British mercantile interests and the peace of Paris

Barry M. Gough

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BRITISH MERCANTILE INTERESTS AND THE
PEACE OF PARIS

By
Barry Morton Gough

B. Ed. (Secondary) University of British Columbia, 1962

Presented in partial fulfilment of the requirements
for the
degree of
Master of Arts
UNIVERSITY OF MONTANA
1966

Approved by:

Chairman, Board of Examiners

Dean, Graduate School

MAY 20 1966
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I

INTRODUCTION

All too often historians have portrayed British imperial policy as a creation of Whitehall and the Colonial Office. A. B. Keith emphasized the constitutional aspects of the development of British colonial policy; C. M. Andrews stressed the imperial structure of mercantilism; and G. L. Beer concentrated on the costs of defense and the commercial policy of the mother country towards the colonies.¹ This thesis is based on a different presupposition: namely that imperial policy reflected the economic structure of the empire. It existed as an adjunct to the operations of the slave trader, the sugar planter, the fisherman of the ports of western England, the fur merchant and the trader to India and the spice islands. Debates over imperial policy sometimes consisted of discussions among these interests themselves or with the more traditionally landed and national interests which were less concerned with imperial issues than were their mercantile counterparts. But, whether the interest was national or imperial, the rise of Great Britain to international power in the eighteenth

century was based upon trade, reinforced by war when necessary. Profit was the principal generator of imperialism.

The commercial community of this small nation extended its trade throughout the Atlantic seaboard, the Caribbean, the coasts of West Africa and the far-distant areas of trade in Asia. Britain, the main center of the trade, constituted the financial nucleus and focal point of an ever-changing mercantile policy. The role of the mercantile interests in the formation of this commercial policy disturbed some eighteenth century commentators. No less a figure than Adam Smith reflected:

> Of the greater part of the regulations concerning the colony trade, the merchants who carry it on, it must be observed, have been the principal advisers. We must wonder, therefore, if, in the greater part of them, their interest has been more considered than either that of the colonies or that of the mother country.²

Adam Smith was not concerned here with the wealth of the colonies or with the wealth of the British nation. He levelled his criticism against the powerful mercantile interests. While the merchants often made substantial gains from commercial expansion during the eighteenth century, the landed interests often failed to prosper directly from Britain's involvement in the great wars of empire in that period, save where they acted as investors in trading enterprises. Whereas

the commercial community was generally responsible for the developments of empire, the larger landed interests often possessed the political power to determine the final outcome of these developments or at least to check the influence of the commercial interests.

The making of the peace that ended the Seven Years' War demonstrates the validity of these statements. The Treaty of Paris remains a monument to the moderation shown by members of a peace party in Parliament determined, at all costs, to gain a quick settlement to what they, as landed interests, considered an expensive war. The landed interests thwarted the full possibilities for extensive growth of the mercantile community by accepting a peace which was inconsistent, as far as the commercial community was concerned, with the extent of the war effort and the great victories of the war.

A study of the historical works dealing with the Treaty of Paris reveals a predominantly political bias. Most of these works have considered the making of peace to have been solely a ministerial problem of political power following the accession of George III and the rise to dominance within the ministry of Lord Bute at the expense of Pitt and Newcastle. Yet, these interpretations fail to consider fully that the war had been fought primarily because of Anglo-French commercial rivalry and that the peace was mainly a commercial
settlement. Most political interpretations, while rightly concluding that the party of Lord Bute created the peace, ignore or play down the role of the mercantile attitudes and efforts throughout the period of the war and the peace extending from 1754 to 1763.

This thesis aims to correct that deficiency. It raises several questions seldom posed. What were the mercantile interests in this period? What role did they play in the making of war? Was the war effort to their advantage? Was the Treaty of Paris satisfactory to the British commercial community? Did it meet their expectations?

At the same time this study will shed some light on the relationship between the mercantile interests and the ministry during this period. By considering the merchants in Parliament, we will view the opponents of the peace and the reasons for their disapproval. This study will show that the peace party, representing the landed interests, although perhaps aware of the attitudes and desires of the mercantile interests, sacrificed many commercial gains in order to achieve peace. It deemed the spoils of war to be of less importance than did the mercantile community. To the slave traders, the sugar planters, the fur dealers, the fishermen and the spice traders, the Treaty of Paris only moderately expanded the colonial areas of their interest. The war, caused mainly by commercial rivalry, ended in a peace dictated by the landed community.
Yet the war was a victory for the mercantile interests, for the expansion of the empire, although not to the extent of their expectations, was a creation of their doing. Professor Galbraith's words may well serve as a key-note for this study:

The expansion of the British Empire has been largely motivated by the energies of the mercantile class. Far more important to the shaping of British Imperial policy than the secretaries and under-secretaries of state often credited with its formation were hundreds of men in the commercial community, most of them unknown to history, who created the conditions upon which that policy was based.3

3J. S. Galbraith, The Hudson's Bay Company as an Imperial Factor, 1821-1869 (Berkeley, 1957), 3.
On the eve of the Seven Years' War the British empire was a composite of trading areas, colonial settlements and military posts. Throughout the temperate and tropical zones traders, settlers and soldiers reached out beyond the bounds of the coastline of Europe to the far distant areas of the West Indies, the North American seaboard, the coasts of West Africa and the spice islands of the Far East. In each of these areas, the British trader, settler or soldier found himself involved in a vast international competition in which the maritime powers of Europe vied with each other in the war of empire.

Nowhere was the rivalry of European overseas interests greater in the mid-eighteenth century than in the West Indies. With Spain and France dominating the major islands, Britain had to maintain her Caribbean possessions in the face of fierce competition.¹ By 1754, the European powers were firmly established in their territorial control of the West Indies save for those minor islands unsettled by Europeans.

¹Full lists of British acquisitions in this area can be found in Richard Pares, Merchants and Planters (Cambridge, 1960), 51, and C. P. Lucas (ed.), A Historical Geography of the British Colonies (6 vols.; Oxford, 1905), IV, 2.
Generally speaking, the islands of the Caribbean were unsuitable for British settlement. Although heat made possible the cultivation of a sugar crop, it in turn necessitated a labor force capable of living and working in the tropical area. Hurricanes during the period from August to October affected the flow of supplies from and trade with the mainland colonies. The irregularity of trade resulting from this climatic feature made the outer islands very dependent upon Britain.

On the other hand, the North American sphere became a settlement area. The American colonies possessed a growing population. By 1754, the population of the colonies approximated 1,385,000 whites and 310,000 Negroes. The colonial settlements were increasing in size and strength. Each year witnessed an influx of immigrants. Each war posed the possibility of annexation. The addition of Acadia earlier in the century served as a portent of the eventual northern expansion which was to follow at the expense of the French.

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3Richard Pares, Yankees and Creoles; the Trade between North America and the West Indies before the American Revolution (Cambridge, Mass., 1956), 18.

Whereas the British colonies were basically self-supporting, New France was a colony fostered by paternalism. Since France's interest in North America had not increased appreciably after the days of Richelieu, New France could only claim 65,000 Canadiens at the time of the conquest. Yet France controlled the continental hinterland and a string of forts from Louisburg to the Gulf of Mexico protected the North American colonial interests of Europe's strongest nation.

By the Treaty of Utrecht, France retained little more of Canada than her commercial basin of the St. Lawrence. But contrary to the treaty, the Acadians still inhabited Nova Scotia. Governor Shirley of Massachusetts saw this as a constant threat to New England. He warned that if France gained military control of the region, she would have control of the cod fisheries of the British maritime colonies as well as those of Newfoundland and the St. Lawrence, thus making possible the maintenance of an "immense nursery of seamen to man her navy."

The Peace of Aix-la-Chapelle of 1748 did nothing to halt the ever-increasing rivalry between Britain and France in North America. The return of Louisburg to France resulted in Britain's building of Halifax as a protective measure.

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Britain recognized Governor Shirley's fears of the growth of French control on the Atlantic Seaboard. At the same time the ministry was interested in the claims of the Hudson's Bay Company. The British government requested in 1750 that the Company submit a definition of claims as a part of a wider attempt to clarify British demands in view of the French encroachments. The constant westward search for furs and lands meant conflict with the French in the Ohio Valley. In addition, the building of increased fortifications in the Ohio indicated to Britain that France intended to consolidate her power in the hinterland.

In another trading area, the west coast of Africa, the European nations exerted little territorial control. The Dutch, French and British competed for trade, sought concessions and erected forts to protect their rights to the trade of slaves and other commodities. The English had been engaged in the slave trade since 1560, and for more than a century after 1640 the existence of the royal monopoly plagued the slave trade. The problems of the Asiento led to the end of the monopoly and to the establishment by parliamentary act of the 'Company of Merchants trading to Africa' open to all traders paying a 40 shilling fee. The Company,

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8Great Britain, *Statutes at Large*, 23 Geo. II, c. 31 (1750).
with business offices in London, was managed by a nine mem-
ber committee equally representing the chief centers of the
trade, London, Bristol and Liverpool. Despite profits which
often were as high as 100 per cent, the slave trade received
an annual average subsidy of £13,000 from Parliament to main-
tain the forts of West Africa.\(^9\) On the eve of the war, the
government subsidized nine factories. As in the other areas
of empire, Britain's principal rival in the slave trade was
France which controlled the valuable areas of Senegal and
Gorée.

The East India Company constituted the center of Bri-
tish interests in the East Indies and India. It was both a
company of trade and an agency of government. As elsewhere,
the French and British interests met in India. Until the
end of the War of the Spanish Succession, a state of neutral-
ity had existed between the rival companies of Britain and
France. However, the War of the Austrian Succession made ap-
parent the French desire to challenge the British commercial
interests.\(^10\) The French capture of Madras and the British
retaliation marked the beginnings of a conflict which did not
end until the British conquest of Pondicherry in 1761.

\(^{9}\) Eric Williams, Capitalism and Slavery (Chapel Hill,
N.C., 1944), 36, and Lucas, Historical Geography of the Bri-
tish Colonies, III, 87.

\(^{10}\) For a list of English East India Company possessions
in 1748 see L. H. Gipson, The British Empire before the Ameri-
can Revolution (12 vols. to date; Caxton, Idaho and New York,
1936-65), V, 260.
Between 1748 and 1754, the French Company of the Indies developed a system of alliances involving the maintenance of an Indian overlord against internal rivals and external foes. This alliance system in the Carnatic was fostered by Dupleix who believed that territorial power should be the object of his company if the British supremacy was to be matched. By 1754 the imperial aims of Dupleix were contrary to the commercial aims of his superiors. A representation of the French company, seeking a compromise with the British rivals, received the following retort in answer to its claims:

... it is far better that the natives should be masters of that country, and give the law to both the French and us than that we should remain there in a mean declining way, receiving laws from the French. The credit of the English as merchants is superior in India to that of the French, and they will always have the preference in all India governments who are their own masters, so long as they preserve their mercantile reputation.\[11\]

But Dupleix fell from office in 1754 and agreements later in that year revealed a possible peaceful solution to the mutual commercial benefit of the two countries. However, the seeds of war had been sown in India.

Farther east, the British traders ventured into the spice islands. Here the conflicts with the Dutch made the

\[11\]Ibid., 264-5, from India Office, Home Series, Misc., 93, 146-60.
British position insecure. The seventeenth century had wit-
nessed the constant clash of these two nations. By 1754,
Fort Marlborough on Sumatra remained the chief if not sole
British post in the region.

The main channels of British trade linked Britain
with the coast of Africa. From Africa, the trade routes
either continued southward to India and the spice islands
via the Cape of Good Hope or westward to the Caribbean where
the trade of the British met with that of the North American
colonials, and the French and Spanish. To the north there
was a seaway of fishermen between Europe and Newfoundland.
Within easy reach of the North American colonial ports, illi-
cit trade existed, irrespective of the mercantilist theories
of the day and the Acts of Trade designed to correct the em-
pire's ills. Mercantilist laws made smuggling all the more
profitable. Ideally, a division of labor existed: the mother
country supplied manufactured items; Africa supplied the labor;
the West and East Indies supplied tropical products; and the
continental colonies supplied food to the West Indies and the
mother country. One theoretician, Postlethwayt, a mid-eigh-
teenth century devotee to the self-sufficient empire, favored
a system of "political commerce" to develop an imperial econo-
mic unit.12 But theory and practice were divergent.

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12 Malachy Postlethwayt, Britain's Commercial Interest
Explained and Improved (2 vols.; London, 1758).
Mercantilism did foster a strong triangular trade, but it could not control the slave traders of Africa, the rum sellers of the Caribbean or the rice vendors of Carolina, all of whom sought a higher profit where the King's customs officials had no jurisdiction.

The slave trade, aptly called "the nerve centre" of the old imperialism, was of prime importance to the empire. Britain held the lucrative Asiento contract with Spain. Further, Britain's predominance in the slave trade allowed her to supply not only her tropical-zone colonies but her temperate-zone colonies as well. The role of the slave was exceedingly important in the imperial design. In addition to supplying the needed labor, he existed as a market for the fisheries, the agricultural products of the thirteen colonies and the manufactured items of Britain. Thus, the slave trade was the pivot of the triangular trade.

The Company of Merchants trading to Africa presented an annual petition to the House of Commons. The petition of 1755 stated that the Company had invested the whole sum granted for 1754 "...in stores and necessaries for the several forts, and in the materials for rebuilding the fort at

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13 W. L. Dorn, *Competition for Empire, 1740-1763* (New York, 1940), 251.

14 Malachy Postlethwayt was chief amongst the supporters of the slave trade at this time. The title of his work is worthy of note: *The African Trade, the Great Pillar and Support of the British Plantation Trade in North America* (London, 1745).
Yet, it continued, the government subsidy remained insufficient for the needs of the Company. The petition promised that Annamaboe would

...be of the greatest importance for the protection of the trade of that place, and in consequence thereof, the trade of the whole coast which the French have attempted at different times to encroach upon, and take from the English.¹⁶

Regulated by British statute, the trade was controlled by Parliament and by the Board of Trade.¹⁷ But members of the Company often attacked the committee responsible for the direction of the Company. They claimed the committee mismanaged the affairs of the Company and thus they demanded recompense from the Board of Trade.¹⁸ The Royal African Company had long been plagued by the competition of interlopers; the decline of the royal monopoly and the creation of the Company of Merchants trading into Africa opened the trade on an equal basis within a framework of imperial support.

The British also confronted French competitors in Africa. The case of John Newton, the master of a Liverpool slave trading ship, is an example of the competitive buying

¹⁵Great Britain, Journal of the House of Commons, XVII (1754-1757), 84.
¹⁶Ibid.
¹⁷Ibid., 128.
¹⁸Journal of Commissioners for Trade and Plantations, (hereafter cited as the Journal of the Board of Trade), LXI (1753), 437-8.
on the African coast. He paid £12 for the first of a number of slaves offered for sale in order to retain the interest of the sellers. He claimed the buying price to have doubled in recent years and complained:

There are such numbers of french vessels, and most of them determined to give any price they are asked, rather than trade should fall into our hands, that it seems as if they fitted out not so much for their own advantage, as with a view of ruining our purchases. 

The slave trade to the British West Indies remained relatively constant in the inter-war period. Pitman, who collected a summary of the imports into Jamaica and Barbados, showed that in the period extending from 1715 to 1767 the slave trade to those islands remained relatively constant. Using Pitman's tables, it can be calculated that on the average, in each year in the 1749-54 period, 5,412 slaves were imported into Jamaica and 3,325 were imported into Barbados. Thus, the older plantations received a steady supply of labor to support their steady growth.

20 Ibid.
22 The following shows the steady import pattern into Barbados:

<table>
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<th>Period</th>
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<tr>
<td>1715-1725</td>
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</tr>
<tr>
<td>1726-1735</td>
<td>2940</td>
</tr>
<tr>
<td>1746-1756</td>
<td>3177</td>
</tr>
<tr>
<td>1757-1767</td>
<td>3014</td>
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During times of war, in areas where British military conquest made British trade legal, the traders were able to make remarkable sales. The nine-month British occupation of Cuba in 1762 saw the importation of 10,700 slaves and the occupation of Guadeloupe between 1759 and 1763 saw the importation of 40,000 Negroes. Thus, while the need for slaves proved to be steady in the older plantations, the newer areas of agricultural development demanded great numbers of slaves. As a result of this increased demand, the plantation owners of Jamaica and Barbados were forced to pay higher prices for their labor supply. The attitudes of the absentee planters in Britain were shaped by this competition and the West Indian interests usually interpreted the policies of war and peace in terms of their investment across the seas.

Britain's chief competitor in this area was France. During the first half of the century, French commerce expanded rapidly in this region. By selling their finer sugars at lower prices, the French captured much of the European market which the British had held. But the British West Indian planters were protected by a monopoly of the home market which


they, according to Knorr, "exploited with alacrity." The price of raw sugar, an excellent index of Caribbean prosperity, rose from 16s 11½d per cwt. in 1733 to 42s 9½d per cwt. in 1747 and the profits from this growth produced the wealthy vested interest so powerful in the House of Commons in the last half of the eighteenth century.

The American colonies by 1754 were in a period of rapid growth. Statistics on ship-building and iron production point to the power of the competition which the Americans could offer to the British manufacturer. Unlike the West Indian interests, the American colonials had no desire to develop a vested interest in Britain. Although the colonials fought to rid the continent of the "French menace," their interests were local and colonial rather than imperial.

The fisheries had long been considered a nursery for seamen. At the request of William Pitt the Elder, Captain John Masters calculated that the total trade was worth £300,000 to Britain each year. It employed 10,000 British seamen and accounted for 26,000 tons of shipping. On January 15, 1755 merchants concerned with whaling presented a petition to the

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28Chatham MSS, Bundle 81, as found in R. G. Lounsbury, *The British Fishery at Newfoundland, 1634-1763* (New Haven, 1934), 312.
House of Commons asking that the bounties be raised. They argued that: "...many ships have been fitted out for and a great number of British sailors have been trained in this service...."\(^{29}\) The petitioners claimed that the rise in bounties since 1749 had led to an increase in trade.\(^{30}\) Parliament even paid a subsidy to the distressed owners who lost their vessels in pursuit of the fisheries.\(^{31}\) Clearly, the Board of Trade and Parliament regulated the fisheries.

The economic statistics of the inter-war period from 1749 to 1754 show the relative importance of the trading areas of the British empire.\(^{32}\) Consideration will be given to imports and exports with each of the following areas in turn--Africa, Nova Scotia, the West Indies, the thirteen colonies, and India and the East Indies.

In the years of peace, 1749-1754, exports from Britain to Africa increased considerably. In 1753 exports totalled £276,000. Africa was a poor selling market for manufactures; only Nova Scotia received fewer British exports.

\(^{29}\)Journal of the House of Commons, XXVII. (1754-1757), 85.

\(^{30}\)Bounties were paid to 22 ships in 1742-48 and with an increased bounty, to 162 ships in the period 1749-1754. Ibid., 52.

\(^{31}\)Ibid., 165.

\(^{32}\)The following figures are from and the calculations are based upon B. R. Mitchell, Abstract of British Historical Statistics. (Cambridge, 1962), 310. See Appendixes I and II for abstractions of Mitchell's table from which the statistics were drawn for the calculations in this section.
But Nova Scotia exported to Britain more than Africa did in 1753, namely £49,000 compared to £34,000. British merchants were not much concerned with African imports.

The exports from the West Indies to Britain in the years 1749-1754 totalled approximately £1,500,000. But in this period British exports rose steadily from £554,000 in 1749 to £833,000 in 1753. The markets of the West Indies proved valuable for the British exporter. Yet this area was considered a source of supply.

British trade with the thirteen colonies was much different from that with the West Indies; British exports always exceeded imports from America. It has been calculated that the increasing trade imported into Britain averaged £858,000 annually, while exports from Britain averaged £1,236,000 during the same period. In comparison, the West Indies could be considered supply colonies; in 1753, for example, they exported a total value of £1,903,000 and imported only £833,000. Thus the American colonies could not be considered solely as markets for British manufactures.

Britain's annual imports from the Far East (valued at £1,081,000) exceeded those from America (£858,000), but they were less than those from the West Indies (£1,536,000). Annual British exports to the Asian regions (£656,000) can, however, be considered equal to those exported to the West Indies (£654,000); the two combined approximated the average yearly exports to America (£1,236,000).
In retrospect, it is possible to conclude that the years from 1740 to 1754 witnessed a steady growth in colonial trade. In total trade, on a yearly average, the West Indies held the prime position (£2,210,000), followed closely by the thirteen colonies (£2,074,000) and India and the Indies (£1,737,000). In comparison to the British trade with these key areas, British trade with Africa, the rest of British North America and the foreign West Indies and South America was of much less importance.

The British scene, the vested interests of trading and the parliamentary representation of those interests deserve close examination. The merchants as a group held approximately 50 of 558 seats in the House of Commons. Their role in the shaping of imperial policy, according to Bowden, "was out of all proportion to their numbers and their wealth."33 Trade and commerce in a Britain less than twenty-five percent urban, and with manufacturing of little importance, were the cardinal factors in the British economy.

The West Indians, merchants and planters alike, were chief amongst the mercantile interests. Their power was great. According to Ragatz, the West Indian nabobs,

33 Witt Bowden, Industrial Society in England towards the end of the Eighteenth Century (New York, 1925), 5.

...firmly entrenched in parliament,... exercised a preponderant influence on the course of events. Sugar was king, they who produced it constituted the power behind the throne, and the islands on which their opulence and commanding position had been reared were regarded by all as the most valued of overseas possessions.  

The West Indian merchants held fifteen of the fifty seats in the possession of the merchants after the election of 1761 and as such were a powerful bloc in the House of Commons.  

Among those who were born in the West Indies and held important positions there before taking up residence in Britain were William and Julines Beckford, members of the richest Jamaican family and Members of Parliament for London and Salisbury, respectively. Other Jamaicans were Henry Dawkins representing Southampton; Thomas Foster, Dorchester; Rose Fuller, Maidstone; Sir Alexander Grant, Inverness Burghs; and Edward Morant representing Hindon. J. E. Colleton and Sir John Gibbons were from Barbados. Samuel Martin was from Antigua. W. M. Burt, William Woodley and Charles Burrow were from St. Kitts. Eight others constituted an "outer-ring" of less influential "West Indians." Since intermarriage was strong amongst the planter families, Hampshire and Wiltshire became strongholds of that interest; in fact, during the mid-eighteenth

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35 Ragatz, The Fall of the Planter Class, viii.

century no less than six Jamaicans held seats in Southampton. Their financial power enabled them to purchase their parliamentary seats; Lord Chesterfield lamented that he was unable to purchase a seat for his son, the merchants having bought those available for as much as £3,000 to £5,000. The West Indian planters also held influence in London, Bristol and Liverpool, the centers of sugar refining in Britain.

The West Indian nabobs became a dominant factor in British politics after the creation of the Society of West India Merchants in 1745. One North American, Jasper Maudlit, writing from London to the Massachusetts' Representatives, complained about the parliamentary power of the West Indians:

...considering the very formidable number of votes which the West Indians have in the house of commons, that it is our business to avoid, as much as possible the committing ourselves in any dispute with them.

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38 Ragatz, The Fall of the Planter Class, 52.

39 For information on the centers of sugar refining in Britain see Williams, Capitalism and Slavery, 73-8.


The absentee planter in the House of Commons was always anxious to protect his colonial investment.

The slave traders made their interest felt through the merchant petitions from the key centers of the trade—Bristol, London and Liverpool—where respectively 237, 147 and 89 slave traders were listed in 1755. West Indian interests, with a watchful eye on the slave trade, represented those cities; Richard Beckford held a seat in Bristol until 1756, Richard Pennant represented Liverpool and William Beckford represented London.

The ports of western England constituted the centers of the fishing interests. A petition to the Board of Trade on March 7, 1759 reveals, as follows, the close alliance of those fishing towns:

The secretary of the Board laid before the Board several memorials and other papers received from the merchants and others of the ports of Bristol, Exeter, Barnstaple, Bideford, Dartmouth and Poole, trading to the island of Newfoundland and concerning the fishery there....

Joseph Gulston, a merchant trader to South and North America who represented Poole in the House of Commons, found the gaining of a seat there difficult "...because of the favours which

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44 Journal of the Board of Trade, LXIV (1759), 23.
a mercantile community with extensive trading interests had to solicit from the Government."  

The furriers were not well represented; in fact, only one, Sir William Baker, acted on their behalf in Parliament. As a merchant with an investment in the Hudson's Bay Company, he was influential in advising Newcastle on matters relative to North America and often debated with William Beckford. He was one of the 'monied interest', which Lucy Sutherland defined as "...a small but growing number of persons closely and habitually concerned with that machinery for creating and mobilizing credit..."  

Although Baker represented Plympton Earl, his influence was greatest in London where at various times he had been an alderman of the City and chairman of the East India Company as well as governor of the Hudson's Bay Company.  

The East India Company had a parliamentary faction almost equal to that of the West Indians. H. C. Boulton, who had shipping interests, and Robert Jones, a London merchant, were company directors. Z. P. Fonnerneau and Thomas Walpole were former directors. George Amyand and Sir George Colebrooke were stockholders. Robert Clive returned from India in 1761 to strengthen his parliamentary influence in Shrewsbury. Others included Penegrine Cust, George Dempster, John  

45 Namier and Brooke, House of Commons, II, 560-1.  


47 Namier and Brooke, House of Commons, II, 39-41.
Stephenson, John Walsh, Sir James Creed and Alexander Hume Campbell, all with East India Company connections. In total, fourteen M. P.'s had direct interest in the Company.

The textile interests were in their formative period in the 1750's and 1760's. The commanding influence of the Midland counties would not be felt until the period of free trade. Nonetheless, two cloth merchants, Sir Samuel Fludyer and William Willy represented Chippenham and Devizes in Parliament. A pamphleteer of the period, Israel Maudlit was supposedly promoted in his work by Lord Hardwicke, Newcastle's political colleague. Maudlit, a wool producer, had a position in the Southampton customs and had influence with the landed interests, particularly Lord Bute. Lord Rockingham actively extended the interests of the wool manufacturers. The incohesive textile interests, in contrast to the West and East Indian blocs, exercised indirect influence in Parliament.

Other economic groups were represented in smaller numbers. Only five parliamentarians had direct North American interests during the period of 1754 to 1790. American

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49 Namier, England in the Age of the American Revolution, 257.


52 Namier and Brooke, House of Commons, I, 159-60.
colonials had little desire to return to England as did the tropical interests. Remnants of the Levant or "Turkey" and Muscovy or "Russian" companies were still active, but their influence was infinitesimal in the period of this study.

The British empire was primarily a commercial extension of Britain--promoted by British enterprise, regulated and usually supported by Parliament. Vested interests developed in Britain as representatives of colonial and trading areas, of commodity interests and of joint stock companies. By 1754, the British mercantile groups in Parliament comprised a significant bloc in the lower house. The extent to which their strength influenced the course of the war and the terms of the peace remains to be seen.
III
BRITISH MERCANTILE INTERESTS DURING
THE SEVEN YEARS' WAR, 1754-1760

The British mercantile interests influenced imperial policies in time of peace. Understandably, these same interests influenced imperial policies in time of war by either supporting or criticizing governmental policies. Generally speaking, if the war policies appealed to the commercial instincts of the interests and ultimately promised financial reward, the interests supported the government's position. Similarly, the commercial community opposed those governmental policies which did not offer chances of commercial advancement. Although not always united in opinion, the mercantile interests were influential in the direction of the war: their parliamentary representation was, in fact, the focal point of their imperial attitudes.

The City of London, the center of the empire's commercial activity and merchant opinion, found itself deeply concerned with the policies advocated and promoted by William Pitt the Elder. To the City, the victories undoubtedly implied commercial and territorial gain as well as national glory; the defeats meant possible financial ruin.¹

¹Sutherland, "City of London," 54-57.
The traditional position of the City in national politics in the eighteenth century was anti-ministerial. In this position, the support given by the country gentlemen and by the organized opinion of the City often defined the strength of the opposition to those in power.\(^2\) Thus the City was often active in 'out-whigging the Whigs.'\(^3\) During the period under consideration, Pitt successfully broke through the power of the landed interests. He maintained this precarious position, in Sutherland's words, "by the general recognition of his essentiality to win the war and by his popularity not only with the country gentry in parliament but with the public opinion outside the house."\(^4\) Thus, while traditionally anti-ministerial, the City found itself allied with the cause of Pitt, the "Great Commoner," in the years 1756-61.

The elected politicians of the City were, on the whole, the urban counterpart of the country gentlemen.\(^5\) Often called "Radicals" during the reign of George III, the term "Chathamite City Radicals" is associated with the M.P.'s who represented the City of London in Chatham's time. Each in this

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\(^3\) Sutherland, "City of London," 58.

\(^4\) Ibid., 64.

\(^5\) Namier, England in the Age of the American Revolution, 211.
group had mercantile or financial interests; each had served as Lord Mayor of the City. These politicians represented the most politically conscious constituency in eighteenth century Britain.

Who were these members of Parliament? William Beckford, a prosperous sugar planter, was the spokesman for the City interests. Another City elder, Slingsby Bethell, a former plantation agent in Antigua, was active in the exportation of woolens to the Guinea Coast, and the purchase there of slaves and cotton. He was also president of the British white herring fisheries until his death in 1758. Another, Sir Richard Glyn, banker and insurance company executive, led the City as Lord Mayor in 1758-9 in support of the Administration. Sir Robert Ladbroke, distiller and banker, supported Beckford's leadership in the City, although he was never a follower of Pitt. Finally, Sir John Barnard, born of a merchant family, was a prominent insurer at Lloyd's. A parliamentary member for London for 39 years, he declined in importance in the years 1754-61 and was displaced by Beckford as leader of the City's popular forces. All of these M.P.'s were active in the protection of the interests of the City.

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6 Journal of the House of Commons, XXII (1732-7), 566.
7 Namier and Brooke, House of Commons, II, 505-6.
8 Ibid., II, 49.
9 Ibid.
William Beckford deserves special consideration. Born in Jamaica, he held positions in that island's assembly as well as in the customs service before returning to England and becoming M.P. for Shaftesbury. In 1754 he was elected for London and continued to serve that constituency until 1770. However, his interests were not solely centered in the City, for he informed the Duke of Bedford that his political influence "carried three cities and two boroughs" in the election of 1754. Although a supporter of Bedford, he attached himself to Pitt's cause when the problems of war brought the Great Commoner to the fore.

Beckford, deeming himself the spokesman of the City, developed a close tie with Pitt. This association gave the merchants, to quote Christie, "a novel sense of exerting influence at the center of national power." The alliance is evident in Beckford's letter to Pitt dated November 6, 1756. He expressed hope that Pitt would be "the instrument of our deliverance" and he offered his support for a new system which he saw as being absolutely necessary. "In the militia

10 See Namier, "Country Gentlemen," in Personalities and Powers, 68-72 for a description of the Tory meetings and Beckford's position as leader of the country gentlemen in 1760.

11 John Russell (ed.), Correspondence of John, Fourth Duke of Bedford (3 vols.; London, 1842), II, 145; see also Sutherland, "City of London," 65, 2n on his qualification as being a citizen of London.

of Jamaica I was no more than a common soldier," Beckford wrote, and pledged, "in our present warfare I intend to act as one of your private soldiers without commission."¹³ As the war progressed, Beckford became one of Pitt's most enthusiastic supporters.

By 1758, Beckford also had become one of Pitt's principal confidants. "France is our object," he advised Pitt, "perfidious France: reduce her power, and Europe will be at rest."¹⁴ At the same time he advised Pitt to attack an island, assumed by von Ruvillé to be Martinique; in fact, he suggested a method of attacking that valuable French island. Pitt accepted this advice.¹⁵ After the ministry had considered the matter, he ordered an expedition to the West Indies. However, the French fortifications at Martinique proved too strong for the task force which then turned on Guadeloupe, the center of the French sugar trade and a privateers' stronghold. Guadeloupe was an easy conquest, for it fell into British hands in May of 1759. Although Beckford's plans did not always meet with complete success, Pitt relied upon his friend's knowledge and opinions regarding West Indian matters.

¹⁴Ibid., I, 353.
¹⁶Ibid., 223-4.
Beckford was less knowledgeable regarding the British designs on New France. Nonetheless in a letter to Pitt dated December 18, 1758 he put forth a plan to end with one campaign the war with France in North America. "By the taking of Quebec and Montreal," he wrote, "the two great heads of Canada and of the French power in North America are destroyed; and consequently the limb of that body must wither and decay without any further fighting."\(^1\) Although a subsequent letter from Wolfe contained better and more exact advice for Pitt, the support of the City in this enterprise was omnipresent.\(^2\)

In addition to the City, the joint stock companies played prominent roles in shaping the policies of war and trade. Of the several companies under consideration, the English East India Company was the most active in an imperial capacity. During the period from 1754 to 1761 it gained the military and commercial domination of India. The Levant Company, a small organization with commercial interests in Turkey, was of minor importance; yet, even this company faced French rivalry in this period. The Hudson's Bay Company did not assume a military role as did the English East India Company, yet its fur traders were vitally interested in maintaining control of that area defined by the settlement following

\(^{1}\)Chatham Correspondence, I, 376-78.

\(^{2}\)Ibid., 378-81.
the Treaty of Utrecht as well as in making further gains at the expense of the French fur traders. We will now consider these companies and their roles in the protection and expansion of their commercial interests in those areas where France constituted a threat.

In late 1754, the English East India Company and the rival French company had amicably agreed to respect each other's commercial rights in India. However, in June of 1756 the rise of a new nabob in Bengal led to a successful Indian attack against the English company's fort at Calcutta, the principal fort of that company in Bengal. An expedition led by Robert Clive, a company agent who had been in India for some time, sailed from St. George, the key English post in the Carnatic, for the mouth of the Ganges. By March 1757, this force had successfully re-established the Company's control at Calcutta.

Following the French attack on Minorca, the British issued an order to all the King's officers "to distress the enemy as far as it is in their power." This prompted Clive to attack Fort d'Orleans, a strong French garrison in Bengal. The fall of that place and Chandernagore gave the English East India Company virtually full control of Bengal. Yet the nabob, Siraj-ud-daula, still posed a threat to English domination. His defeat at the Battle of Blissey in mid-1757 ended this threat.

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19 Gipson, British Empire, VIII, 127.
The stirring events following this victory brought to the British the military and political supremacy of the Carnatic, thereby giving the English East India Company the dominant commercial position in India. During these years the Company, supported by the British Navy, conquered the Coromandel Coast and gained control of a line of forts from Madras to Pondicherry. Financial and naval problems led to the French disasters. Money and supplies were essential to the French as well as to the British operations. Therefore the naval victories of Pocock over d'Ache gave Britain the supremacy at sea which spelled the end of French control in that region. In early 1761 the British proceeded to destroy Pondicherry, the Louisburg of India, so that British domination of the region was complete and the English East India Company remained the chief trading power on the great subcontinent.

In contrast to these significant imperial developments, the problems of the Levant Company appear minute. In late November 1758 a unique case came before the Board of Trade. In the face of French competition, the Levant Company had issued an order "against carrying French cloth or other woolen manufactures of France to Turkey." The Board inquired of the representatives of the Company "what effect the stagnation

\[^{20}\] For a full description of these eventful years see ibid., 137-171.

\[^{21}\] Journal of the Board of Trade, LXV (1758), 430.
of the French trade to Turkey, as well in the last war as in this, might have had to increase ours." The Company answered that during the previous war the French trade to Turkey received little obstruction. Regarding the Seven Years' War, the Company officials explained that the French still continued to trade in neutral ships and had "laid in a considerable stock of cloths in Turkey before the war broke out." The Board could do little more than praise the Company's zeal "in taking such early measures to put a stop as far as lay within their power to a trade so inconsistent with the national honor and interest." It is evident from the above remarks that even a small company, such as the Levant Company, was concerned with rival French trading interests.

Reference has already been made to the Hudson's Bay Company's claims in the period before the Seven Years' War. In its claims of 1750 the Company sought the extension of its control southward to the forty-ninth parallel. It renewed this claim on December 7, 1759 and also submitted to Pitt a list of damages against its rivals, the French fur traders. A week later, when the matter came before the Board of Trade, the Secretary:

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22 Ibid., 431.
23 Ibid.
24 Ibid.
25 Supra, 9.
Read a Memorial of the Hudson's Bay Company, containing a state of their claims, with respect to limits and other points provided for by the Treaty of Utrecht, and praying that the Board would intercede with His Majesty, that the said company may have full satisfaction with respect to such claims upon a peace with France.  

On December 19, 1759 the Hudson's Bay Company's claims were formally recognized by the Board of Trade.  

William Pitt eagerly supported the claims of the Hudson's Bay Company. Rich maintains that Pitt's general imperial concepts of trade and his aims of ending French control in North America made the Hudson's Bay Company his natural ally. Yet, the fall of Pitt did not jeopardize the position of the Company in the steps toward peace. By 1761 the fate of Canada had been determined: the Company's claims had been recognized by His Majesty's government, the fall of New France was complete with the capitulation of Montreal, and the British interlopers were quick to move into the fur trading routes vacated by the French. British merchants had within their grasp a monopoly to supply the fur markets of Europe.

26 Journal of the Board of Trade, LXVI (1759), 73.
27 Ibid., 74.
29 "...the Indians reported to the master of Moose Factory (in the summer of 1761) that the English were 'as thick as Muskettos' on the Nottaway River, and other streams flowing into James Bay," from W. S. Wallace, The Pedlars from Quebec (Toronto, 1954), 3.
The British woolen interests, especially those of Yorkshire, reacted very favorably to the conquest of Canada. "In the West Riding of Yorkshire," Rockingham commented, "we look upon the war in North America as merely carried on for the benefit of the cloth trade." To British wool exporters the conquest of Canada meant new markets.

The merchants of the ports of western England complained of a loss of trade in the war years. In addition, they complained that their ships had been sunk by French rivals, that the British convoy system had been inadequate, and that the war had increased insurance rates. Moreover, the impressment of many fishermen, claimed a complaint to the Board of Trade from Bristol merchants, caused a labor shortage and caused a loss to the merchants who had made advances to seamen "for clothing to be worn on the Newfoundland voyage, only to have these men fall into the hands of the impressment officers." The Board merely forwarded these complaints to the Admiralty which considered the fisheries an accessory to British naval power. Graham points out that "according to the famous statute of 10 and 11 William III, cap. 25 (1699), the first and most important object of the fishery was the raising and maintaining a number of our fleets in time

30 Guttridge, The Early Career of Lord Rockingham, 19.
31 Lounsbury, British Fishery at Newfoundland, 316.
of danger." 32 Thus the merchants engaged in the fisheries grumbled with little hope of gaining satisfaction for their demands.

By way of contrast, the slave traders did not suffer in the war years; in fact, from the beginning of the war they were active in extending their trading interests. In 1756 Thomas Cumming, a trader, submitted to Pitt a design to gain Senegal from the French. That Pitt encouraged Cumming in this plan is evident in his letter dated February 9, 1757:

...(I) think the service you are going upon to Africa so likely to prove beneficial to the public, that, in case success attends your endeavours, I promise you my best assistance in obtaining an exclusive charter in your favour for a limited term of years, with regard to that vein of trade which your industry and risk shall have opened to your country. 33

This plan, which called for a force to attack Senegal, was considered by the Board of Trade and approved by the ministry. As a result, by the end of 1757 both Senegal and Gorée were in British hands. "By these successes," the Annual Register (1758) reported, "we have taken from the enemy one of the most valuable branches of their commerce, and one of the most capable of abundant improvement." 34


33 Chatham Correspondence, I, 223-3.

34 Annual Register (1758), 75.
These victories were significant primarily because they enabled the British to gain control of the French slave trade. According to John Entick, an historian of the times, Senegal supplied the French West Indies with 1400 slaves annually and Gorée supplied another 400. In the period from 1758 to 1762 the slave trade almost doubled and brought to the traders unprecedented prosperity. The victories were also important because the British gained the French monopoly of rubber and numerous other commodities.

The last object of our investigation of the mercantile interests and the war in the years 1754-60 is the West Indian commercial community. These interests were concerned with the value of sugar in Britain and with the protection of their investments in the Caribbean.

The West Indian planter interests confronted a fluctuating sugar market. During the war years, the London market reacted noticeably to the changing fortunes of the war. The conquests of the rival French sugar islands produced an increase in sugar imported into Britain and consequently a


37 Annual Register (1758), 75n, 76n, reports "The principal commodities which the French import from this settlement are that valuable article gum Senegal, hides, bees-wax, elephants teeth, cotton, gold dust, negro slaves, ostrich feathers, ambergis, indigo and civet."
decrease in the price. For example, the price of sugar fell in 1760 as a result of the capture of Guadeloupe. On July 18, 1760 the Lascelles House, the famous sugar dealers, "reported that clayed sugars which would have sold as high as 85 s. per cwt. that time last year, had now gone for 52 s. 9d." On the other hand, the price of sugar rose when the market expanded. The British blockade of the French coast in 1756 and again in 1759 created in those years an unexpected market for British sugar sales in Europe. The absentee planters were justifiably disturbed by the addition of the French islands to the British empire: the conquest of Martinique and Guadeloupe meant the inclusion of those two valuable sugar islands within the protective fence of the mercantile system. Such inclusion spelled competition with the finer French sugars from these islands and a challenge to the power of the planters who made their fortunes in the more established islands such as Jamaica and Barbados.

The West Indian planters were anxious to maintain financial control over their colonial investments. The crux of the matter involved money supply and exchange. A scarcity of coin, first and foremost in Jamaica but later in Barbados, because of the need of currency in Europe, left the merchants


39 Ibid., 255.
in the British Caribbean with little purchasing power in the form of cash. The Jamaican Assembly sought to remedy this situation by passing the famous Jamaica Act of 1758 which ascertained the value of Spanish milled money.

Several persons with West Indian interests appeared before a Board of Trade inquiry into this act. Alderman Beckford and Rose Fuller, both wealthy absentee planters, complained "that by raising the nominal value of the coin, creditors would be greatly injured." In response, an agent from Jamaica presented his case and criticized both Beckford and Fuller who, he charged, had not been in Jamaica for some years and were ignorant of the situation there. He claimed that although Beckford and Fuller "in their own particular concerns might not want cash," in Jamaica the scarcity of coin was intolerable.

The absentee planters, eager to retain their economic control in the colonies, were successful in gaining the repeal of the Jamaica Act. The Board of Trade, ignoring the pleas of the agent, recommended the repeal of the Act on March 7, 1760. As creditors in the financial structure of plantation investment, the West Indian planters believed that any increase

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40 Journal of the Board of Trade, LXVII (1760), 90.
41 Ibid.
42 Ibid., 92.
43 Ibid., 93.
in the value of the coin in the islands by the recognition of Spanish money would decrease their investment.

There is no indication that those West Indian planters who resided in Britain suffered from the war. In fact, James Massie, a pamphleteer, was active in attacking the opulence of that group. His pamphlet *A State of the British Sugar-Colony Trade* (London, 1759) claimed that the sugar planters gained profits double those of the landholders of England. In *A Computation of the Money that hath been Raised upon the People of Great Britain by the Sugar Planters*, written the following year, he claimed that the profits in 1759 of £840,000 would pay and clothe an army of 40,000 soldiers for one year. Massie, then, viewed the wealth of the West Indian interests in the light of the growing national debt caused by an expensive war in Europe and in the colonial areas across the seas.

Was Massie right? By relating the London sugar prices in the years 1739 to 1763 to the costs of insurance, transportation and the structure of duties, Pares concluded that the planter neither gained nor lost during the period after 1739. The planters were concerned primarily with the security of

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44 Pitman, *Development of the British West Indies*, 344.


their colonial investments and the maintenance of the factor partnership which they financed from London. The credit of the sugar colonies did not rest on the problem of war in the Caribbean, Pares concluded, but "on the financial weather in London." 47

The British mercantile interests, then, generally favored the prosecution of the war. The City, directly allied with the administration, sought the expansion of their commercial interests. The East India Company and the Hudson's Bay Company made large territorial claims with the support of a ministry dedicated to prosecuting a war at sea and in the colonies. These companies remained virtually unchallenged after the fall of the French in India and Canada. The slave traders made great gains in the war period due to the conquest of a number of French sugar islands in need of a constant labor supply, and due to the conquest of the source of that supply. The West Indian interests were faced with problems of a fluctuating sugar market, problems of acting as creditors for and absentee landlords of their plantations, and problems of competition from the sugar producers of the captured French sugar islands. But these interests, which gained financially with the progress of the war, saw Pitt as an economic saviour and saw in the great conquests of the war extensive possibilities for permanent commercial growth. Nonetheless some of these

47 Ibid., 516.
interests found the years of peace making to be as promising as the years of the war to 1760 would have led them to believe.
THE MERCANTILE INTERESTS AND THE COMING
OF THE PEACE, 1760-1762

A total British victory over the French became a near reality with the British conquests in India, Canada and the West Indies. The last years of the war were marked by the attempts of the mercantile interests to protect their positions. The extensive successes of the war produced a desire by each of the mercantile interests to retain the commercial gains created by the war.

The British mercantile interests looked upon the fall of New France as an opportunity to expand their trade into the conquered territories. The Hudson's Bay Company, chief amongst these interests, sought to gain control of the vast fur-producing areas west of the St. Lawrence Valley; such control would greatly increase the area of the Company's operation. Thus the Company jealously guarded its interests out of fear that the non-company traders would break the Company's monopoly. The Company, after failing to receive any compensation from the French for damages to its trade, now found that these English interlopers, dubbed "Pedlars from Quebec," offered a great challenge to the Company's domination of the home markets shared previously only with the fur traders from New York.

1Rich claims that since it was obvious that Canada would be retained, the Company claims were now a domestic matter. The Company wrote off the debt attributed to French damages. The "Account of the French Nation" amounted to about £100,000. Rich, Hudson's Bay Company, I, 657-9.
The trade statistics indicate the rapid growth of furs imported into Britain after the fall of New France. Imports for the year 1761 were double those of 1760 and those for the year 1762 showed an even greater increase in volume over 1761. Of the 173,586 beaver skins imported in 1762, 93,630 came from Quebec, 50,499 from Hudson's Bay, and 14,912 from New York. It is evident from these figures that the Company faced serious competition. Clearly, the Company's so-called monopoly was being undermined. Nevertheless, the conquest of Canada gave Britain a complete control of the fur trade: this constituted one of the chief commercial consequences of the war.

Both the Board of Trade and the ministry were anxious to include the newly conquered territory within the commercial policies of the empire. On February 5, 1761 the Board took up the matter of "His Majesty's Dominion of Canada in North America in respect to the regulations, which may be necessary for putting the trade and commerce of the said country under the like regulations, as have been prescribed for other British Colonies in America." On February 11, 1761 the Board

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2 See Appendix III, drawn from Beer, British Colonial Policy, 214.
3 Ibid.
4 Ibid.
5 Journal of the Board of Trade, LXVIII (1761), 163.
of Trade recommended the inclusion of Canada within the commercial framework of the empire. The ministry accepted these recommendations. The King, speaking in Parliament on March 9, 1761, echoed the policies of the ministry when he spoke of the conquest of Canada as being "of the utmost importance to the security of our colonies in North America, and to the extension of commerce and navigation of my subjects."7

What was the position of the Hudson's Bay Company regarding these policies? The Company was intent on maintaining its position in the British markets as well as restating its territorial claims.8 If the Company could gain control of the fur-bearing areas claimed by the English traders from Quebec, the chief rival would be excluded by law from that region. On June 1, 1761 the Company forwarded its claims to Lord Egremont, Secretary of State, and requested a conference "on matters relative to their trade and settlements, and of a demand they have on the French nation."9 On September 8, 1762 the Company reitterated its claims.

However, the boundaries were not defined until after the signing of the Treaty of Paris. On March 23, 1763 the

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6Ibid., 164.


8Supra, p. 35-6.

Company, at the request of Egremont, defined its claims in Labrador. And, on May 5, 1763 Egremont asked the Board of Trade for a general report on the newly acquired territories and how they could best be utilized. This important report recommended the creation of a province of Canada and an Indian territory separated from Canada. These drawn out proceedings finally resulted in a defined boundary between the Hudson's Bay Company's territory and the lands reserved for the Indians: the Proclamation of 1763 defined the Province of Canada and the Indian lands which separated the Company's territory from that of Canada. By the Proclamation of 1763, any trader possessing a license issued by the Crown could trade in the area reserved for Indians. The Company gained nominal control over all non-Spanish areas "beyond the Heads or Sources of any of the Rivers which fall into the Atlantic Ocean from the West and North-West." Thereafter, the Company entered into the period of its greatest expansion. The Company challenged the competition offered by the English


11 A. H. Basye, *The Lords Commissioners of Trade and Plantations, commonly known as the Board of Trade, 1748-1782* (New Haven, 1925), 128.

12 See Map I. The boundaries of this map are based on the Proclamation of October 7, 1763 as found in C. S. Brigham (ed.), *British Royal Proclamations relating to America, 1603-1783*, XII, *Transaction of the American Antiquarian Society* (Worcester, Mass., 1914), 212-18.

13 Ibid., 216.
interlopers who had replaced the French fur traders after 1760 and eventually incorporated that group into the Hudson's Bay Company.

The control of the Newfoundland fisheries constituted an issue of discord not only among the principal maritime powers of Europe but among the British themselves. Pitt intended to exclude France from the area. To him the fall of New France meant the "cession of all Canada and its appurtenances, the island of Cape Breton and all other islands in the gulph and in the river of St. Lawrence, with the right of fishing, which is inseparably incident to the possession of the aforesaid coasts and of the canals and straights which lead to them." 14 As long as Pitt remained predominant in the cabinet, he maintained that the retention of Newfoundland by Britain and the exclusion of the French from their fishing rights should constitute a sine qua non of peace with France. 15 But, with his power declining, the cabinet overruled Pitt's proposal to continue the war rather than renew the clause of the Treaty of Utrecht which allowed the French to fish off Newfoundland. 16

14 From the British Memorial of July 29, 1761 as quoted in Kate Hotblack, "The Peace of Paris, 1763," Transactions of the Royal Historical Society, 3d ser., II (London, 1908), 239.

15 Marjorie Reid, "Pitt's Decision to Keep Canada in 1761," Report of the Canadian Historical Association, 1926 (Toronto, 1927), 25; based on a letter of Newcastle to Hardwicke of December 3, 1760 (Add. MSS, 35420, f. 129.)

What were the reasons for Pitt's insistence upon the exclusive control of the fisheries as a sine qua non of peace? Commercially, Britain would gain control of the French fishing trade and by this, the British fishing interests would eliminate France, their chief competitor in the marketing of fish to Spain, Italy and Portugal. The City took up the cause of the fishing interests and Beckford urged the total British control of the fisheries. The City's alliance with Pitt was fully recognized by the rest of the ministers. "The expulsion of French fishermen from the Newfoundland waters," von Ruville emphasized, "was a special desire of the London mercantile world, and the support of this party might easily be lost by a disregard of their wishes." Thus, due to the activity of the mercantile interests and their alliance with Pitt, the British terms for peace in late June, 1761 included the exclusive control of the fisheries.

The Board of Trade made an investigation in 1762 to determine the value of the fisheries to both Britain and France.

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19 The Duke of Bedford, later British plenipotentiary, energetically opposed Pitt and the ministry on this point. Bedford believed that the exclusion of France from the fisheries would bring "all the naval powers of Europe against us." Bedford Correspondence, III, 26.
20 Br. Mus. Add. MSS. 35913, f. 73, Hardwicke Papers DLXV, 'Papers relating to Canada and Newfoundland'; a summary of these papers is given in Hotblack, "Peace of Paris," 265-6.
The findings revealed that in 1762 the French had 14,800 men engaged in the fisheries while the British had only 7,800 and that France grossed £467,761 from the trade in that year compared to £388,000 by the British. Small wonder the Board of Trade stated conclusively that "the Newfoundland Fishery as a means of wealth and power is of more worth than both Canada and Guadeloupe." Several contemporaries reached the same conclusion.

Using historic claims of Britain to the areas controlled by France, an anonymous memorial emphasized the commercial value of the area, notably its value as a market for exports. "If these valuable provinces remain quietly in the hands of the English," the memorial stated, "they will be the masters of the finest trade in the world, having other nations dependent on them, and at the same time the finest nursery for seamen and the greatest consumption of the woolen and other British manufactures by reason of the coldness of the climate and the multitude of the vessels to be employed in the business." A pamphleteer by the name of George Heathcote expressed the value of the fisheries in terms of naval strength. Using elaborate tables to show the naval powers of France and Britain he

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concluded that the French preponderence in the fisheries gave them the advantage in the struggles for empire. It is interesting to note that Heathcote's Letter on Trade (London, 1762) was addressed to the Mayor and Council of London.\textsuperscript{24}

Thus the exclusive control of the fisheries would be of commercial, strategic and military value to Britain: of this there was little doubt. Yet the British ministry after the fall of Pitt was not prepared to demand the exclusive control of the fisheries by Britain. In fact, Pitt's determination in 1761 to gain a monopoly of the fisheries at all costs probably brought about the alliance of France and Spain and consequently the extension of the war.\textsuperscript{25} Nonetheless, as will be demonstrated later, the British fishing interests did make substantial gains at the expense of the French by the Treaty of Paris.

The positions of the West Indian planter interests and the slave traders relative to the coming of peace were linked closely to the conquest of Guadeloupe. The fall of Guadeloupe was greeted with mixed emotions in London. Whereas the British conquest of Guadeloupe in 1759 meant increased markets for the British slave traders, it meant a loss of the privileged

\textsuperscript{24} Lounsbury, British Fishery at Newfoundland, 330.

\textsuperscript{25} J. L. Brown, "Spanish Claims to a Share in the Newfoundland Fisheries in the Eighteenth Century," Report of the Canadian Historical Association, 1925 (Toronto, 1926), 78 and Dorn, Competition for Empire, 375.
position enjoyed by the planters. "I congratulate you on our success at Guadeloupe," wrote Benjamin Franklin's son, William, from London. "That capitulation is, however, not much relished here; but I am well convinced that with a little prudent management it may be made a very valuable acquisition."

The desires of the British colonies in the Caribbean were clear. The government of Barbados had supplied 600 volunteers for the conquest of Guadeloupe. Statements from the Leeward Islands, Montserrat, Antigua, and St. Christopher's all had indicated approval of the British military effort. The Antigua Council, for example, saw in the conquest and retention of Guadeloupe the making of a balance between the southern and northern colonies:

Permit us to hope for a lasting extension of your southern in proportion to Your Majesty's northern colonies without which we fear that the enlargement of the latter may redound more to the benefit and advantage of the French than to the British sugar islands, whose existence seems to depend in a great measure upon an effectual extinction of that superiority which the French have always maintained in these islands, until the glorious era of Your Majesty's most auspicious reign.

Clearly, the smaller British islands favored the retention of Guadeloupe for reasons of security.

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27 Pares, War and Trade, 221-2.

28 Ibid., 223' from 'Antigua Council Minutes,' C.0.9126.
On the other hand, the West Indian sugar planters openly opposed the retention of Guadeloupe. One anonymous pamphleteer, in extolling the value of that island, attacked the sugar interests. "Witness the number of the proprietors of the sugar islands," he said, "that reside at London, and many of them sit in Parliament. If they dread Guadeloupe as a rival to their private interest, they must at the same time own, it is a great acquisition to the public wealth and strength. Thus Guadeloupe," he concluded, "one of the greatest acquisitions ever Britain made, acquires many powerful enemies from private views, and has nothing to plead but her public utility and advantage, often found too feeble an opponent to the private interest of a few."  

In his celebrated pamphlet Considerations on the Present War (London, 1761), Israel Maudlit, a wood producer having strong connections with the landed interests in Parliament, launched a vicious attack upon the sugar interests. "During the whole of Mr. Pitt's administration," he wrote in the preface, "no one had as much of his confidence as Mr. Beckford."  

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30 Ibid.

Maudlit claimed that Beckford dreaded an increase of the British islands in the Caribbean "lest that might lessen the value of his lands in Jamaica." That Guadeloupe and other islands were returned to France can, in part, be attributed to the pressure put on Pitt through Beckford on behalf of the planter interests of the more established sugar islands.

The British made great commercial gains during their occupation of Guadeloupe. Although the governor of the island had claimed that in the last nine months of 1759 not one ship had come with supplies from Europe, British traders soon found the markets of Guadeloupe to be lucrative. For example, a group of Liverpool slave traders claimed that while Guadeloupe was in British hands, they had imported 12,000 slaves. As in the case of Canada, the ministry quickly brought Guadeloupe under British imperial control; an administration for the colony was formed four months after the military conquest. In February 1760 the Board of Trade included Guadeloupe as a colony within the jurisdiction of the same economic regulations as other colonies. By 1762, Guadeloupe served as a popular market for British exports; in fact, it ranked third, after

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32 Ibid.
34 William Burke received an appointment as Secretary of Guadeloupe on September 12, 1759. Great Britain, Acts of the Privy Council, Colonial Series (6 vols.; London, 1908-12), IV, ix, 428. Two years later he was advocating, in an anonymous pamphlet, the retention of that island.
35 Ibid.
Jamaica and Barbados as a market. The merchants of Liverpool, 145 in total, stressing the importance of Guadeloupe to slave traders and British exporters alike, petitioned the ministry for the retention of that island. Little wonder that Governor Dalrymple, learning of the return of the island to France as an article in the treaty, wrote to the Board of Trade expressing great disappointment. He rightly regretted that the French would reap the fruits of Britain's labors.

The interrelated questions involving the retention of Canada versus Guadeloupe after 1759 and the retention of Canada versus the French sugar islands after 1761 provoked a pamphlet war and considerable public controversy. Historians, primarily Beer, Grant and Alvord, have attempted to view these controversies in the light of the mercantilist theories then prevalent.

One anonymous pamphlet, Reasons for Keeping Guadeloupe at a Peace, preferable to Canada (London, 1760), deserves consideration because it is a compendium of the arguments put

36 From a table of British exports to northern and southern colonies found in Beer, British Colonial Policy, 138.


38 Dorn, Competition for Empire, 363.

forth at the time. According to the pamphleteer, those desiring the retention of Canada had argued, "that we entered into the war only upon account of America..., that the trade of North America is the great foundation of all the British wealth and power..., that the fur trade might be entirely our own..., that one ship of the Hudson Bay Company is often so rich as to bring home more value than ten sugar ships: (and) that we have a sufficiency of sugar islands already...." He claimed that according to the promoters of the retention of Canada, Guadeloupe was of no significance compared with Jamaica. On the other hand, the pamphleteer explained that those desiring the retention of Guadeloupe argued "that Guadeloupe we certainly have and that Canada we have not; the fate of it is still dubious..." and, that "if our barriers in America shall be fixed by treaty to the certain limits...and Cape Breton retained or demolished...(this) would render America...as secure as the instability of human affairs can admit." Finally, "Canada can add nothing; but...a little improvement


in the fur trade...(and)...preventing the French from disturbing us in that quarter of the world for some time...." Such were some of the arguments used in the pamphlet war over the question of the retention of Canada or Guadeloupe.

The pamphleteer, having summarized the arguments, proceeded to describe the economic importance of Guadeloupe. "The sugar trade is far preferable to the fur trade," he claimed. "What does a few hats signify, compared to that article of luxury, sugar." Sugar islands made America more valuable to Britain; thus, since America was growing strong, he maintained, Britain would need more sugar islands. In conclusion, the pamphleteer argued "What can Canada yield to Britain...but a little extension of the fur trade? Whereas Guadeloupe can furnish as much sugar, cotton, rum, and coffee, as all the islands we have put together, and consume a vast quantity of the British and American produce, from which trade the shipping and naval strength of Britain must greatly increase." This pamphlet was typical of the interest shown at the time in the ideas of a self-contained and balanced empire, and of a role for the West Indies in the division of labor of the empire.

Despite the activity of the pamphleteers favoring Guadeloupe, Pitt was determined to retain Canada. According to

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42 Ibid., 779.
43 Ibid.
44 Ibid., 780.
Walpole, Pitt explained his difficult position to the House of Commons in the following terms: "Some are for keeping Canada, some Guadeloupe; who will tell me which I shall be hanged for not keeping?" His alliance with the Hudson's Bay Company; his tie with Beckford, and thus with the planter interests of the more established colonies; his desire to end French control in North America; and his desire to exclude France from the fisheries: all explain his demand for the retention of Canada. Although the peace negotiations of 1761 failed, Pitt still demanded the retention of Canada. After his resignation, the ministry maintained this claim, although acquiescing on the question of the exclusive control of the fisheries. In a letter to Lord Hardwicke on April 17, 1761, the Duke of Newcastle, Pitt's colleague in the ministry, explained that Pitt's plans for attacking the French East Indies, Belleisle and Martinique were intended to insure the gaining of the fisheries. Clearly, Pitt demanded Canada at all costs.

Diplomacy ultimately resolved the complex question of Canada versus Gaudeloupe. According to Reid, Pitt accepted the choice of Canada when Choiseul, the French Foreign Minister,  

45 Walpole, Memoirs of George III, I, 26. J. M. Sosin, in his Whitehall and the Wilderness; the Middle West in British Colonial Policy, 1760-1775 (Lincoln, Neb., 1962), 8, although understanding the pressures upon Pitt from political quarters within the ministry, fails to consider the general pressure on the "Great Commoner" from the nation at large and the specific pressures on him from the mercantile interests.  

46 Reid, "Pitt's Decision to Keep Canada," 25; based on Add. MSS. 35620, f. 245.
suggested to the king of Prussia that France would surrender her North American possessions as part of a peace agreement. George III, on the recommendation of Pitt, accepted the French terms, and thus the future of Canada was settled.\(^47\) Thereafter the question of Canada or the sugar islands was a matter of how much of the hinterland of Canada was to be retained and how many conquered French islands were to be returned.

The fall of Pitt came as a result of his desire to attack Spain. The growing amity between the two Bourbon crowns of Europe after the accession of Charles III in 1759 to the Spanish throne indicated to Pitt the possibility of a family compact. Spain's claims against Britain were threefold.\(^48\) First, Spain demanded a share in the Newfoundland fisheries, a condition which Pitt could hardly accept without recognizing the French demands to which he was violently opposed.\(^49\) Second, Spain questioned Britain's right to cut logwood in Honduras. Third, Spain complained of British privateers and smugglers who were carrying on an illicit trade with the port of Monti Cristi in Hispaniola.\(^50\) Choiseul

\(^{47}\) Ibid., 26.

\(^{48}\) Spain's reasons for entering the war were primarily economic. See Allan Christelow, "Economic Background of the Anglo-Spanish War of 1762," Journal of Modern History, XVIII (March, 1946), 22-36.

\(^{49}\) Brown, "Spanish Claims to a Share in the Newfoundland Fisheries," 76-80.

\(^{50}\) Weston Underwood MSS., Historical Manuscripts Commission, Report X, Appendix, I, 222.
introduced these complaints at the negotiations of 1761, thereby causing Pitt to take a defensive position against the increasing possibility of an alliance of France with Spain.

Pitt learned of the possibilities of an alliance before the negotiations began in June, 1761. The motives of the Spanish were clearly stated in correspondence between the Spanish ministries in Paris and Madrid. This correspondence, intercepted by British agents and kept secret by Pitt, augmented that which Pitt had feared since 1757. He warned Henry Stanley, the British representative in Paris, as follows: "You will give watchful attention to the conduct and motives of the Spanish ambassador and of all matters which may be of consequence and worthy of our knowledge." On August 15, 1761 France and Spain, as Pitt had anticipated, signed the secret Pacte de Famille in which France would support Spanish interests and Spain would come to France's aid by entering the war as soon as possible.

Pitt viewed the continuance and extension of the war as the only answer since diplomacy had failed to achieve peace between France and Britain. This failure he attributed to

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51 This correspondence is preserved in Chatham Correspondence, II, 92, 96, 98, 101 and Weston Underwood MSS., 216-21.
52 Chatham Correspondence, II, 126.
53 S. F. Bemis, The Diplomacy of the American Revolution (New York, 1935), 5n. The second family compact of October 3, 1743 was against the Hapsburgs in Italy as well as "against British maritime and colonial ambitions."
Spain's support of France. Only Lord Temple voted with Pitt at the cabinet meeting of September 18, 1761 on the issue of attacking Spain. Pitt's design was to carry on a vigorous war in all areas where the enemy could be found. "This he looked upon," said Burke, "to be the only means of procuring a safe and honorable peace." Pitt's position was commented upon by Lord Chesterfield: "I have now good reason to believe that Spain will declare was on us...This will be a great triumph to Mr. Pitt and fully justify his plan of beginning with Spain first."

The role of the mercantile interests in these events showed the desire of the City to retain a position of power in the government. The popularity of Pitt remained strong after his resignation, although the City temporarily extended their support to Bute and Egremont. A week after Pitt's resignation, Walpole, the mirror of the times, wrote on October 12, 1761 that the City was "ready to tear Mr. Pitt to pieces ...." However, on October 24, 1761, the City supported Pitt. "The City have voted an address of thanks to Mr. Pitt," Walpole wrote on October 26, 1761, "and have given instructions

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55 Chatham Correspondence, II, 169n.
56 Ibid., 156n, 157n.
58 Ibid., 135.
to their members; the chief articles of which are, to promote an inquiry into the disposal of the money which has been granted, and to consent to no peace, unless we are to retain all, or nearly all, our conquests." Pitt pledged himself to support the interests of the City in response to Beckford's statement of November 6, 1761 on behalf of the City in which he reaffirmed support for Pitt.

Pitt's continued popularity in the City was evident. He was asked by Beckford on behalf of the City to attend on November 9, 1761 the Lord Mayor's annual banquet at the Guildhall to which the leading figures of the country were invited. "Lord Temple and Pitt went and were vehemently applauded," according to a report in Egremont's papers, "and the authorities received them with as much ceremony as the King and Queen, which Lord Egremont thinks disgraceful." Walpole claimed that riots occurred, and that Sir Samuel Fludyer, the Lord Mayor, investigated and found that Beckford had promoted the riots in order to glorify Pitt at the expense of the King and his confidant, Lord Bute. Although Lord Bute, the "favorite"

59 Ibid., 138. The City of London's vote of thanks to Pitt can be found in the Annual Register (1761), 301-2.
60 Letters of Horace Walpole, V, 141 and Chatham Correspondence, II, 158-9.
61 Chatham Correspondence, II, 165.
of George III, never received acclaim equal to that of Pitt, he was popular for a short time with the mercantile interests of the City because of the extensive war effort in the early part of 1762.

John Wilkes, a member of the London mercantile community, praised Bute as he had praised Pitt in May, 1761. On October 2, 1762 Wilkes reported that Lord Bute's ability and integrity "have purchased that entire confidence throughout the nation, and especially in the City of London, that their purses are as much at his command as their hearts. Thus situated," Wilkes concluded, "he can have no inducement to make a bad peace." But the fall of Pitt meant a decline in the possibilities for success which an alliance with Pitt earlier had offered to Wilkes. Thereafter, the latter was to devote more time to his public attacks upon the King and the peace party. The rise of Lord Bute did not offer Wilkes or the City an alliance with the government equal to that which existed in the days of Pitt's promotion of a vigorous war policy.

The mercantile interests, particularly those of the City, had a smaller voice in the affairs of state after Pitt

64. Chatham Correspondence, II, 94. "I will never have an obligation in a Parliamentary way but to Mr. Pitt and his friends."

withdrew from the ministry. They were acutely aware of their decreased voice. The ministry had already agreed on the retention of Canada. The British conquests in 1762 of Grenada and the Grenadines, St. Vincent, Tobago, Cuba, Martinique, St. Lucia, and Dominica, heightened the fears of those West Indian planter interests who had earlier seen the retention of Guadeloupe as a threat to their position of supremacy in the London sugar market, as a threat to the established position of the older Caribbean colonies, and as a threat to their sales of sugar, molasses and rum to the northern colonies. After the fall of Pitt, the ministry continued to oblige this group, but thereafter the ministry and the peace party represented almost solely the interests of the landed classes.
V

THE RISE OF THE PEACE PARTY AND THE MAKING OF PEACE

The accession of George III on October 25, 1760 signified the addition of a third power to the direction of the affairs of the state. Whereas George II had maintained two powers, namely Pitt and Newcastle, in coalition in order to insure success in the war effort, George III and his confidant Lord Bute decided to enter into the political arena dominated by these figures and their factions. The King and his personal advisor intended to sheath the sword and make peace as soon as possible. To that end they sought to win the popularity of the nation.

This third faction was less concerned with the mercantile community than Pitt had been; moreover, it represented the landed interests in Britain and the majority of the voting public. Faced with a huge national debt, this faction hoped to end an expensive war. By doing this, the party of George III and Bute sought to relieve the pressures on the British public, particularly the landowners who contributed greatly to the cost of the war. "Landed men must love peace," stated Roger Newdigate, one of many country gentlemen who refused to oppose the peace because of the land tax.1 This faction's representative to negotiate a peace, the Duke of Bedford,

1Namier, Personalities and Powers, 72.
himself a large land owner, was a "little Englander." "I very much fear," he wrote to Lord Bute on June 13, 1761, "that, if we retain the greatest part of our conquests out of Europe, we shall be in danger of over-colonizing and undoing ourselves by them as the Spaniards have done." It was evident that in the negotiations for peace the mercantile interests would not receive full consideration of their commercial position which they expected as a result of the enlargement of the empire during the war.

The peace demands of the King and Bute were less than those of Pitt. Whereas Pitt would not have peace on any terms other than those the military situation appeared to justify, the King wanted a "safe and honorable peace" for which he was willing, he claimed in his accession speech, to prosecute a vigorous war. In this respect he reflected the nation at large. "The nation wanted peace," Lord John Russell stated in his preface to the Bedford correspondence, "if it could be had on such terms as England would dictate, and Mr. Pitt approve; but was neither willing to abandon any of our new possessions nor to thwart the popular minister under whose direction they had been acquired." The resignation of Pitt, therefore,

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2 Bedford Correspondence, III, 17.
4 Bedford Correspondence, III, xv.
produced a political vacuum which the King and his friends were anxious to fill. With Pitt gone, the ministry could make peace on less demanding terms.

Lord Bute, meanwhile, made gains in the circles of government after the accession of his king. A privy counci­lor in October 1760, he became Secretary of State in March 1761, a Scottish peer in May 1761, and First Lord of the Trea­sury and Knight of the Garter in May 1762. More important, he soon became the dispenser of royal patronage, and in that ca­pacity promoted a faction called the "King's Friends," who generally supported the policies of the Crown. Bute paid a price for being the "favorite" of the King, for he became in­creasingly unpopular in the eyes of those who did not receive the benefits of connection. The judgment of history has not redeemed him.\(^5\)

Before long Bute predominated in the cabinet. He gained sole control of foreign affairs when he forced Pitt's resigna­tion over the question of war with Spain.\(^6\) His supporter, Lord Egremont, replaced Pitt in the ministry. Bute gained even more power when, anxious for peace in Europe, he opposed the further granting of a subsidy to Prussia, despite the


opposition of Newcastle's faction. Bute's demands eventually contributed to the resignations of Newcastle and Hardwicke in May 1762. Thereafter, Bute, as First Lord of the Treasury, led a ministry in which he, George Grenville and Egremont controlled the key positions. Bute was then in a position to bring peace as soon as possible. But, as developments were to prove, his terms in the end alienated even Grenville and Egremont.

The ministry's choice of a diplomat to carry out the peace negotiations at Fontainebleau could not have been better for their purposes. Their choice, the Duke of Bedford, believed that the terms of the treaty should show Britain's moderation. This "little Englisher" had strongly opposed Pitt's rationale for extending the war. "Your Lordship," Bedford had written to Bute on July 9, 1761, "will give me leave to ask those who are willing to carry on the war another year, what advantages they can hope to gain to this country by it?" The conquest of Martinique would be useless, he had contended, and "cost so many lives of our brave countrymen, and such immense sums of money (and which I supposed the sugar planters will no more desire should be retained by us than they did in

7 *Cambridge History of the British Empire*, I, 494-5.

8 *Bedford Correspondence*, III, 23.
relation to Guadeloupe)." He had opposed the attack upon
Martinique as an attempt to gain further possessions in order
to insure that Britain would be able to demand the exclusion
of France from the fisheries. Bedford had maintained on July 9,
1761 that "the endeavouring to drive France out of any naval
power is fighting against nature, and...must excite all the
naval powers of Europe to enter into a confederacy against
us." He could see no advantage, he wrote to Bute, in "carry­
ing on a bloody and expensive war, when the object for which
it was begun ceases, and when there can be no prospect of
bettering the conditions of peace than what we now have." These views were to Bute's liking. On November 1, 1761 Bed­
ford became Lord Privy Seal and on September 1, 1762 he re­
ceived plenipotentiary authority to negotiate a peace with
both France and Spain.

Bute and Bedford became the object of hostile criti­
cism for their pacifistic tendencies. They were the butt of
a satire, presumably written by John Wilkes, which appeared
in the North Briton of November 13, 1762. It ridiculed their

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9Ibid., 25. Pares has explained Beckford's desire for
an attack upon Martinique without wanting to retain it after
the war. "He did not propose to keep Martinique; we were to
take it in order to exchange it for Minorca, and so avoid pay­
ing for that lost island by restoring Cape Breton a second
time." Pares, War and Trade, 185.

10Bedford Correspondence, III, 26.

11Ibid., 28.

12Ibid., 33.
attitudes on the making of a peace. More important for our concern, it reveals the pressure exerted on Bedford and Bute from the mercantile quarter, as the following shows:

Posterity shall write our panegyrick tho' faction and mechanics, and low-lived wretches who live by trade decry us--You have heard of the sugar-islands...these islands are not worth one farthing...they increase our sugar trade; that is granted: but sugar is a promoter of disease and luxury--it makes many of these citizens rich and assume airs of consequence....Let us therefore give up all the sugar islands to the French.13

The writer claimed that Canada was a "miserable and wretched country" and that "to use furs for warmth is surely a scandalous invention."14

Wilkes then turned his guns upon the East India Company. "They are haughty merchants," he wrote, "and too rich already--we will give them all up--saltpetre is the chief ingredient of gunpowder, gunpowder is used in war, we hate war, therefore we must hate the trade that furnished us with it; and that trade is the East India Trade."15 Although Bute claimed that the terms of peace were clear, in Wilkes' words, "these cockneys will presume to controvert and examine them--O, that I must be doomed to watch over the caprices of furriers, sugar-boilers, cod-merchants, planters, rum-distillers, freighters,

13 Wilkes, North Briton, II, 3.
14 Ibid., 5.
15 Ibid., 7.
importers and haughty East India directors!" After having directed Bedford to dispose of the smaller conquests of Senegal, Minorca, Gorée and Belleisle at his pleasure, Bute, in the words of Wilkes, concluded, "Remember, my Lord--Trade the bane of our nation." These passages were highly significant. This satire was directed against Bedford and Bute, as members of the landed gentry, to show that these men were disturbed by and concerned with the criticisms raised by Pitt and the mercantile interests against the ministry's terms of peace. These chief ministers, according to Wilkes--himself a representative of the middle class--had little regard for the commercial community which they considered had already grown too powerful and opulent. No doubt criticism such as this from the mercantile quarter made Bute and Bedford take defensive positions against such abuse.

The ministry gave Bedford strict instructions. He was to consider Acadia as part of Canada. He was to agree to the

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16 Ibid.
17 Ibid., 10.
18 The wealth of the mercantile interests often rivalled that of the landed interests. See G. E. Mingay, English Landed Society in the Eighteenth Century (Toronto, 1963), 263-6.
19 Egerton went so far as to conclude that "jealousy and fear of Pitt were the motives prompting the English ministry in the negotiations." H.E. Egerton, A Short History of British Colonial Policy (London, 1908), 176.
ceding of the two islands of St. Pierre and Miquelon as shelters for the French fishermen as well as for places for drying and curing fish, "provided the Most Christian King do admit to a reasonable inspection on Our part in order to ascertain the due observance of those conditions which are by the consent of France annexed to the cession of St. Pierre and Miquelon."\(^{21}\) He was also directed to devote close attention to the equal division down the Mississippi River, "which will fix the limits between the two Crowns in North America beyond dispute."\(^{22}\) The object of this boundary, according to Bedford's instructions, was to define the properties of France and Britain and thus "remove forever the source of those unhappy disputes which always arise from an equivocal and unsettled frontier, and from which the miseries and calamities of the present war have sprung."\(^{23}\) In short, Bedford was to give every consideration to North American issues.

The ministry's instructions did not take into account the views of the East India Company. On the contrary, they directed Bedford to agree to the return of the pre-war possessions "on the coasts of Malabar and Coromandel in their present state, retaining those which We have conquered from them

\(^{21}\)Ibid., 56-7.
\(^{22}\)Ibid., 57.
\(^{23}\)Ibid.
in Bengal, promising at the same time to fix upon some arrangement in the definitive treaty, whereby the French shall be enabled to carry on their trade in the Ganges." These terms were modifications of those demanded by the Company. The ministry informed the Company that its demand of the total removal of the French from Bengal left no room for negotiation and was therefore inadmissible. Perhaps the ministry did not want to obstruct the signing of a peace treaty which they so earnestly desired. Regardless of this fact, Bedford ultimately gained in the definitive terms everything for which the Company had hoped. But, in the negotiations for the preliminary terms, neither he nor the ministry were eager to make full demands upon the French lest the making of the peace should be delayed.

Bute was anxious to reach an agreement before Parliament convened. According to Pares, Bute could only defend a carefully prepared political position and he needed to know the exact state of the negotiations in Paris so that in the King's speech from the throne he could take the lead in the direction of war or peace. Small wonder that Bute urged Bedford on October 30, 1762 to come to an agreement with the

24Ibid., 59.


26Pares, War and Trade, 606.
the enemy as soon as possible. "For should the signature of the preliminaries be... defer'd at this critical juncture," Bute claimed, "the King will be obliged to consider it as a manifest indication of disinclination to conclude and must therefore form his speech to Parliament on a plan of continuing the war...." On November 3, 1762, the preliminaries were signed at Fontainebleau and Bute's fears of a debate in Parliament over the unsigned peace terms vanished.

Bute had every reason to fear strong opposition in Parliament for if Bute's most powerful opponent in Parliament, Newcastle, could regain his old ally Pitt, an effective opposition to Bute's peace party would exist. However, Pitt was not prepared to join once more with Newcastle. Hence, when the preliminaries came before the House of Commons, the one-time Pitt-Newcastle coalition remained divided. No effective leader existed in the lower house to lead an attack against the terms of peace.

On November 27, 1762, Hardwicke explained that the lack of opposition was due to the tenor of the nation. "I am persuaded," he wrote to Newcastle, "that the burden and tedium or the war, and the desire of peace are so strong in the generality of the Parliament, and of the nation (abstracted from

27"Bedford's Instructions," 72.
28 Ibid., 73.
29 Guttridge, The Early Career of Lord Rockingham, 30-1.
the interested or wild part of the City of London), that the very name of peace is agreeable to them, and they would have been content with terms rather lower than all we have been told of these Preliminaries." According to Guttridge, the lack of opposition in the lower house was due, in part, to the lack of leadership, for Legge, Yorke and Townshend were either "inadequate" or "unreliable." In the upper house, Grafton, a young follower of Pitt, ventured to challenge the peace. However, the opposition which he mustered consisted of a group of discontents with no united plan. Thus, when Pitt refused to accept Newcastle's invitation of December 3, 1762 for a coalition against the peace, the sole possibility of a strong opposition to the ministry disappeared.

Bute further strengthened his position by winning Henry Fox to his side. The value of Fox, a ruthless and ambitious politician, lay in his ability to oppose Pitt in the House of Commons. According to Pares, "Fox was the man for this uncomfortable but not dangerous position." Fox, as the instrument of Bute and the King, was to be successful in gaining a large majority for the peace in the House of Commons.

30Namier, England in the Age of the American Revolution, 454.
33Pares, War and Trade, 607; for the inclusion of Fox into the cabinet see Namier, England in the Age of the American Revolution, 401-17.
The King considered Fox the lesser of two evils. Although he classified Fox as "a man void of principles," George III needed a strong politician to assist the ministry in the Commons. Neither Grenville, the leader in the House of Commons, nor Egremont could be counted on, for their terms of peace exceeded those of Bute. Pitt and Newcastle were in opposition. Thus Fox remained the sole parliamentarian of power capable of leading the House of Commons in support of the peace as desired by the peace party. This he fully realized when he wrote:

His Majesty was in great concern lest a good peace in a good House of Commons should be lost, and his authority disgraced, for want of a proper person to support his honest measures and keep his closet from that force with which it was so threatened.

On November 25, 1762, at the opening of Parliament, the King expressed the following views on war and peace:

I found, on my accession to the throne, these my kingdoms engaged in a bloody and expensive war. I resolved to prosecute it with the utmost vigour, determined, however, to consent to peace, upon just and honorable terms, whenever the

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34 Namier, England in the Age of the American Revolution, 408.
35 Ibid., 390-1. Egremont's views at this time are not fully known. Presumably, he agreed with Grenville. The latter believed that Guadeloupe and St. Lucia should be kept to pay the cost of civil and military government in North America. The Grenville papers show that he would rather have given up his office than sign the peace terms before they were accepted by Parliament. D.M. Clark, The Rise of the British Treasury: Colonial Administration in the Eighteenth Century (New Haven, 1960), 108-9.
events of war should incline the enemy to the same pacific disposition.37

The expansion of the war, he stated, adversely affected the commerce and increased the heavy burden imposed upon the nation. He looked for an "honorable peace." He claimed that history could not show greater military glory gained by any nation in a shorter time and that peace would bring territorial advantages, foundations for increased trade and terms sufficient to remove the causes of further conflict. "The conditions of these are such," he said, "that there is not only an immense territory added to the Empire of Great Britain, but a solid foundation laid for the increase of trade and commerce; and the utmost care has been taken to remove all occasions of future disputes between my subjects, and those of France and Spain, and thereby to add security and permanency to the blessings of peace."38

On November 29, 1762 the House of Commons received the preliminary articles of peace which had been signed at Fontainebleau on November 3, 1762 by the plenipotentiaries of Britain, France and Spain.39 The terms were not even considered in committee.40 Rather, Fox is reported to have defended the peace at considerable length and then moved an address of

37Journal of the House of Commons, XXIX (1761-4), 353.
38Ibid., 354.
39A translation of the preliminary articles of peace can be found in Cobbett, Parliamentary History, XV, 1241-51.
40Ibid., 1258.
thanks to the King. The peace, according to the address, would put to an end "a long, bloody, and expensive war." "We are convinced," the address explained, "that Posterity... will hereafter agree with us in esteeming that Peace to be no less honorable than profitable, by which there will be ceded to Great Britain such an addition of territory, attended with so great an extension of commerce." The interrelated questions of the amount of an "addition of territory" and of an "extension of commerce" were to be key issues in the debates.

Pitt, despite ill health, made a determined, yet unsuccessful, speech against the preliminary terms. Unlike other politicians of prominence, Pitt was perhaps the only one who considered the terms in the light of their economic and strategic value. His speech, therefore, stressed the importance of colonial acquisitions. He opposed the articles of the treaty "that obscured all the glories of the war, surrendered the dearest interests of the nation, and sacrificed the public faith by an abandonment of our allies." He based his attack upon the premise that the treaty did not reduce France to a

41 Ibid.
43 Ibid.
44 Cobbett, Parliamentary History, XV, 1260.
power of secondary importance. Yet he was not successful in defeating the preliminaries in the Commons.

In the House of Lords, the Earl of Shelburne moved an approval of the preliminaries and then defended the government's position. He claimed that territorial gains were of secondary importance to commercial gains. An increase of trade would result in an increase of sailors and, consequently, enhance the defensive posture of the nation. The control of Canada gave Britain an extended trading community along the Atlantic Seaboard and increased the security of the American colonies. The French concessions of the fisheries would enable Britain to maintain an additional 4,000 seamen. British control of North America, in short, was advantageous for both trade and defense.

With respect to the West Indies, Shelburne strongly opposed any expansion in that region. He used the prevailing balance of trade theory—namely that a nation's exports should equal her imports—to justify the return of Guadeloupe to France. Since Britain exported £1,000,000 in goods to Guadeloupe while importing £2,000,000, an imbalance existed which was very unhealthy for the nation's economy. Further, the

46 Cambridge History of the British Empire, I, 504-5; from Shelburne MSS., Vol. CLXV.
47 Ibid., 505.
British islands could produce more sugar, the value of which was doubtful anyway. Population increased in northern colonies, Shelburne explained, therefore the market for British exports would increase proportionately. This would furnish employment for millions of inhabitants of Great Britain.

Opposition to the preliminary terms in the Lords was minimal. Grafton, a youthful supporter of Pitt, replied to Shelburne. This reply, his maiden speech in the upper house, had little success except that his verbal abuse directed against Bute prompted the "favorite" to defend his position. Bute reportedly defended the ministry's position in a grandiloquent fashion, but at the same time left himself open to ridicule by making the statement that he wanted this inscription to be written on his tombstone: "Here lies the Earl of Bute, who, in concert with the King's ministers, made the Peace." Hardwicke, Newcastle's ally, delivered the strongest speech against the preliminaries. He claimed that certain territories were given to France for which Britain had not made an equivalent gain. Further, he claimed that the Lords were asked to give general approval to the preliminaries without

48 Ibid.
49 Turberville, House of Lords in the Eighteenth Century, 311.
50 Cobbett, Parliamentary History, XV, 1251-8.
studying the terms in detail. In retrospect, the opposition was not substantial: the Lords approved the preliminaries without a division.\textsuperscript{51}

Bute had advocated peace above all else. In so doing, he alienated Pitt and Newcastle in turn, and even Grenville and Egremont on the specific terms of peace.\textsuperscript{52} Although he and the King had intended to win the popularity of the nation by restoring peace, Bute suffered because of his connections and his terms of peace. He became the victim of public abuse and slander based upon such things as his Scottish blood, rumours of illicit relations with the King's mother, rumours of a plan to bring in a despotic regime, and his mishandling of the peace. He increased his unpopularity by pushing the tax on cider through Parliament in order to raise revenue. Riots ensued. The City unsuccessfully petitioned both houses of Parliament and the King himself to repeal the tax. The pressure on Bute became so unbearable that he resigned on April 8, 1763, a defeated man.

\textsuperscript{51}The House of Lords' address of congratulations to the King emphasized these important factors of the peace: "seeing the great Object of the war so fully answered, all proper attention shown to your majesty's Allies, a vast Extent of Empire added to the British Crown, new Sources opened for the Trade and Manufactures of this nation and stability and Duration insured...." Great Britain, Journal of the House of Lords, XXX (1760-4), 308.

\textsuperscript{52}Grenville and Egremont insisted on compensation for Havanna, and Bute, desperate for peace, transferred Grenville to the Admiralty and brought in Lord Halifax as a secretary of state. Egremont acquiesced. Z.E. Rashed, The Peace of Paris, 1763 (Liverpool, 1951), 176-7.
If Bute's resignation signified his defeat, Parliament's acceptance of his terms of peace signified his victory. These terms failed to satisfy all concerned; but none could. Some mercantile interests, as the following chapter will demonstrate, did not look upon the treaty with favor. The treaty did not offer the commercial community the extensive opportunities for commercial expansion which it had anticipated and considered tantamount to the war effort.
VI

THE TREATY OF PARIS

In Paris on February 10, 1763 the plenipotentiaries of Britain, France and Spain signed a treaty which brought the Seven Years' War to a conclusion. The terms of this treaty were generally advantageous to Britain and protected, in the main, the interests of the English mercantile community. In several instances the treaty allowed for the expansion of British trade, although perhaps not to the extent anticipated by the mercantile interests. Although the treaty eliminated French competition in North America, it did not do so in West Africa, the West Indies or India; yet in each of these areas, the British mercantile interests witnessed commercial expansion at the expense of their French rivals. If Pitt had remained the dominant figure in the cabinet after October 5, 1761, the terms of the peace probably would have been more advantageous to the mercantile interests, for Pitt had been prepared to expand the war in order to enlarge the empire. His successor, Lord Bute, on the other hand, sought to terminate the war and conclude a peace in which he was prepared to concede minor territories to France in order to gain a quick settlement. Thus to those who sought to retain the many territories which a superior military position appeared to justify, the treaty was a disappointment. Yet, no mercantile interest could complain that the enlarged empire did not offer further scope for the expansion of trade and commerce.
By the fourth article of the treaty, France renounced all claims to Acadia and ceded Canada, including Cape Breton and all other islands in the Gulf of St. Lawrence, to Britain. This article simply reflected the fact that the war, as emphasized in the British declaration of war, had been fought primarily for the control of North America. By the treaty, Britain replaced France as the imperial power in control of the vast hinterland beyond the coastal colonies. The "French Menace" was thus removed from America.

Even before the signing of the treaty, new imperial problems, which were portents of a greater struggle between Britain and the American colonies, were appearing on the horizon. These were due to the growth both of the American colonies and of the British debt. Vergennes, the French ambassador at Constantinople, possessed great insight into Britain's new problem as a result of France's relinquishment of Canada. "The consequences of the entire cession of Canada are obvious," he wrote. "I am persuaded England will ere long repent of having removed the only check that could keep her colonies in awe." Thus Britain's fight for the control of the hinterland seemingly did not end with the Treaty of Paris.

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1 Complete copy of the Treaty of Paris, February 10, 1763, can be found in Journal of the House of Commons, XXIX (1761-4), 576-94.
2 "His Majesty's Declaration of War against the French King," Shirley Correspondence, II, 450-3.
3 Gipson, The Coming of the American Revolution, 10-27.
4 Egerton, A Short History of British Colonial Policy, 178.
The location of the boundary between British and French possessions in America constituted a critical and long-debated issue in the negotiations. By the treaty it was "fixed irrevocably by a line drawn along the middle of the river Mississippi." France was to retain New Orleans. But, as Bedford had suspected, the French and Spanish negotiators, Choiseul and Grimaldi, had secretly negotiated a transfer of all of France's domains in the western portion of Louisiana, including New Orleans, to Spain.  

France evidently had little desire to retain any possessions in North America. According to Louis-Jaray, France wished to retain Guadeloupe and the other valuable French islands at any price. The French West Indies were the alpha and the omega of the French colonial empire and the source of the personal fortune of Choiseul and a great number of other prominent figures. The French mercantilists regarded Canada as a liability. Further, the suppression of the Jesuits in France in 1761-2 ended one key motive for the retention of the French colonies in North America. Voltaire, for one, wished "Canada at the bottom of the Arctic Sea together with the reverend Jesuit fathers." Evidently, French

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7 Quoted in Dorn, Competition for Empire, 260. For the reaction of the Jesuits in Louisiana see R.G. Waters (ed.), The Jesuit Relations and Allied Documents (73 vols.; Cleveland, 1900), LXX. 13.
colonial policy at the end of the Seven Years' War emphasized two dominant themes: the retention of the valuable French West Indies, particularly Guadeloupe and Martinique, and the relinquishment of New France to Britain and Spain.

Britain also made substantial gains in the North American fisheries, although the return to the French of their fishing rights off the coast of Newfoundland appeared to some Englishmen as the total restitution of all that the British had hoped to gain. According to the peace terms, the French retained "the liberty of fishing and drying on a part of the coasts of the island of Newfoundland," as specified in the Treaty of Utrecht. In addition, French fishermen were restricted to fishing at a distance of three leagues (approximately nine miles) from the British coasts in the Gulf of St. Lawrence and fifteen leagues (approximately 45 miles) from Cape Breton Island and Nova Scotia. According to the military governor of Canada, James Murray, the territorial control of these coasts gave Britain distinct commercial advantages.

Britain made important gains along the Canadian coast in the

8John Wilkes attacked these terms with wit and some geographic insight. He claimed, after the acceptance of the preliminaries, that the creation of these boundaries "...will turn out to be a grant of the whole fishery, unless our wise ministry will contrive to erect sea-marks, to be visible through the eternal fogs of those seas, and to have them guarded by the whole fleet of England." North Briton, III, 43.

9"...the Fish caught upon these coasts and in the bays, far exceed the bank Cod and fetch an advanced price in foreign markets: the fishermen being on the spot will commence fishing the very instant the season permits and will continue to the very last of it whereby at least two Months will be gained in the trade, which are just now a heavy expence to it, without producing the least profit to it." From "Report of the State of the Government of Quebec in Canada, June 5th, 1762," in Adam Shortt and A.G. Doughty (eds.), Documents Relating to the Constitutional History of Canada (2 vols.; Ottawa, 1918), I, 77.
salmon and whale fisheries not to mention the cod fisheries. A further term of the treaty ceded to France the islands of St. Pierre and Miquelon as shelters for the French fishermen. No fortifications or military forces were to exist on those islands. Finally, Spain renounced her claims to a share of the fisheries.

The Treaty of Paris gave full recognition to Britain's dominant position in the fisheries of North America. Yet, in the debates upon the preliminary treaty, Pitt violently opposed those terms pertaining to the fisheries. French retention of the two islands off Newfoundland, he claimed, would endanger British security and possibly enable France to regain her maritime power. Pitt still took the hard line: he demanded the exclusive control of the fisheries.

Britain and France continued to discuss the thirteenth article of the Treaty of Utrecht long after the signing of the Treaty of Paris. The article failed to make exact geographic definitions:

10 Ibid.
11 Spain renewed these claims during the War of the American Revolution. See Brown, "Spanish Claims to a Share in the Newfoundland Fisheries," 80-2.
12 Cobbett, Parliamentary History, XV, 1263.
13 The view of Innis supports Pitt's claims that France would rebuild her naval power from her Newfoundland fisheries. According to Innis, "The whole increase of the naval greatness of France had its foundation from its trade." H. A. Innis, The Cod Fisheries: the History of an International Economy (New Haven, 1940), 119.
...it shall be allowed to the subjects of France to catch fish and to dry them on land in that part only and in no other besides that, of the said island of Newfoundland which stretches from the place called Cape Bonavista to the northern point of the said island and from thence running down by the western side reaches as far as the place called Point Riche.14

On March 1, 1763 Egremont wrote to Bedford and reported that the Duke of Nivernois, the French ambassador in London, claimed for France an exclusive right as given in the Treaty of Utrecht to the total control of the north-eastern coast of Newfoundland from Point Riche to Cape Bonavista. After Bedford questioned Choiseul in Paris on this point, the French retreated to a diplomatic position of not demanding an exclusive right to fishing and curing on that coast.15 The Treaty of Versailles (1783) increased the complications of the division of the fisheries. The conflicting claims remained unsettled throughout the nineteenth century. In fact, they were not resolved until the Entente Cordiale of 1904.

By the eleventh article of the Treaty of Paris only those territories in India which were in France's possession at the beginning of 1749 were restored to France. That nation, in effect, renounced the many acquisitions made since that

14 Ibid., 138.
15 "Egremont to Bedford, 1 March, 1763 and 21 March, 1763" (P.R.O., SP. 78, no. 256), Legg, British Diplomatic Instructions, 79-82.
time. Britain thus became the uncontested European power in Bengal since France was forbidden to maintain garrisons or keep troops in the territories of the Subah of Bengal. Finally, both powers recognized Mahomet Ally Kahn as Nabob of the Carnatic and Salabat Jing as lawful Subah of the Deccan.

The definitive terms were, according to Clive as reported in his Letter to the Proprietors of East India Stock (London, 1764), "very advantageous to the East India Company." Yet they fell short of the Company's demands for the total exclusion of France from Bengal. The Company wanted the year 1744 to be used as the basis for the restoration; this would have signified the total exclusion of France from the region. But the definitive treaty established "the beginning of the year 1749" as the restoration date. Thus, the most significant conquests of Dupleix and of the French East India Company were nullified. These terms, while appearing satisfactory to the British nation as a whole, did not wear well with certain elements within the English East India Company. The terms of the preliminaries had caused dissensions among the leading figures of the Company. Thus began the contention for control of the Company between the forces of Robert Clive and Lawrence Sulivan, the leader of the Company at that time.

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16 Sutherland, "The East India Company and the Peace of Paris," English Historical Review, LXII (April, 1947), 180.
Sullivan had the ear of the ministry during the negotiations for the definitive terms. This was not extraordinary, for the Company maintained close connections with His Majesty's government throughout most of the eighteenth century. It maintained intimate contact with the Pelham connection but the resignations of Pitt and Newcastle during the last years of the war brought this to an end. However, Sullivan found a new ministerial contact in the young Lord Shelburne. The latter, a close associate of Bute and Henry Fox, proved to be a valuable asset to the Company, particularly to those followers of Sullivan who supported the ministry's position in the peace making activities.\(^{17}\) This, in part, explains both the position of Clive and his followers who opposed the preliminary terms and that of the Sullivan faction who were allied with the ministry.

Britain relinquished many of her Caribbean conquests: Martinique, Guadeloupe, Cuba and two islands of less consequence, namely Desirade and Maria Galante. She did, however, gain control of Grenada and the Grenadines as well as three of the four disputed Neutral Islands: St. Vincent, Dominica and Tobago. At the same time St. Lucia, which Lord Hardwicke regarded as the most valuable of the Neutral Islands, came under French jurisdiction--much to the disappointment of the

\(^{17}\)Sutherland, The East India Company in Eighteenth Century Politics, 90-1.
City. This concession is indicative of the desires of the British ministry, for the common Council of the City, jubilant at the further victories, had sent congratulations to the King regarding the conquests of St. Lucia and Martinique. These victories, they claimed, were assurances of "his majesty's desire to promote their commercial interests." Yet, according to Bute, the cession of St. Lucia was made "chiefly to render the Peace stable and permanent: to remove everything likely to produce animosities hereafter." Pitt's attack on the treaty centered primarily on the West Indian settlement. He opposed the relinquishment of Cuba, Guadeloupe, Martinique and St. Lucia, and claimed that the ministry seemed "to have lost sight of the great fundamental principle, that France is chiefly, if not solely, to be dreaded by us in the light of a maritime and commercial power." He contended that the restoration of those islands and the concessions granted in the North American fisheries would increase France's commercial activity. This, in turn, would permit the recovery of France and the return of her challenge to Britain's naval power. He incorrectly maintained that after the Peace of Aix-la-Chapelle France had gained

20 Cobbett, Parliamentary History, XV, 1265.
commercial superiority over Britain and by her trade in the Caribbean "supplied almost all Europe with the rich commodities which are produced only in that part of the world." He urged that since Britain's conquests in North America were of "little detriment to the commerce of France," and that since the state of the trade with North America was low and the prospects for growth poor, the control of even one of the major French islands would be lucrative for English traders and thus enhance Britain's naval power.

Pitt, more than any other politician of the period, understood the importance of trade routes. If Britain made gains in the Caribbean, he claimed, the trade of the "middle passage" would grow, as would that between the islands and the North American colonies. All the trade would center on Britain. If Britain relinquished the islands, Pitt warned, all these trading benefits would go to the enemy.

Dominica, prior to the war a so-called "Neutral Island," was the most important British acquisition in the

21Ibid.
22Ibid.
23Pitt's position is open to question. Professor Pares objected greatly to this point and claimed "...it was factious to run down North America and exalt the value of Martinique and Guadeloupe by comparison because Pitt was the man who had always insisted that the security of North America was the first object of the war, and the conquest of the West Indies a thing of second-rate importance." Pares, War and Trade, 610 n2.
Caribbean. The value of this island lay in its desirable military and commercial possibilities rather than its agricultural importance. The Privy Council emphasized the strategic position of this island situated between Guadeloupe and Martinique. But the island also had potential as a trading center. When Guadeloupe was still under British control, the governor of the island, Dalrymple, wrote to Bute suggesting the establishment of a free port at Dominica. "All these articles for Trade bought at the Cheapest & first hand or produced by our own industry," Dalrymple claimed, "put on shore at Dominica, within a few hours sail of two powerful Colonies in want of everything cannot fail to Attract Trade." A free port was necessary since the smugglers were prohibited from meeting in the Neutral Islands. Dalrymple claimed that this free trade would be advantageous to the slave traders, particularly since Goree was to be returned to the French. A free port would also be advantageous to the spice traders of the East India Company, to the exporters of wool, to the provisioners of sail cloth and naval stores, to the venders of fish and the like. Yet how could such a plan based on free trade be implemented in an


25 "Lieutenant-Colonel Campbell Dalrymple to Lord Bute from Guadeloupe, February 27, 1763," John Fortescue (ed.), The Correspondence of King George the Third (6 vols.; London, 1927), I, 49.

26 Ibid.
embrace based upon mercantilist theories? Dalrymple's plan was a sincere attempt to redress those grievances between the French and British traders in the Neutral Islands that were specified in the British declaration of war.

In Africa, Britain made substantial gains at the expense of her European rival. She gained Senegal and thus retained the valuable gum trade, but returned the island of Gorée to France.

The relinquishment of Gorée, understandably, did not pass without criticism. Pitt maintained, in his opposition to the preliminaries, that the ministry surrendered Gorée "without the least apparent necessity." He claimed that in the 1761 negotiations with the French both parties recognized the retention of Gorée as essential to the security of Senegal. Pitt failed to mention that Choiseul was prepared to cede both Gorée and Senegal provided England grant to France some other depot located on the African coast. Edmund Burke, also concerned with the security of British trade on that coast, reported in the Annual Register (1762) that by the terms of the treaty the English "seem to be the most advantageously situated for the trade in time of peace; and the French for carrying away the whole of it in time of war." But if

27 Cobbett, Parliamentary History, XV, 1266.
28 Ibid.
29 Savelle, Diplomatic History of the Canadian Boundary, 122.
30 Annual Register (1762), 61.
the island of Gorée had greater strategic value, the British acquisition of Senegal with "all the rights and dependencies of the river Senegal" had even greater commercial advantages.

The British ministry took steps to place the conquered area of Senegal under permanent imperial control. A wealthy merchant, Samuel Touchet, however, sought to secure a monopoly of the region in order to control the gum and slave trades. Since he was a leading textile producer, the control of the gum trade would have given him a steady supply of Senegal gum, indispensable in the printing of linen and cotton. Touchet based his claim upon valuable support rendered to the expedition of Thomas Cumming, the merchant whom Pitt had urged in 1756 to attack the French settlements on the West African coast in return for an "exclusive charter." By supporting Cumming, Touchet gained the right to claim half the charter. Despite opposition from other merchants, he made repeated demands which were disallowed upon recommendation of the Crown's legal advisers. John Wilkes publicly rebuked Touchet for his claims. Egremont, in a letter to the Board of Trade, reported that the ministry had decided to grant the

31 Chatham Correspondence, I, 221-2.
33 North Briton, III, 130.
governmental control of the region to the African Company. The Board of Trade concurred and placed the total territorial and commercial administration of the area in the hands of the Company. Thus despite Touchet's close connection with the ministry, his claims were denied, and the African Company added Senegal to its commercial jurisdiction.

The remaining terms of the treaty were of less importance. Belleisle was returned to France and Minorca to Britain. The French agreed to evacuate those territories belonging to the rulers of Hanover, Hesse, Brunswick, and Buckebourg which had been occupied during the war. They also agreed to recognize Britain's right to cut logwood on the Honduras coast and to build only "houses and magazines necessary for them, for their families, and for their effects." Britain's biggest gain at Spain's expense was the acquisition of Florida, traded in the negotiations for Cuba, "as well as all that Spain possesses on the continent of North America, to the East and to the South East of the river Mississippi."

The signatory powers recognized Portugal as a contracting party. Finally, if any of Portugal's colonies in America, Africa or in the East Indies were in French or Spanish hands, they were to be returned to Portugal.

\[34\] Shortt and Doughty, Documents Relating to the Constitutional History of Canada, I, 130.

\[35\] Ibid., 139.
How did the mercantile interests represented in Parliament react to these terms of peace? This can be determined by analyzing the second and third divisions in the House of Commons on December 9 and 10, 1762 respectively. On December 9, 319 members voted for and 67 members voted against the preliminary terms of the treaty. This indicated an overwhelming support for the treaty and for the ministry. On December 10, the third division was, perhaps, less critical for the acceptance of the preliminaries by the Commons; 227 voted for and 63 against. Of the opponents of the peace, nineteen of the fifty Members of Parliament with mercantile interests opposed the preliminaries. Most but not all of these appear to have voted against the peace for reasons of personal interest or complaint.

Sir William Baker, the Governor of the Hudson's Bay Company, voted against the peace. His reasons for doing so probably stemmed from his dissatisfaction at the loss of the privileged position of his company in the British fur markets in the face of the new competition furnished by the English traders from Quebec. Further, as a director of the East India Company, he could have been allied with Clive's faction who voted against the peace. Thus his close political

36 Several lists remain of these opposing the preliminary terms on December 9 and 10, 1762. No two are similar. This historian used the list given in Cobbett, Parliamentary History, XV, 1272-4.
connection with Newcastle in early 1761, according to the
evidence unearthed by Namier, does not account fully for
Baker's opposition to the preliminaries of peace.37

Robert Clive and his allies in the East India Com-
pany, namely H. C. Boulton and John Walsh, also voted
against the peace. Clive, indignant at the ministry's nego-
tiations which failed to press for the full demands of the
Company, rejected the advances of Fox to join with the gov-
ernment and gave his support to the opposition.38 Further,
Clive joined the growing opposition to Sullivan within the
Company. Sullivan, as an ally of Fox and Shelburne, favored
the preliminary terms of peace.39 Two other merchants with
East Indian connections opposed the peace: Thomas Walpole,
an ally of Pitt active in governmental contracts, and Wil-
liam Willy, a London cloth merchant.

Only four of fifteen M. P.'s with West Indian inter-
est voted against the peace. William Beckford, the wealthy
West Indian nabob and Lord Mayor of the City, probably voted
against the peace because of his strong alliance with the
commercial community of London, for as an absentee sugar plan-
ter he could have little reason to be dissatisfied with the

38 Namier, The Structure of Politics at the Accession of George III, II, 335.
39 Sutherland, The East India Company in Eighteenth Century Politics, 99-100.
return of Guadeloupe and Martinique to France. In addition to Beckford, three "West Indians" voted against the peace: W. Woodley, Sir W. Codrington and J. Thomlinson. Of these, only Beckford and Woodley could be counted as members of the powerful planter class; Codrington and Thomlinson would be included in the "outer-ring" of less influential "West Indians." Thus it is clear that the majority of the West Indian planters favored a peace which returned the valuable French sugar islands and thus insured the position of the British West Indian sugar producers in the home markets. Further, with Guadeloupe, Martinique and the other French islands in French hands, the slave trade would return to its pre-war normalcy. The treaty was agreeable and beneficial to the West Indian planters in particular.

The treaty was unsatisfactory to the following merchants. Bartholemew Burton, a prominent dealer in government stock, voted against the peace.40 This man, the Governor of the Bank of England, although owing his political success to Newcastle, probably opposed the terms of peace because of his strong commercial associations in the City. John Calvert, a brewer with no colonial connections, likewise opposed the terms of peace. His brother, Nicholas Calvert, also with interests in brewing and an eccentric with a record of continual

40Namier and Brooke, House of Commons, II, 164.
opposition, voted against the peace terms.\textsuperscript{41} Another mem-
ber in opposition, Bruce Fisher, a wealthy cloth merchant
who held government contracts for army clothing, voted
against the preliminaries.\textsuperscript{42} Two of his closest associates
with commercial interests in the City, Sir William Baker,
already mentioned, and John Wilkes, who vehemently attacked
the ministry and its peace in his \textit{North Briton}, voted with
Fisher in opposition.

The three Fonneraeus in Parliament voted with an
eye for commercial gain. The two Fonneraeu brothers pos-
sessed a victualing contract to supply the Gibraltar garri-
son and were extensive subscribers to the government loans
underwriting the war.\textsuperscript{43} One of them, Zachary, voted with
the opposition against the peace on December 1, 1762, but
after making an arrangement with Bute to gain further gov-
ernment contracts, he sided with the administration. His
brother Thomas and his nephew Phillip both voted against the
preliminaries but quickly allied themselves to the ministry
following Zachary's example.\textsuperscript{44}

\textsuperscript{41}Ibid., 177.
\textsuperscript{42}Ibid., 426-8.
\textsuperscript{43}Z. P. Fonnerneau, as well as two other opponents to
the peace in Parliament, Wm. Beckford and F. Honywood, under-
wrote large sums for the great government loan of December,
1759. From Add. MSS. 32901, f. 238 in Namier, \textit{Structure of
Politics at the Accession of George III}, I, 69.
\textsuperscript{44}Ibid., 447-9.
Three other merchants opposed the preliminary articles of peace. Francis Honywood, who made money from government loans, voted against the peace. Another in opposition was Sir Richard Ladbroke, a London brewer, banker, City M. P. and alderman. Joseph Mawbey, a vinegar distiller, also voted against the preliminaries. None of these merchants had political connections of any apparent importance.

From the above facts the following generalizations are pertinent. First, it is apparent that the "East Indians" formed the largest opposition of any vested interest to the treaty; four M. P.'s with direct and two with indirect interest in the East India Company opposed the preliminaries. Their opposition could have been due to their alliance with their leader, Clive, or, less likely, to their associations with Pitt and Newcastle. Certainly the preliminary terms were not equal to the Company's demands. Secondly, the City interests voted against the preliminaries. Beckford, Baker, Ladbroke and Burton all with large financial interests opposed the terms. Moreover, some government contractors voted against the peace. In this category Thomas Fonnereau, Bruce Fisher and Francis Honywood, who made much of their money from the profits of war, probably opposed the peace.

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45 Ibid., 635.
46 The preliminary and definitive terms relative to a settlement in the eastern hemisphere were quite different. Possibly, the definitive terms were more to the liking of this group. They certainly were to Clive.
because of the imminent loss of valuable and lucrative contracts. Finally, apparently no parliamentary representatives of the slave traders or merchants active in the fisheries objected to the terms. The moderate gains made by the British on the slave trading coast of Africa and in the fishing region adjacent to the Canadian shore no doubt satisfied these interests. Thus on the whole, the terms of the treaty, while obtaining the original objects for which the war had been fought, satisfied the expectations of the majority of the British nation except those, as Pares has said, "who lived by war or war-mongering."

On June 8, 1763 the Board of Trade reported to the ministry on the commercial potential of the newly acquired territories gained by the Treaty of Paris. Its formal report was a defense of the peace treaty and a projection of Britain's empire. It recommended what the Board considered to be the necessary regulations in order to insure the

47 Government contracts were exceedingly profitable in comparison to bidding. See "Report from the Committee Appointed upon the 4th Day of March 1763 to take into Consideration the Several Estimates and Accounts, etc. relating to the Expenditure thereof, since the Commencement of the late War...," British Sessional Papers, Reports, 1731-1800, (New York: Readex Microprint, 1960), Vol. I, no. 8, 3-27.

48 Pares, War and Trade, 610.

49 "Lords of Trade to Egremont, with Report, June 8, 1763," Shortt and Doughty, Documents Relating to the Constitutional History of Canada, I, 131-47.
gaining of commercial advantages from the new territories. At the same time the Board formulated the basis of the Proclamation of 1763. The Report defined the government's commercial policy in the new areas.

The Board of Trade reported that the fisheries constituted the first of the "most obvious Advantages arising from the Cessions made by the Definitive Treaty." "The Fishery of the River St. Lawrence consisting of Whales, Seals, Sea-Cows &ca has been in the short Period since the taking of Quebec," the Report went on, "carried to a much greater Extent by your Majesty's Subjects, than it ever was by the French, during their Possession of Canada." Further, the British control of the coastlines from Labrador to Nova Scotia, exclusive of the Newfoundland shores, was definitely advantageous. The Board was not, however, apprehensive about the French control of St. Pierre and Miquelon; these islands, according to the Report, could not sustain a large population and lacked wood "either for Firing or for any sort of Naval Construction." In addition, the Board believed that the Newfoundland coastline would serve as a better drying ground for the French fishermen. Nevertheless,

50 Shelburne was the ministry's chief ally on the Board of Trade. His views were predominant in the Report and the Proclamation of 1763. R. A. Humphreys, "Lord Shelburne and the Proclamation of 1763," English Historical Review, XLIX (April, 1934), 241-64.
51 "Lords of Trade to Egremont," 133.
52 Ibid., 134.
53 Ibid.
the Report cautioned against the possibility of a contraband trade to the islands and recommended that the Governor of Newfoundland should be directed to enforce strictly the Acts of Trade.

The Board of Trade also outlined the potential commercial advantages stemming from the possession of Canada. The valuable fur trade of the hinterland was the first and foremost commercial advantage. The Board's Report recognized the important market of the North American Indians, which the British exporters would be able to supply, and predicted that the expansion of the British empire in North America would make possible the settlement of the whole area "from the Mouth of the Mississippi to the Boundaries of the Hudson's Bay Settlements." Before the cession of Canada, the control of land by "land jobbers," the Report contended, had made the price of land in the American colonies so high that the colonists "were either forced into Manufactures, being excluded from planting by the High Price of Land (A Situation which they otherwise would have preferr'd) or forced to emigrate to the other side of the mountains...."

They also underscored the great advantage which Britain would secure from the increased supply of wood. The Royal Navy

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54 Ibid., 137.
55 Ibid.
needed more wood for masts and construction materials and the sugar islands needed more lumber for building supplies. In addition, the supplying of masts and stores for the Royal Navy "had been almost entirely stop'd by bad Management and Waste committed in Your Majesty's woods." Thus the Board of Trade regarded Canada not merely as market for British exports but as an area of supply and settlement.

The Board of Trade, justifying the exchange of Cuba for Florida in the negotiations, claimed that Florida would furnish all the commercial advantages given by a settlement area. The Board maintained that indigo, silk and cotton could be grown in this area which they claimed was similar in climate to the West Indies. The raising of these needed commodities would prove a strong temptation for the settlement and development of Florida.

The new British islands of the Caribbean, according to the Board of Trade's Report, should be settled and cultivated. "It is a known Truth, that the Produce of our West India Islands," the Report stated, "has hitherto been rarely sufficient to answer our growing Consumption in these valuable articles." The Board recommended the immediate settlement of the new islands in order to encourage the production of such important products as sugar, coffee and cotton.

57 "Lords of Trade to Egremont," 138.

58 Ibid.
The last advantages gained by the Treaty of Paris were the securing of the Senegal gum trade as well as the gaining of a larger share in the slave trade on the African coast. In addition, the Board argued that the exploration of the Senegal River might yield further articles of trade advantageous to Britain's commerce.

In these places "where planting and Settlement, as well as Trade and Commerce are the immediate Objects," the Board recommended the establishing of governmental systems. "Canada, Florida and the new acquired Islands in the West Indies," the Board of Trade reported, "appear to Us to be the Places where planting, perpetual Settlement and Cultivation ought to be encouraged and consequently where regular Forms of Government must immediately be established." The new acquisitions thus came under the regulations of the mercantile system and the governmental control of Britain. The African settlements, however, were to be administered, as were the other British trading areas in that region, by the African Company's committee. The Board, significantly, did not concern itself with the domains of the East India or Hudson's Bay companies. Like the African Company, the older companies remained lords and masters of the territories of their trade. These were areas which the Board considered to be unavailable for settlement and planting. In Canada,

59Ibid., 140.
Florida and the newly acquired islands in the Caribbean, governments were to be established.

The Report was the Board's justification, according to the *Annual Register* (1763), of the ministry's preference for these acquisitions above those of the West Indian islands which had been under British control during the war and were returned to France by the treaty. The Board, in this report, stressed the commercial and agricultural importance of the new areas of conquest, particularly those in North America.

The Treaty of Paris increased Britain's empire and hence gave to the mercantile interests further opportunities for commercial expansion. The representatives of the commercial community in Parliament, on the whole, found the definitive terms of this treaty acceptable to their commercial interests and to their political allegiances. Those merchants who opposed the peace did so for a variety of reasons. Clive's faction objected to terms unsatisfactory to the East India Company. The City interests, no longer in alliance with Pitt, were disconcerted with a peace which did not appear consonant with their commercial expectations and the extent of the war effort. Another group in opposition, the war profiteers, voted against the preliminaries; a treaty, for them, would end the expansive war-time economy of lucrative government contracts.

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60. *Annual Register* (1763), 19.
and extensive loans. The terms of the Treaty of Paris, the Board of Trade concluded, gave to Britain possessions with potential for extensive commercial development as well as desirable territories for settlement.
Most of the mercantile interests profited from a treaty which recognized the expansion of their commercial interests. In all the areas of empire--the West Indies, Africa, India and North America--territorial gains were made at the expense of France, Britain's chief trading rival. Thus, a war fought for commercial expansion ended with a treaty which, although allowing too many restitutions to suit some groups in the commercial community, satisfied most trading interests.

The West Indian planters made the most extensive gains as a result of the Treaty of Paris. Faced with competition from finer French sugars, faced with paying higher prices for slaves, faced with maintaining their positions as creditors to their colonial partners despite the cash shortage in the islands, and faced with criticism from the less-secure British West Indies (such as Antigua) which desired the continued control of the conquered French sugar islands, the West Indian nabobs as a powerful vested interest in the House of Commons were responsible for the return of the conquered sugar islands to their original owners.

Whitehall was well aware of the power of the West Indian interests. For this reason the Board of Trade's Report emphasized the value of Florida. The Board believed that
Florida could produce the same types of commodities grown in the West Indies which were in short supply. Further, the reports describing the value of the Caribbean islands obtained by Britain in the treaty pointed to a concern with the size of the islands, the hostility of the natives, the suitability for settlement and the economic value of the conquests.\(^1\) Plans for the colonization and cultivation of the new territories of Tobago, Grenada and the Grenadines, St. Vincent and Dominica aimed at developing the commercial value of these islands. Thus a ministry which had given back the lucrative French sugar islands because of the power of the West Indian interests sought to increase the value of these comparatively inconsequential islands totalling only some 700 square miles.\(^2\) Moreover, the Proclamation of 1763 insured the economic development of the Provinces of Grenada, East Florida and West Florida.

The West Indian interests, then, held the day even though sugar in Britain proved to be more expensive as a result of the reduction in the areas of supply. By effecting the return of the well-populated and rich sugar islands of Guadeloupe and Martinique to France, the West Indian interests were also indirectly responsible for reducing the markets

\(^1\)Acts of the Privy Council, Colonial Series, IV, 580-609.

\(^2\)Pitman claims that by the treaty, Britain acquired only 448,000 acres of land too mountainous for sugar cultivation. Pitman, The Development of the British West Indies, 335.
legally available to the American traders. Thus, while the American colonies waxed strong, the West Indian market area for the colonial merchant remained virtually unchanged. Consequently, the illicit trade between the American colonies and the French West Indies returned to plague the imperial authorities. Hence within the protective fence of mercantilism, a vested interest possessed sufficient strength to oppose the further extension of a monopoly fostered by the mercantile system.

The fur traders benefited by the inclusion of Canada within the imperial framework. After 1759 traders from the St. Lawrence Valley joined those from New York and Hudson's Bay who were serving the British market. Although the Hudson's Bay Company lost its position of prominence, and did not fully regain it until 1821 when that company merged with the successor of the English traders from Quebec called the North West Company, the Company did make gains at the peace. After 1763 it was not restricted to trading in the area defined as the watershed of the rivers draining into Hudson's Bay granted in its original charter. The Proclamation of 1763 aided the Company by permitting any licensed trader free access to the vast Indian lands: namely,

3Ibid., 332. Following the peace, the governors of Martinique and Guadeloupe welcomed the traders from the American colonies; this gave the Board of Trade much concern. Journal of the Board of Trade, LXX (1763), 426.

4Supra, p. 47-9.
...all the Lands and Territories not included within the Limits of Our said Three new Governments, or within the Limits of the Territory granted to the Hudson's Bay Company, as also all the Lands and Territories lying to the Westward of the Sources of the Rivers which fall into the Sea from the West and North West....

Previously these lands had been controlled only by the French fur traders. Thereafter interlopers were not permitted in the Company's domains, whilst the Company gained access to the new areas. But whether the Company or the "Pedlars from Quebec" benefited most, the British fur trade entered into the years of its greatest growth, made possible by the total control of the valuable fur-bearing lands in North America.

The direct control of the fisheries, made necessary by the extension of the fishing grounds, now passed to a colonial government. By the Proclamation of 1763, the coast from Hudson's Straits to the Island of St. John's and all islands off the coast came under the jurisdiction of the Governor of Newfoundland. Supervisory authority remained in the hands of the Board of Trade. Thus, with the

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5 Brigham (ed.), British Royal Proclamations, 216.

6 Two examples show the continuing power of the Board of Trade. On November 18, 1763 the Board of Trade granted to Richard Gridley and son the fishing rights of the Magdeline Islands which had been held previously by a Frenchman. Journal of the Board of Trade, LXX (1763), 345ff. Secondly, the "merchants and traders to Newfoundland" from the ports of western England, still active as a vested interest, made claims unacceptable to the Board for recompense for damages suffered during the war at the hands of the French. Ibid., 358.
termination of the war, the fisheries returned to the peaceful state so salutary to the merchants of the ports of western England.

The mercantile interests active in the woolen industries welcomed the extension of the empire in the North American regions. Traders and fishermen of these northern regions, not to mention the French Canadians dependent upon British supplies, required woolens for warmth. This benefited the landed interests responsible for the wool production as well as the rest of the woolen industry from the processors to the retailers.

Recent studies relating war and the economy concur that Britain's economy grew with war effort. However, since the Treaty of Paris reduced Britain's spoils of war, the disgruntled mercantile community, faced with problems of credit, must have asked what commercial value existed in war. Certainly

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8Wool production in the West Riding of Yorkshire more than doubled in the four years following the Treaty of Paris. From Table XI, Production of Broadcloths in the West Riding of Yorkshire, 1727-1800 in T. S. Ashton, An Economic History of England: the 18th Century (New York, 1955), 249.

the command of the sea constituted the great victory of
the war for the commercial community. Wilson, for one,
concluded that the development of the British economy "was
based, historically, on the conscious and successful appli-
cation of strength." Thus Britain's economy in the eigh-
teenth century advanced with the wars.

However, it must also be underscored that the sky-
rocketing war debt gave political ammunition to the peace
party in Parliament. The war, costing some £82 millions,
added £60 millions to the national debt. Whereas in 1757
the national debt had totalled £77.8 millions, by 1763 it
had leaped to £132.1 millions. Little wonder that the
King described the war as "expensive" in his speech at the
opening of the parliamentary session which accepted the pre-
liminary terms of peace. George III claimed that the war
intensified Britain's difficulties "by adding to the heavy
burdens under which this country already laboured." Peace
to the landed interests meant the end of a costly war. As
Hall claimed, administrative costs would soar if a great
number of conquests were retained by the treaty and the peace
party, fearful of increasing the costs of an already expensive

11 These figures were taken from *ibid.*, 313-4.
12 *Journal of the House of Commons*, XXIX (1761-4), 353.
empire, abandoned many conquests. Seeking to win the popularity of the bulk of the nation by terminating a costly war, the peace party made a peace agreeable to the landed interests.

Lord Shelburne, the leader of the peace party who was responsible for the ministry's implementation and defense of the Treaty of Paris in the Proclamation of 1763, came under the influence of Josiah Tucker, the most notable of the predecessors of Adam Smith. Tucker attacked the expense of the war, maintained that mercantile restrictions were unprofitable for trade, and deplored the emphasis placed on territorial acquisition. A recent study claims that in the summer of 1762 Tucker visited Shelburne, who was "preparing to push the peace through the House of Lords," and reportedly warned him and the government against keeping Guadeloupe and Martinique. The degree to which Tucker influenced Shelburne and the eventual terms of peace remains conjectural, of course, but nonetheless Tucker, as the principal opponent of mercantilism at that time, made clear his theories to Shelburne. The Proclamation of 1763, accentuating the development of settlement and cultivation rather than an expansion of commerce, trade and mercantile controls, reflects Tucker's theories.

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13 Hubert Hall, "Chatham's Colonial Policy," American Historical Review, V (July, 1900), 672.

Had Pitt remained in power until the conclusion of the war with France and Spain he would have demanded sterner terms of peace. Pitt was concerned with conquests and not with the costs of those conquests. A more extensive empire could have been acquired, but at a price which the peace party could not accept. Yet, despite Pitt's disappointment, the empire after 1763 offered much scope for commercial expansion.

Statistics showing the empire's trade indicate the steady growth of overseas trade in the decade following the Treaty of Paris. In that period, traders to Asia witnessed the most significant gains; the empire was entering into a period of increased trade and exploration in the eastern and southern hemispheres. The British West Indies continued their role as the leading supplier to the mother country. Yet the new acquisitions in the Caribbean seemingly did not prove valuable as markets for the British exporter. The American colonies, their exports growing at a slow rate, consumed increasingly more British products. Britain's trade with the remaining areas of British North America and Africa maintained rates of slow but steady growth.

See Appendixes I and II.

What conclusions can be drawn from these observations? After the Treaty of Paris, Britain's trade continued to grow in an expanded empire, particularly in those North American possessions held prior to the commencement of the Seven Years' War. But the fact that Britain's West Indian possessions were not noticeably increased by the treaty forced the American traders to return to their old markets in the French West Indies. The growth of the thirteen colonies after 1763 emphasized an imbalance apparent before the war which the British in the Treaty of Paris had failed to rectify. Further imperial controls, as part of the peace party's policy of economy and reform, would thus be needed to control smuggling. In the eastern regions of the empire, the trade volume of the East India Company increased significantly and the imperial domination of India was underway. Thus of the three major areas of empire--North America, the West Indies and India--the West Indies alone, while remaining important as an area of supply, did not offer a market of sufficient magnitude to absorb the growing American exports, a situation which remained chronic through the American Revolution.

In summary, the British mercantile interests--sugar planters, slave traders, fur traders, spice dealers, fishermen and others engaged in trade--influenced in varying degrees

17 In 1764 the Royal Navy was authorized to guard against smuggling, vice admiralty courts were created and the Sugar Act was instituted. All were aimed at the control of illicit trade.
the Peace of Paris. If the treaty appeared unsatisfactory to their commercial and financial positions it did so because of their great expectations from an extensive and victorious war. The fall from power of their political ally, Pitt, in late 1761 terminated their close ties with a ministry dedicated to a vigorous war effort. Thereafter, the peace party, in full control of the government, failed to fully consider the extensive commercial advantages which could be gained from the conquered areas. Rather, the ministry sought a quick settlement with France and Spain and returned many valuable territories which the trading interests, exclusive of the West Indian planters, had hoped to retain. The return of Guadeloupe, Martinique and the other captured Caribbean islands, the slave post of Gorée, and the continued recognition of France's fishing rights off Newfoundland: all of these restricted the merchants engaged in trade with those areas.

Yet, the Treaty of Paris benefited the majority of the mercantile interests. It granted the East India Company new domains and enlarged areas of trade; it offered the Hudson's Bay Company access to the vast Indian lands to the south of their territories; it gave the slave trader Senegal as a source of supply and the newly acquired islands as markets; it offered the West Indian planters continued protection; and it granted the fishing interests the Canadian coastline. The
enlarged empire, moulded by the desires and actions of the mercantile interests and re-inforced by the efforts of the war, promised further possibilities for the trading community. Britain's first empire, born of commerce, grew with the Treaty of Paris to the benefit of the mercantile interests.
APPENDIX I

OVERSEAS TRADE OF BRITAIN WITH THE
AMERICAN COLONIES, THE WEST INDIES AND ASIA,
1745-1774*

(in £000)

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APPENDIX II

OVERSEAS TRADE OF BRITAIN WITH AFRICA AND BRITISH NORTH AMERICA, 1745-1774\(^a\)

(in £000)

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APPENDIX III

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\(^a\)From G. L. Beer, British Colonial Policy, 1754-1765. New York, 1907, 214 from Board of Trade Com. Series II, 626, B II.
Map I.--North America, 1763
Map II.—The West Indies in the mid-Eighteenth Century
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