24, 1757, troops under the command of Colonel Robert Clive (1725–1774) came under heavy attack from an army nearly twenty times its size at Plassey, outside of Calcutta in the northeastern state of Bengal in India. The British had been involved with India since the sixteenth century, when the EIC received a royal charter that gave it the right to monopolize trade with India, which it did with great profitability throughout the course of the seventeenth and eighteenth centuries. India was not a colony or possession of the British government in the sense that the American colonies were until 1783 or as Ireland, the West Indies, and Canada continued to be. The British government had no official ties with or jurisdiction over affairs of the various Indian elites who ruled the continent after the disintegration of the Mughal Empire in the first half of the eighteenth century. Rather, local EIC officials, with the military assistance of a private army made up of mercenaries, established the company as an unofficial yet sovereign governing entity in a number of coastal towns of India like Bombay, Madras, and Calcutta.

Clive, leading 3,000 men, 2,100 of them Indian sepoys (from the Persian word *sipahi*, meaning soldier) in the employ of the EIC, had marched his forces north to take on the new French-supported nawab of Bengal, Siraj ud-Daula (1733–1757), who on ascending his throne a year earlier had challenged the EIC and captured its fort in Calcutta. With eight cannons in tow, Clive's army had dug in along a mud bank in a mango grove. Arrayed against them were 35,000 infantry formed up under brightly colored banners, 15,000 cavalry led by commanders on the backs of splendidly clad elephants, and 40 heavy artillery guns. Clive's troops did not stand a chance when the big guns began to pound their position.

But then, two things happened. It began to rain; the seasonal monsoons dumped sheets of water onto the nawab's troops and cannons, destroying gunpowder and fuses and rendering the guns useless. At the same time, the left flank of Siraj ud-Daula's army, a large contingent of cavalry led by a British collaborator, Mir Jafar (1691–1765), turned away from the battle, stranding the nawab's men in what was fast becoming a sea of mud. Daula's forces fled, leaving behind weapons, artillery, food, and supplies that the pursuing EIC troops confiscated for their own use. The next day, after consulting with Clive, Mir Jafar took the nawab's palace and treasury in the nearby town of Murshidabad and was recognized by the company as the new ruler of Bengal. Jafar's men later captured Siraj ud-Daula and killed him.

With their own man in office, the EIC gained a significant territorial hold on the subcontinent of India, marking the moment when the company's interests in trade became inextricably joined with military conquest and, a few years later, the actual administration of lands in India. In 1765, the Mughal emperor of India acknowledged the reality of the EIC's power in his domains when he granted it the *diwani*, or the right to collect taxes in Bengal. Over the next sixty years,



Clive wins dominion over Bengal, 1765.

British armies under the EIC would bring the rest of the subcontinent to heel, expanding the British empire in the east to dimensions that would have been unthinkable in the middle of the eighteenth century. The victory at Plassey aroused little fanfare at home, coming at a time when a new war with France had just commenced, but it serves both as an exemplar of the dynamics informing British politics and economics at the time and as a foreshadowing of a turning point in Britain's relationship with empire.

The years following the creation of the United Kingdom of Great Britain in 1707 saw much turmoil and upheaval both in the British Isles and in the empire. Wars with Spain and France; financial collapse; Jacobite risings; insurgencies by enslaved Africans in the Caribbean—all these contributed to a great deal of instability in the decades leading up to 1760. The prime ministership of Robert Walpole helped to alleviate some of the uncertainty and insecurity; the defeat of France in 1763 also mitigated the volatility of the period to some degree. The British empire expanded considerably during these years. In the next thirty years a disparate array of forces thrown up by the economic and intellectual revolutions of the eighteenth century—a prosperous and politically active middle class, an invigorated cadre of Scottish, Welsh, and Irish imperial agents, ongoing clashes with France across the globe, and restive colonial subjects—transformed the peoples and the societies of Britain and its imperial holdings.

NOTES

1. Quoted in Malcolm Balen, *The Secret History of the South Sea Bubble* (London, 2003), pp. 157, 158.
2. Quoted in Richard Dale. *The First Crash: Lessons from the South Sea Bubble* (Princeton, 2004), p. 40.
3. Quoted in Monod, *Imperial Island*, pp. 123–24.
4. Quoted in Peter Aughton, *Liverpool, a People's History* (Preston, 1990), p. 62.
5. Quoted in Ramsey Muir, *A History of Liverpool* (London, 1907), p. 147.
6. Quoted in Balen, *The Secret History of the South Sea Bubble*, p. 69.
7. Quoted in John Carswell, *The South Sea Bubble* (Dover, 1993), p. 164.
8. Quoted in Eveline Cruickshanks and Howard Erskine-Hill, *The Atterbury Plot* (Basingstoke, 2004), p. 61.
9. Quoted in Cruickshanks and Erskine-Hill, *The Atterbury Plot*, p. 112.
10. Quoted in Cruickshanks and Erskine-Hill, *The Atterbury Plot*, p. 181.

TIMELINE

1713	Treaty of Utrecht ends War of the Spanish Succession; Britain obtains *asiento*
1714	Anne dies; George I ascends the throne
1715	Jacobite rising
1720	Creation of South Sea Company
	English stock market crashes
1720	Declaratory Act gives British Parliament right to legislate for Ireland
1721	Horace Walpole becomes first "prime minister"
1722	Atterbury Plot

11. See Ann M. Carlos, Karen Maguire, and Larry Neal, "'A Knavish People. . .': London Jewry and the Stock Market during the South Sea Bubble," *Business History* 50.6 (November 2008): 728–48; and Ann M. Carlos and Larry Neal, "Women Investors in Early Capital Markets, 1720–1725," *Financial History Review* 11.2 (2004): 197–224.
12. Quoted in Sidney W. Mintz, *Sweetness and Power. The Place of Sugar in Modern History* (New York, 1985), p. 115.
13. Quoted in Peter Fryer, *Staying Power: The History of Black People in Britain* (London, 1984), p. 14.
14. Quoted in Fryer, *Staying Power*, pp. 17, 15.
15. Quoted in Andrew Jackson O'Shaughnessy, *An Empire Divided. The American Revolution and the British Caribbean* (Philadelphia, 2000), p. 15.
16. Quoted in Barbara Klamon Kopytoff, "Colonial Treaty as Sacred Charter of the Jamaican Maroons," *Ethnohistory*, 26.1 (Winter 1979), 45–64, p. 47.
17. Rosalind Mitchison, quoted in T. M. Devine, *The Scottish Nation, 1700–2007* (London, 2006), p. 21.
18. Quoted in Thomas William Heyck, *The Peoples of the British Isles: A New History, from 1688 to 1870* (Belmont, 1992), p. 132.

FURTHER READING

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1727	George I dies; George II ascends throne
1737	Porteous Riot
1739	Maroons of Jamaica become autonomous of British rule
1740–1748	War of the Austrian Succession
1745	Jacobite rising; Charles the Pretender lands in Scotland
1746	Jacobites defeated at Battle of Culloden
1754	French and Indian War breaks out in North America
1756–1763	Seven Years' War
1757	Robert Clive takes Bengal after battle at Plassey in India
1760	Tacky's Revolt in Jamaica